

ALASKA STATE TESTS - 1982/86

SCRA 1272

SB 180/HB 170

1272

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 to 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:ljd

Attachment

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Bob Day
800 Smythe St
Fairbanks, Ak. 99701
488-2020

EARLIEST LETTER TO ALL ALASKA'S LEGISLATORS

Dear Senators and Representatives:

I am writing you to urge you to vote against the passage of CSHB 170 (CSSB 180 is identical). This bill will give my Borough assembly the power to enact ordinances that emasculate the rights of the Borough residents as well as destroy the right of our citizens to vote on the exercise of powers to develop our industries.

The voters of the Fairbanks North Star Borough voted down the industrial revenue bonds that would have permitted unrestricted development in areas outside cities by 76%; but this bill would give us the development anyway, without voter approval.

In addition, the bill would reduce the petitioning time from 90 to 60 days. It would prevent petitioning for a change in administrative regulations; and it would require 10 petition sponsors where none were required previously. It would also 'up' the penalties for violation (or "threatened" violation) of an ordinance to \$1000 from \$500 and require a mandatory penalty of 5 days jail for each violation (each day). Doesn't this sound a little bit wrong to you if our State Constitution says in ArtX, Sec.1 "... to provide for a maximum local self-government."?

To me these changes represent the forging of another link in the chain of socialistic, government administered slavery. Someone in that august Legislative Committee that hatched this plan doesn't like to have voters vote on things, doesn't like people who want to save their money and keep wasteful government and big industry out, and doesn't like voter petitions to change things.

This bill is an evil attempt to sidestep the voter. Do you think the voters would vote for such changes as proposed by this bill? Obviously not. That's why it's in the form of this kind of subterfuge - an '93 page bill, innocuously titled, that few if any of the legislators will read. It will make it easier for devious administrators, assemblymen, mayors, and lackey judges to further bind the citizens with bureaucratic red tape, legal complexity, and economic slavery.

If you haven't yet read this bill, please at least read page 79 where blanket "economic development" and "transportation services" creation powers are given away.

This bill has other palpably illegal changes to our laws proposed, but time limits my enumeration of them.

I hope that you kill this monster of a bill with a "no" vote and encourage other legislators to do so also.

Sincerely Yours,

Bob Day

Bob Day

3-1-82

Re: File No. A66-179-79
Applicability of AS 29.18.211
to State land entitlement
of the North Slope Borough

Sections 201-213 of AS 29.18 became effective on July 1, 1978. The North Slope Borough is a municipality specifically listed in AS 29.18.201(11), and thus its motion for dismissal was required within 60 days of July 1, 1978, or in other words by August 30, 1978.

On July 1, 1978 the case of North Slope Borough v. LeResche, cited above, had been argued and was pending decision in the Supreme Court for the State of Alaska. On August 4, 1978 the decision of the Supreme Court, holding for the State of Alaska and against the North Slope Borough in this case, was issued. That decision did not become final, pursuant to Rule 27 of the Alaska Rules of Appellate Procedure, until the time for a possible petition for rehearing had passed. That time is set by the rule at ten days, unless extended by the Court. On August 9, 1978 and again on August 11, 1978 the attorneys for the North Slope Borough sought from the Supreme Court an extension of time for the filing of a possible petition for rehearing. Their first request did not specify a date to which they wanted the time extended, but their second motion requested an extension to September 4, 1978. The Court ordered the time for filing a possible petition for rehearing extended to September 5, 1978. No petition for rehearing was in fact filed, and the mandate of the Supreme Court, finally ending this lawsuit, was entered on September 11, 1978.

Thus it appears that during the entire time from July 1, 1978, the date of passage of AS 29.18.211, until September 11, 1978, the date upon which the Supreme Court mandate was finally entered, the North Slope Borough was "engaged in litigation" within the meaning of AS 29.18.211; further, during that time period, "... litigation [was] pending ..." within the meaning of that section. It appears that on the last day within which the North Slope Borough could have filed a motion for dismissal with prejudice, namely on August 30, 1978, the Borough was still within the time period granted them by their motion to consider filing a petition for a rehearing; that period did not expire until September 4, 1978. The litigation ceased to be "pending", and the Borough ceased to be "engaged in litigation", only after entry of the mandate of the Supreme Court on September 11, 1978.

The file in this case does not indicate that the North Slope Borough filed a motion for dismissal with prejudice before the Alaska Supreme Court regarding the election of benefits which is required under AS 29.18.211, and the presumption must be that such a motion was not in fact filed. Further, I am not aware of

Theodore G. Smith

-3-

February 19, 1980

Re: File No. A66-179-79
Applicability of AS 29.18.211
to State land entitlement--
of the North Slope Borough

any other written documentation presented to the Court, which could be argued to have in effect fulfilled the purposes of a motion for dismissal with prejudice, within the time allowed by the statute. Instead, after the election period started running on July 1, 1978, the Borough, through its counsel, twice filed motions for an extension of time within which to consider filing a petition for rehearing. These motions were granted and the time was extended to September 5, 1978. The Borough took no affirmative act to close the period for filing such a petition until after August 30, 1978, and it expired by its own terms on September 5 upon the failure of the Borough to file a petition for rehearing.

Based upon the foregoing, the North Slope Borough should be requested to produce documentation meeting the requirements of AS 29.18.211 and demonstrating its eligibility for the land entitlement set forth in AS 29.18.201(11) for 89,850 acres of state land. If such documentation of compliance with the requirements of Section 211 was not filed and cannot now be produced, then the statute requires that the Borough's inaction "... shall be considered a waiver of entitlement under Sections 201-213 of this chapter."

If you have further questions, please contact me at your convenience.

cc: Robert E. LeResche, Commissioner
Alaska Dept. of Natural Resources
Pouch M
Juneau, Alaska 99811

Bill Bealy
Department of Natural Resources
323 East Fourth Avenue
Anchorage, Alaska 99501

F. O. Box 2252
Fairbanks, Alaska 99707
March 1, 1982

Senator
Bettye Fairenkamp

I've just been looking over SB 180. After checking out parts in areas of familiarity, it is my opinion that the whole thing should be trash-canned. From what I see it is too much oriented to favor government with no protections for the individual.

If I find so much repugnant in the few pages I understand, how much more is there in pages I am not familiar with?

Having said all of that, let me now be specific:

Sec. 29.45.060 (a) (p. 104 and following) leaves the 7-year penalty in for farmers who would sell part or all of their land for purposes other than agriculture. This forces a farmer into a position that makes him less than a free land holder. Making up the tax allowance during the year of sales makes sense--not a 7-year penalty for a period of time while he has legitimately farmed the property. One way or another the bureaucrats intend to push the idea that a farmer should have no property rights except agricultural rights. Are we farmers less than 1st class citizens?

I also object to paragraph (b) that forces us to give private lease papers to the tax assessor.

Paragraph (c) is one the Interior Farming Association has been trying to get rid of for some time. How much money a farmer makes is none of the tax assessors business. Besides, in my own case I gross a very large amount in my business but the net income is less than 10%. There is no way that my farm income could equal 10% of my total gross income. Brown, Moss and Rogers introduced HB 58 which makes an approach to correct this problem. It doesn't go far enough, but is far preferable to what is here in HB 170. An affidavit swearing to be a farmer should be sufficient.

29.45.110 (b); business inventories are now to be assessed? Get out of my pocket!

29.45.120 (a); what is the meaning of this? They want us to voluntarily assess our property--like the IRS 1040--and then if we don't we are in court?

29.45.130 (b) "Production of records for Assessment Purposes"; this is particularly onerous. Records, papers, are private and protected by the U.S. and Alaska constitutions. I've spent 3 years and \$17,000 trying to protect my papers only to lose the fight because a lawyer failed to answer two motions on this subject. There has been no court decision on it; get "Production of records" out of HB 170. 16 Amur Juris 2nd 81 states: "Neither emergency nor economic necessity justifies a disregard of cardinal constitutional guarantees". Our courts up here fail to recognize this, but you and the legislature should.

29.45.130 (c); a particularly odious section. The final line, "warrant

issued by municipal clerk" is out of line and unneeded. Let them prove in court and get a court order for any seizure. Machinery for that process is already set up. This paragraph simply makes it easy to run over the citizen.

29.45.650 (b); what is this use tax business? Who needs it? If we do go for this, the paragraph should add a mandate to pay the merchant for collecting and submitting sales tax. Otherwise constitutional guarantees against involuntary servitude and taking without due process are stridged.

Paragraph (c) is legalese and gobblety gook.

Paragraph (e) is not needed. Let them get a judgment in a court of law. Such judgment then becomes an automatic lien. Besides, a Supreme Court case rules this idea unconstitutional when the FNSB tried this concerning Big Bend property on S. Cushman (FNSB vs. William Howard No. 4375 Supreme Court of Alaska 603 Pacific Reporter 2nd 52).

Sec. 29.46.150 (a) "issuance of notes in payment of the costs"; Article I Sect. 10 of the U.S. Constitution forbids this. It states "No state shall make anything but gold and silver coin a tender in payment of debts". This has never been repealed. Do not let anyone try to fool you by telling you otherwise. They will try to use the Julliard case to say it is settled. This is too long an argument for me to give you here. Let me know if you'd like further information at this point. Meanwhile refuse your per diem except in gold and silver coin or "money of account" 21 USC-271.

These are just a few of the things I have discovered in the areas I have time for and understand. I notice the perpetrators didn't use the usual method of brackets and underlining to show what changes are being made in the present statutes, nor are the committee members named.

As I said before, this whole proposal should be trash-canned. Besides, I thought there was a move in this legislature to end property tax. What happened to that idea?

Sincerely,

Dick

Dick Underwood

P.S. 29.25.070 (a) how can you legislate a "Non-suspendable imprisonment" for a misdemeanor—
(b) just a "Threatened violation" brings such Mandatory 5 days in jail — Where do you guys think we live — This is Alaska Not Russia!

P. O. Box 1166
Fairbanks, Alaska 99707
452-4275

Ninth open letter to
all Legislators of the State of Alaska

February 28, 1982

Re.: Borough Powers - CSHB 170 and CSSB 180 must not become law! -
(An Act relating to municipal government)

Dear Legislator:

CSHB 170 and CSSB 180 are now in the respective Rules Committees. Should these bills become law, you will have acted contrary to the will of the people. At the last election the citizens of Fairbanks voted with 75.4% NO to borough provided economic development in the area outside cities. (Borough ballot proposition # 1, advertised as authorizing the borough to issue industrial revenue bonds; please read the attached copies).

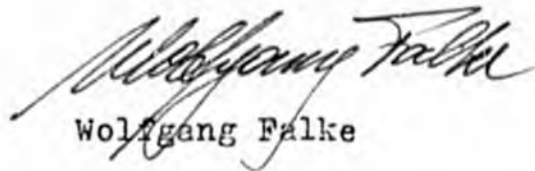
CSHB 170 and CSSB 180, under proposed AS 29.35.210(a)(8) the legislature "will allow" that what the voters of Fairbanks turned down soundly: A second class borough may by ordinance without voter approval exercise on a non-areawide basis the power to provide for economic development. This provision was added after the voters of Fairbanks turned it down, it was not present in the original HB 170 and SB 180 introduced 2/17/81. The Legislature has no authority to act contrary to the will of the people. When the people voted to incorporate with the powers of the second class borough, their plan for local government mandated that any additional municipal power to be exercised must be approved by the voters affected, and each additional proposed power must appear separately on the ballot. The Federal Textbook on Citizenship (revised in 1973), printed on behalf of the United States Department of Justice, states on page 10:

The Government in the United States belongs to the people. The citizens have the final authority. A public officer cannot use authority unless the citizens have agreed, in their plan of government, that he should use it.

Therefore, CSHB 170 or CSSB 180 as presently written must not become law.

This change in borough powers is not the only one which is not enumerated in the Legislative Affairs Agency's memorandum dated 2/14/82 entitled "Chapter summary of Municipal Code Revision CSHB 170". CSHB 170 and CSSB 180 should be read as required, word by word, at the second reading, and each Legislator should carefully examine the many changes and ambiguous terminologies incorporated into the proposed new laws. It appears that the members of the C&R committees and the Senate Judiciary Committee, who approved enactment of these bills, acted under the dominating influence of government special interest groups when recommending to you to act in favor of passing CSHB 170 or CSSB 180. For the good of the people of Alaska as a whole, these bills must not become law.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Wolfgang Falke".

Wolfgang Falke

Enclosure

BALLOT PROPOSITIONS

FAIRBANKS NORTH STAR BOROUGH
REGULAR ELECTION — OCT. 6, 1981

Proposition 1
(Industrial revenue bonds)

In city:		
No	2,335	68.2
Yes	1,085	31.7
Outside city:		
No	3,326	75.4
Yes	1,085	24.5

FAIRBANKS NORTH STAR BOROUGH
Regular Election October 6, 1981

PROPOSITION No. 1

Shall the Fairbanks North Star Borough exercise the powers necessary to finance industrial development facilities which are eligible as exempt activities or industrial parks under Section 103(b) of the United States Internal Revenue Code and which are powers of the Borough which under the laws of the State of Alaska may be acquired by vote of the people?

YES	<input type="checkbox"/>
NO	<input type="checkbox"/>

Letters to the Editor

Honorable Mayor Carlson:
The statement of the fact sheet, dated 9/23/81, that "Passage of Proposition No. 1 grants the Borough the authority to sell revenue bonds" does not reflect the truth. The Borough, like any other general law municipality, has the authority to issue revenue bonds, and by law

"No election is required to authorize the issuance and sale of revenue bonds." (AS 29.58.205)

Proposition No. 1, if approved by the voters, would give the Borough the authority to exercise areawide (inside as well as outside all cities) all additional municipal powers of a first class city which are listed under Section 103(b)(4) "Certain exempt activities" and Section 103(b)(5) "Industrial parks" of the U.S. Internal Revenue Code, and which include the powers to provide for

- (A) residential rental property to be occupied by individuals of low or moderate income,
- (B) sports facilities,
- (C) convention or trade show facilities,
- (D) airports, docks . . . including storage and training facilities,
- (E) sewage, electric energy, or gas facilities,
- (F) transportation (including such as railroad, pipeline, trucking, etc.) or communication facilities,
- (G) facilities for the furnishing

ing of water for any purpose, (H) qualified hydroelectric generating facilities.

The law requires that, if more than one additional areawide municipal power is proposed, each must appear separately on the ballot.

"If more than one power is proposed, each must appear separately on the ballot." (AS 29.33.290(b))

Therefore, Borough Proposition No. 1 is placed on the ballot in an unlawful manner.

I hereby request on my own behalf and on behalf of all voters of the Borough, that this letter, in form of a copy, will be attached to any material concerning Borough Proposition No. 1 intended for use as public information, and verbally be read on radio or TV in conjunction with Borough information concerning that proposition, or printed in a newspaper or other publication in a like manner.

Very truly yours,
Wolfgang Falke
Fairbanks, Alaska

The Pioneer
ASKA WEEKLY
 Fairbanks 99707 P.O. Box 970

P.O.Box 1166
Fairbanks, Alaska 99707
February 12, 1982

To All Legislators;

Re.: CSHB 170 - "An Act relating to municipal government"

This 193 page bill was reported out of C&R committee on Monday, the first time in Fairbanks a copy of that bill was available was Tuesday, 2/9/82, the first reading before the House is calendared for 2/17/82. No public input was made possible for the Committee Substitute Bill by C&R.

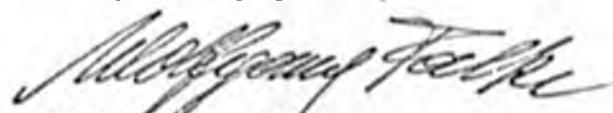
For second class boroughs, CSHB 170 does not only wipe out the reclassification option to third class borough status; it allows adoption of home rule status without separate votes between the cities and the borough area outside cities for electing charter commission members and for adoption of the proposed charter; it reduces the time during which signatures may be collected for a petition from the present 90 days to only 60 days and limits petitions to be related to legislative matters only; it allows second class boroughs to exercise outside cities unrestricted government economic development (which may include a government operated drug store to a full scale petrochemical complex) without local voter approval and to provide transportation systems (pipeline, rail-road, trucking, etc.) without local voter approval. At the last election unrestricted industrial development by the Fairbanks North Star Borough was soundly defeated by the local electorate; outside cities 75.9% voted NO.

First: The public must be notified that HB 170 came out of hibernation; Second: The public must be informed about the major proposed changes in local government law; Third: The public must be given a reasonable time during which to make comments on CSHB 170; BEFORE final action should be taken by the House. I urgently suggest that CSHB 170 be referred back to C&R Committee for further public (not only government special interest) input.

P.S.:

The identical bill, CSSB 180, is presently in the Senate Judiciary Committee, of which Senator Don Bennett and Senator Charlie Parr are members.

Very truly yours,


Wolfgang Folke

P.O.Box 1166
Fairbanks, Ak. 99707
452-4275
February 14, 1982

Eighth open letter to all Legislators

Re.: Borough Powers - CSHB 170 and CSSB 180
"An Act relating to municipal government"

Dear Legislator:

Because CSHB 170 may be scheduled for the second reading in the near future, I will express some of my concerns regarding this bill at this time even so I did not totally read through that bill yet. (CSSB 180 is identical to CSHB 170 and was moved from C&R to Senate Judiciary Committee).

On Friday, 2/12/82, I also expressed some concerns regarding these bills at a hearing on the State's royalty oil held in Fairbanks, which was recorded and I handed Senator Fahrenkamp, who chaired the hearing, and Senator Bennett, who is a member of the Judiciary Committee, each a copy of my brief in Alaska Supreme Court case # 5761 & 5781, which I filed on behalf of the Voters, alleging that the Legislature cannot pass a law such as AS 29.63.090(a) and (f) and legally impose the same without voter approval upon existing second class boroughs. (In 1979 the Legislature enacted AS 29.63.090(a) and (f) as part of the "Land Bill HB66", saying that second class boroughs may establish service areas and exercise therein any first class city municipal power without voter approval, on borough or State "owned" land.) Some of the changes proposed in CSHB 170 and CSSB 180 could be challenged in a like manner, for example:

Under present law, AS 29.28.065(4) and .070(a), signatures on a petition must be secured within 90 days - the proposed new, AS 29.-26.120(e)(4) and .130(a) requires that signatures must be secured within 60 days (page 63 of CSHB 170);

the proposed new law, AS 29.26.110(a)(3), requires that a petition is limited to legislative matter and shall not relate to administrative regulations - present law has not such limitations;

the proposed new law, AS 29.26.110(a) requires that an application for petition shall be signed by at least 10 voters who will sponsor the petition - present law does not require such;

under present law, AS 29.38.200, the assembly or council may prescribe a penalty for the violation of an ordinance - under the proposed new law, AS 29.25.070(a), a municipality (a department head or the mayor) may prescribe penalties for the violation of an ordinance;

under present law, AS 29.48.200, a fine may not exceed \$ 500 or imprisonment for 30 days, or both - under the proposed CSHB 170 law, AS 29.25.070, a civil penalty may not exceed \$ 1,000 for each violation or threatened violation of an ordinance (total imposed may not exceed that of a class B misdemeanor), and the municipality may require mandatory, nonsuspendable imprisonment not to exceed five days, and each day that a violation or a threatened violation of an ordinance continues constitutes a separate violation.

Let me stop here and let's think this over again:

Under present law only the assembly or the council may by ordinance prescribe penalties for a violation of an ordinance and the voters may by petition (allowing 90 days during which to secure signatures) change or establish such ordinance -

Under the CSHB 170 proposed law the administration (a department head or the mayor) may by regulation prescribe such non-stringent penalties for a violation or a threatened violation and the voters may not (pursuant to proposed AS 29.26.110(a)(3)) petition for a change or to establish such regulation.

Should CSHB 170 or CS SB 180 become law in its present form, the shift of authority from the assembly or council to the ambiguously termed municipality and the denial of petition for a change of administrative regulations, coupled with the reduced time (60 days instead of the present 90 days) during which signatures may be secured, will most likely result in lengthy litigations. I am also convinced that the voters, when properly informed about this, will, may be even loudly, oppose such legislation.

Because this is only one of many objections to this bill, CSHB 170 should either be defeated now on the Floor or it should be returned to the C&R Committee for further consideration and it should be, before it hits the Floor again, given consideration by the House Judiciary Committee.

Very truly yours,


Wolfgang Falke

TO: Theodore G. Smith, Director
Division of Forest, Land and
Water Management
Dept. of Natural Resources
323 East Fourth Avenue
Anchorage, Alaska 99501

DATE February 19, 1980

FILING NO.

TELEPHONE NO.

FROM: AVRUM M. GROSS
ATTORNEY GENERAL
By: Thomas E. Meacham
Assistant Attorney General
AGO - Anchorage

SUBJECT: File No. A66-179-79
Applicability of AS 29.18.211
to State land entitlement
of the North Slope Borough

You have requested a brief analysis of the relationship of AS 29.18.211 to the North Slope Borough's land entitlement under AS 29.18.201-.213, in light of the pendency of North Slope Borough v. LaResche (581 P.2d 1112, Alaska 1978), Supreme Court File No. 2275. Based upon my analysis, contained in this memorandum, it appears that a legitimate inquiry should be made into the steps, if any, which the North Slope Borough took to waive any claim to land entitlement under the former AS 29.18.190-.200 and to instead elect to take benefits under the new Municipal Entitlement Act, AS 29.18.201-.213, pursuant to the terms stated in AS 29.18.211.

AS 29.18.211 states,

Election of Benefits. (a) A municipality which on July 1, 1970 is engaged in litigation, or which becomes engaged in litigation, regarding a claim to state land under former sections 190 and 200 of this chapter shall elect either to obtain the benefits provided in Sections 201-213 of this chapter or to pursue the litigation and thereby waive any claim to entitlement under Sections 201-213 of this chapter. An election shall be made by filing a motion for dismissal with prejudice in the court in which the litigation is pending. If the claim involves a municipality identified in Section 201 of this chapter, the municipality shall file its motion for dismissal within 60 days of July 1, 1978. If the claim involves a city eligible to receive an entitlement under Section 202 of this chapter, the city shall file its motion for dismissal within 60 days after receiving the certificate of entitlement provided by the Director under Section 202 of this chapter. Failure of the municipality to file a motion for dismissal during the time period provided in this subsection shall be considered a waiver of entitlement under Sections 201-213 of this chapter.

February 19, 1980

Re: File No. A66-179-79
Applicability of AS 29.18.211
to State land entitlement
of the North Slope Borough

Sections 201-213 of AS 29.18 became effective on July 1, 1978. The North Slope Borough is a municipality specifically listed in AS 29.18.201(11), and thus its motion for dismissal was required within 60 days of July 1, 1978, or in other words by August 30, 1978.

On July 1, 1978 the case of North Slope Borough v. LaResche, cited above, had been argued and was pending decision in the Supreme Court for the State of Alaska. On August 4, 1978 the decision of the Supreme Court, holding for the state of Alaska and against the North Slope Borough in this case, was issued. That decision did not become final, pursuant to Rule 27 of the Alaska Rules of Appellate Procedure, until the time for a possible petition for rehearing had passed. That time is set by the rule at ten days, unless extended by the Court. On August 9, 1978 and again on August 11, 1978 the attorneys for the North Slope Borough sought from the Supreme Court an extension of time for the filing of a possible petition for rehearing. Their first request did not specify a date to which they wanted the time extended, but their second motion requested an extension to September 4, 1978. The Court ordered the time for filing a possible petition for rehearing extended to September 5, 1978. No petition for rehearing was in fact filed, and the mandate of the Supreme Court, finally ending this lawsuit, was entered on September 11, 1978.

Thus it appears that during the entire time from July 1, 1978, the date of passage of AS 29.18.211, until September 11, 1978, the date upon which the Supreme Court mandate was finally entered, the North Slope Borough was "engaged in litigation" within the meaning of AS 29.18.211; further, during that time period, "... litigation [was] pending ..." within the meaning of that section. It appears that on the last day within which the North Slope Borough could have filed a motion for dismissal with prejudice, namely on August 30, 1978, the Borough was still within the time period granted them by their motion to consider filing a petition for a rehearing; that period did not expire until September 4, 1978. The litigation ceased to be "pending", and the Borough ceased to be "engaged in litigation", only after entry of the mandate of the Supreme Court on September 11, 1978.

The file in this case does not indicate that the North Slope Borough filed a motion for dismissal with prejudice before the Alaska Supreme Court regarding the election of benefits which is required under AS 29.18.211, and the presumption must be that such a motion was not in fact filed. Further, I am not aware of

Theodore G. Smith

-3-

February 19, 1980

Re: File No. A66-179-79
Applicability of AS 29.18.211
to State land entitlement -
of the North Slope Borough

any other written documentation presented to the Court, which could be argued to have in effect fulfilled the purposes of a motion for dismissal with prejudice, within the time allowed by the statute. Instead, after the election period started running on July 1, 1978, the Borough, through its counsel, twice filed motions for an extension of time within which to consider filing a petition for rehearing. These motions were granted and the time was extended to September 5, 1978. The Borough took no affirmative act to close the period for filing such a petition until after August 30, 1978, and it expired by its own terms on September 5 upon the failure of the Borough to file a petition for rehearing.

Based upon the foregoing, the North Slope Borough should be requested to produce documentation meeting the requirements of AS 29.18.211 and demonstrating its eligibility for the land entitlement set forth in AS 29.18.201(11) for 89,850 acres of state land. If such documentation of compliance with the requirements of Section 211 was not filed and cannot now be produced, then the statute requires that the Borough's inaction "... shall be considered a waiver of entitlement under Sections 201-213 of this chapter."

If you have further questions, please contact me at your convenience.

cc: Robert E. LeResche, Commissioner
Alaska Dept. of Natural Resources
Pouch M
Juneau, Alaska 99811

Bill Beaty
Department of Natural Resources
323 East Fourth Avenue
Anchorage, Alaska 99501

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

information requested by Sen. ...
during constituent meeting -

P.O. Box 1166
Fairbanks, Alaska 99707

February 12, 1982

452-4275

To All Legislators;

Re.: CSNB 170 - "An Act relating to municipal government"

This 193 page bill was reported out of C&R committee on Monday, the first time in Fairbanks a copy of that bill was available was Tuesday, 2/9/82, the first reading before the House is calendared for 2/17/82. No public input was made possible for the Committee Substitute Bill by C&R.

For second class boroughs, CSNB 170 does not only wipe out the reclassification option to third class borough status; it allows adoption of home rule status without separate votes between the cities and the borough area outside cities for electing charter commission members and for adoption of the proposed charter; it reduces the time during which signitures may be collected for a petition from the present 90 days to only 60 days and limits petitions to be related to legislative matters only; it allows second class boroughs to exercise outside cities unrestricted government economic development (which may include a government operated drug store to a full scale petrochemical complex) without local voter approval and to provide transportation systems (pipelines, rail-road, trucking, etc.) without local voter approval. At the last election unrestricted industrial development by the Fairbanks North Star Borough was soundly defeated by the local electorate; outside cities 75.9% voted NO.

First: The public must be notified that ~~HB~~ 170 came out of hibernation; Second: The public must be informed about the major proposed changes in local government law; Third: The public must be given a reasonable time during which to make comments on CSNB 170; BEFORE final action should be taken by the House. I urgently suggest that CSNB 170 be referred back to C&R Committee for further public (not only government special interest) input.

Very truly yours,


Wolfgang Folke

MEMORANDUM

State of Alaska
Department of Revenue

TO: McKie Campbell
Senator Gillman's Office
Community & Regional Affairs Committee
Juneau (465-4934)

DATE: January 28, 1982

FILE NO:

TELEPHONE NO.

FROM:

Gerald D. Heier
Gerald D. Heier
Petroleum Property Assessor

SUBJECT:

Thru: Fred Boetsch
Director *Fred Boetsch*

As I understand your request you would like to know what the property tax effect would be on the North Slope Borough for 1982 if there were to be a difference of 3,000 in their population count for purposes of AS 29.53.045(C).

The following assumptions will have to be made in order to show the tax effect:

State assessed property value:	\$7,500,000 000
North Slope locally assessed value:	350,000,000
TOTAL	<u>\$7,850,000,000</u>

Average per capita statewide assessed value: \$70,974
Population for comparison purposes: 6,000 and 9,000
Borough will levy a 30 mill tax on the allowable assessed value.

The calculations to show the difference are as follows:

A.P.C.S.A.V.	225%	Population	30 mills	Tax Amount
70,974 X	2.25 X	9,000 X	.03 =	\$43,116,705
70,974 X	2.25 X	6,000 X	.03 =	28,744,470
DIFFERENCE				<u>(\$14,372,235)</u>

95.5 percent of this difference, or \$13,725,484, is a direct loss to the state treasury.

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

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
 PHONE 465-4736

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

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 5, 1982

SUBJECT: Chapter summary of Municipal Code
Revision [CSSB 180] (Work Order
No. 12-2437)

TO: Senator Donald E. Gilman
Chairman, Senate Community and
Regional Affairs Committee

FROM: Tamara Brandt Cook
Legislative Counsel *TBC*

You have requested a chapter summary of the municipal code revision (CSSB 180) 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 01. The Unorganized Borough. No significant change.

Chapter 04. Classification of Municipalities. A second class city may reclassify as a first class city if the population has reached 600 permanent resident.

Chapter 05. Incorporation. A community may incorporate as a first class city only if it has at least 600 permanent residents. 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 600 permanent residents. Requires home rule municipalities to provide land use regulation.

Chapter 14. Capital City. When the capital city attains a population of 600 permanent residents, five council members and a mayor shall be elected.

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 a sessing 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 exchanged 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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**REFORM OF FINANCIAL ASSISTANCE PROGRAMS FOR LOCALITIES
IN ALASKA**

Recommendations for Action by the Governor

**State of Alaska
Department of Community and
Regional Affairs**

January 1982

SUMMARY

During fiscal year 1982, over \$1 billion will be spent by four State agencies for 15 programs to provide financial assistance to localities in Alaska.

The Department of Community and Regional Affairs has examined all of these programs with particular emphasis on Revenue Sharing and Municipal Assistance and finds the following problems:

- 1) Revenue Sharing emphasizes tax effort and ability to raise taxes while Municipal Assistance emphasizes population and tax relief.
- 2) Municipal Assistance distributes funds according to outdated indicators and is linked to the declining corporate income tax collections.
- 3) Revenue Sharing, which was revised in 1980, contains a hold harmless provision that reduces the impact of the formula.
- 4) Localities are growing increasingly dependent on the State for funding of property tax relief and increased service provision at the same time as State revenues continue to fall and a Constitutional spending limit is considered by the voters of the State.
- 5) Municipal Assistance encourages municipal incorporation while Revenue Sharing does not.
- 6) The Revenue Sharing and Municipal Assistance Programs are administered by two different agencies and have different reporting and accountability requirements.

In order to address these problems, the Department proposes the following program:

- 1) The Municipal Assistance statute should be repealed and all funds for this purpose should be distributed through the Revenue Sharing program.
- 2) Each recipient should be required to spend 50% of its funds on 3 municipal services from among the following list:

Municipal Administration, Finance and Planning

Police Protection

Fire Protection

Environmental Pollution Control

Solid Waste Collection and Disposal

Land Use Planning

Parks and Recreation

Roads and Street Maintenance

Hospitals

Health Facilities

Airports

Marine Ports

Small Boat Harbors

3) The minimum entitlement for incorporated entities should be \$100,000. Unincorporated entities should be deleted from the program and treated separately.

4) In order to insure that no community receives less funding as a result of combining these programs, the Department proposes that all communities be held harmless at the fiscal year 1983 allocations. In order to let the formula take effect, the Department proposes that any additional appropriations be allocated to recipients using the revenue sharing formula with the proviso that first priority for additional funding go to communities that fall below the minimum entitlement level.

5) The entire program should be funded at a level no less than the proposed fiscal year 1983 appropriation of \$143,351,300. This amount should increase each year by the same percentage that the proposed Constitutional spending limit allows the State budget to increase. Further, the State should pledge to reduce expenditures for State services by a similar amount each year.

6) The existing Rural Development Assistance Program should be expanded to be a program of assistance to unincorporated communities that requires application on a competitive basis for grants up to \$100,000 for capital projects operation and maintenance of capital projects and community services.

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REPORT AND RECOMMENDATIONS

On July 9, 1981 Governor Hammond appointed a Cabinet level Task Force to review existing municipal aid programs and develop recommendations for organizational and programmatic consolidation. The Task Force consisted of the following members:

Executive Assistant to the Governor
Special Assistant to the Governor for CRA Activities
Commissioner of Community and Regional Affairs
Commissioner of Administration
Commissioner of Revenue
Director of Budget and Management
Assistant Attorney General for Legislation

The Task Force met with Governor Hammond in September 1981 and agreed in principle to consolidate programs in the Department of Community and Regional Affairs.

The staff of the Department of Community and Regional Affairs (DCRA) then began a re-examination of the policy objectives of existing programs and developed a series of recommendations for action by the Governor.

This report provides the findings and recommendations of the Task Force and the DCRA staff.

Review of Existing Programs

The State of Alaska provides a wide variety of direct financial assistance programs to local governments and communities. The following chart shows that over \$1 billion will be spent in fiscal year 1982 among 15 programs administered by four different State agencies:

State Financial Assistance Programs Available to Municipalities and/or Unincorporated Communities

<u>Program</u>	<u>Operating (O) or Capital (C)</u>	<u>Dept.</u>	<u>AMOUNT</u> (In thousands of dollars)		
			<u>FY 80 Actual</u>	<u>FY 81 Actual</u>	<u>FY 82 Budgeted</u>
State Revenue Sharing	(O)	(C&RA)	\$26,899.6	\$52,601.3	\$55,707.6
Municipal Assistance	(O)	(Revenue)	11,400.0	56,500.0	87,400.0
Amusement & Gaming Shared Tax	(O)	(Revenue)	30.8	34.4	36.0
Aviation Fuel Shared Tax	(O)	(Revenue)	162.9	135.0	141.0
Electric & Telephone Coop. Shared Tax	(O)	(Revenue)	2,521.7	1,092.9	2,100.0
Liquor License Shared Tax	(O)	(Revenue)	588.7	770.3	900.0
Fisheries Shared Tax (Raw Fish Tax)	(O)	(Revenue)	3,893.8	3,279.5	5,907.0
Municipal Grants	(C)&(O)	(Admin.)New Program	208,255.9	281,389.0	
Grants to Unincorporated Communities	(C)	(C&RA)	3,445.4	9,582.1	12,898.5
Municipal Aid Account(SB 168)	(C)	(Admin.)	New Program		*200,000.0
Aid to Unincorporated Communities (SB 168)	(C)	(C&RA)	New Program		*13,131.1
Basic State Aid to Education	(O)	(Education)	238,308.1	275,300.7	345,337.8
Supplemental Equalization	(O)	(Education)	New Program**		
State Aid for Retirement of School Debt	(O)	(Education)	24,081.0	38,380.2	38,262.2

*\$95,000.0 planned for Municipal Aid and \$6,246.7 planned for Unincorporated Community Aid in FY 83.

**Funding contained in basic State Aid to Education

Note: This listing does not include discretionary or competitive grant programs (i.e., Village Safe Water-DEC; RDA, Community Legal Assistance, Bulk Fuel, etc.-C&RA; Local Service Roads and Trails-DOT/PF; etc.)

The Task Force examined all of these programs for potential consolidation. Of the various operating budget programs, only State Revenue Sharing and Municipal Assistance are proposed for consolidation. The remaining programs are either "shared tax" programs which are simply tax collection and distribution programs and not tied to efforts to redistribute State wealth or education programs which are special purpose aid programs to fulfill the Constitutional commitment to State responsibility for education. No changes are proposed for these programs.

STATE REVENUE SHARING

This program distributes funding to incorporated and unincorporated entities on the basis of population and local tax effort as it relates to relative size of the tax base. Additional funds are shared on the basis of provision of road maintenance and health and hospital services. The program provides a minimum entitlement of \$25,000 plus cost of living adjustments for incorporated entities and \$25,000 for unincorporated entities.

In order to be eligible, applicants must meet the following requirements:

Cities & Boroughs Must:	Unincorporated Communities Must.
1. Conduct regular elections	1. Hold a public meeting
2. Hold council meetings	2. Submit budget
3. Adopt a municipal budget	3. Make application
4. Adopt a code of ordinances	
5. Make application	
6. Provide Department with an annual audit or certified financial statement	

Recipients are free to use their funding for municipal purposes as they see fit.

MUNICIPAL ASSISTANCE

The Municipal Assistance Fund was established to replace the Gross Receipts Tax Law which was repealed January 1, 1979. The amount of this fund is established by the Legislature, which may appropriate to the fund an amount equal or greater than 10% of the Corporate Income Tax receipts for the prior fiscal year. These funds are provided only to

municipalities. The first \$10.6 million is allocated on the basis of the distribution of fiscal year 1978 Gross Business Receipts Taxes. The balance of the appropriation is distributed on a strictly per capita basis.

Prior to fiscal year 1982, the Department of Revenue simply mailed checks to recipients. In 1981 the Legislature added the requirement for submission of a resolution approved by the governing body of the municipality that requests funds.

These funds may be used for any purpose, but the statute encourages recipients to utilize the funds to reduce property taxes.

Problems With Current Structure

1. Revenue Sharing emphasizes tax effort and ability to raise taxes while Municipal Assistance emphasizes population and tax relief.

Formula programs that emphasize population ignore differences in cost of living and economies of scale in many parts of the State. Further, to the extent that Municipal Assistance funds are utilized to reduce local taxes, a reduction will occur in Revenue Sharing allocation as a result of the tax effort formula. However, the huge increase in funding over the past years for both programs has mitigated this impact.

2. Municipal Assistance program distributes funds according to outdated indicators and is linked to the corporate income tax.

Approximately \$10.6 million of the Municipal Assistance funding is distributed to recipients on the basis of 1978 distribution of Gross Business Receipts Tax. That distribution bears no relationship to the overall goal of equitable distribution of State wealth. The program is also loosely linked to corporate income tax receipts. Under new law, the receipts are likely to drop significantly in the next several years, creating uncertainty for local recipients.

3. Revenue Sharing, which was revised in 1980, contains a hold harmless provision that reduces the impact of the formula.

The 1980 amendments to the Revenue Sharing Program enacted a formula based on population and local tax effort. The legislation also contained a provision requiring all recipients to be held harmless at 125% of the 1980 allocation. This provision has not allowed the formula to reallocate resources among recipients and has continued to emphasize

population as the basic factor for distribution of funds.

4. Localities are growing increasingly dependent on the State for funding of property tax relief and increased service provision at the same time as State revenues continue to fall and a Constitutional spending limit is considered by the voters of the State.

The Legislature greatly expanded both the Revenue Sharing and Municipal Assistance programs in Chapter 6/SLA 81 with the clear intent that additional funds be utilized for local tax relief. A survey conducted by the Department, in conjunction with the Alaska Municipal League, indicated that nearly all property tax levying jurisdictions reduced taxes, with seven municipalities reducing local property taxes by 25% or more. Several municipalities lowered sales taxes in response to this appropriation. Eleven of the municipalities responding, mostly small rural cities, indicated that new services were provided with the additional funding. A copy of the results of the survey is attached as Appendix A.

At the same time the State budget increased by almost 400% from fiscal year 1980 to 1982. Although not all of the State budget goes to local service provision, a significant portion does. The Department of Community and Regional Affairs conducted a survey of all State agencies to determine which services delivered at the State level are more appropriate for local administration. A copy of the survey results is attached in Appendix B.

As the voters consider a Constitutional spending limit, the clash between demands for local tax relief and increased service provision will become more apparent.

5. Municipal Assistance encourages municipal incorporation while Revenue Sharing does not.

Municipal Assistance is available only to incorporated communities and hence, advances the Governor's desire to encourage incorporation without mandating it. Revenue Sharing is available to incorporated communities with a minimum entitlement of \$25,000 plus a cost of living adjustment and to unincorporated communities with a minimum entitlement of \$25,000. This approach offers practically no incentive for incorporation and the small amount of funding does little to enhance capacity for self-government.

6. The two programs are administered by two different agencies and have different reporting and accountability requirements.

As stated above, communities are confronted with two sets of conditions for receipt of funds and receive entitlements at various times throughout the year.

Proposed Policy Objectives

As a result of these problems, the Department proposes the following policy objectives to guide development of a reform program.

1. The distribution of funding should be equitable and consider the local tax base and local effort as well as population.
2. A portion of the funding should be utilized by recipients to provide services desired by local residents. Any requirements should be flexible enough to allow local decision-making and should provide a portion of funding for use as the recipient sees fit.
3. Any distribution scheme should provide incentives for incorporation without mandating incorporation and should provide a minimum entitlement sufficient to promote self-government at the local level.
4. The program funding level should be predictable and application requirements should be uniform and simple.

Proposed Program

The Department proposes the following program:

1. The Municipal Assistance statute should be repealed and all funds for this purpose should be distributed through the Revenue Sharing program.

This change is proposed to preserve the concept of distributing funds on the basis of local tax effort and local tax base as well as population. This change will also simplify administration of the programs.

2. Each recipient should be required to spend 10% of its funds on 3 municipal services from among the following list:

Municipal Administration, Finance and Planning

Police Protection

Fire Protection

Environmental Pollution Control
Solid Waste Collection and Disposal
Land Use Planning
Parks and Recreation
Roads and Street Maintenance
Hospitals
Health Facilities
Airports
Marine Ports
Small Boat Harbors

Every recipient will be requested to submit a plan for expenditure of 50% of its funds on 3 of these services. The purpose is to increase responsibility for service provision at the local level. All municipalities should be capable of providing at least 3 of these services and should have little trouble demonstrating usage of a portion of their funds for these purposes. The Department intends that this requirement be as flexible as possible. The remaining 50% of the funds may be used for any purpose the recipient chooses, including tax relief.

3. The minimum entitlement for incorporated entities should be \$100,000. Unincorporated entities should be deleted from the program and treated separately as described later in this report.

The increased minimum entitlement is required to create functioning governmental structures at the local level. The current minimum entitlement does little to enhance the capacity for local government in small communities.

4. In order to insure that no community receives less funding as a result of combining these programs, the Department proposes that all communities be held harmless at the fiscal year 1983 allocations. In order to let the formula take effect, the Department proposes that any additional appropriations be allocated using the revenue sharing formula with the proviso that first priority for additional funding go to communities that fall below the minimum entitlement level.

5. The entire program should be funded at a level no

less than the proposed fiscal year 1983 appropriation of \$143,351,300. This amount should increase each year by the same percentage that the proposed Constitutional spending allows the State budget to increase. Further, the State should pledge to reduce expenditures for State services by a similar amount each year.

This final change will insure that municipalities receive program funding that will increase at a level which is predictable and which can be accommodated by the proposed Constitutional limit on State spending. The proposed reduction in expenditures for State services will control the growth of State government and encourage a gradual transfer of responsibility to the local level.

FUNDING FOR UNINCORPORATED COMMUNITIES

Funding for unincorporated communities has been an issue since 1980 when the newly enacted Revenue Sharing law contained a provision for funding for Native Village Governments. In 1981 a major program of capital funding for unincorporated communities was enacted as part of a larger capital project funding package.

On one hand, massive funding for unincorporated communities would seem to remove the incentive for incorporation. On the other hand, there is an important public policy interest in sharing Alaska's wealth with all Alaskans. It would be very difficult for the State to cut off funding for unincorporated communities after enacting several laws to provide substantial amounts of money to these communities. The Department recommends creation of a program of financial assistance to unincorporated communities that provides a reasonable level of funding and preserves incentives for incorporation.

The current law, which provides an entitlement of \$25,000 to each Native Village Government in Alaska, has caused a number of administrative problems and the Department has had to rely on a series of legal opinions which give guidance on implementation. The Department of Law has raised significant objections to programs that share exclusively with Native Village Governments on the grounds of violation of the "public purpose" and "equal protection" clauses of the Alaska Constitution. Law has ruled that these funds must be shared with all unincorporated communities. Objections have also been raised to programs which provide an entitlement to unincorporated entities. Law is concerned that a discretionary entitlement confers local government decision-making powers on unincorporated entities in

violation of the Alaska Constitution. However, Law has not strictly barred DCRA from dealing with existing entities for delivery of specific services.

While the Department has no objection to a program that encompasses all unincorporated communities, the Department is concerned that prohibitions on dealing with existing entities do nothing to enhance the concept of local self-government.

In order to provide a coherent program of assistance to unincorporated communities and meet some of the legal objections raised by the Department of Law, the Department recommends repealing the Statute providing revenue sharing to Native Village Governments and transferring the \$2.5 million funding for the program to a revised Rural Development Assistance (RDA) Grant program. The revised RDA program would be available exclusively for unincorporated communities to apply for grants up to \$100,000 on a competitive basis for capital projects, community service projects and funds for operation and maintenance of capital facilities. With \$3.3 million for the program proposed in the fiscal year 1983 budget, total program funding would be \$5.8 million for fiscal year 1983. (It should be noted that approximately 2/3 of the fiscal year 1981 RDA program appropriation was awarded to incorporated areas. It is expected that the increased minimum entitlement under the revenue sharing program would provide greater certainty of funding to these communities.) DCRA would propose to provide funding to existing entities in any unincorporated community and to conduct all grant funding on a contractual basis in order to insure that funds are spent in a manner consistent with the State Constitution and Laws. The Department further proposes to add a provision to law that would allow withholding of additional State funds if a finding is made that expenditure of funds was not consistent with those laws. The Department strongly feels that this approach is equitable, preserves incentives for incorporation and provides the greatest ease of administration.

Capital Programs

There are 4 basic programs of capital assistance to localities as follows:

Municipal Grants - Department of Administration

Municipal grants were formalized under AS 37.05.315, which set out a general process by which the Department of Admin-

istration disperses and administers specific legislative grants to municipalities. The Department is prohibited by this law from adopting regulations or procedures for administering those appropriations. The Division of Budget and Management indicates that many municipal grants will be considered part of the operating budget in the future.

Grants to Unincorporated Communities - DCRA

Specific legislative grants to unincorporated communities are also addressed under AS 37.05.315. The Department of Community and Regional Affairs is charged with administering these grants in a manner similar to Municipal Grants.

Municipal Aid Account - Department of Administration

Chapter 60, SLA 1981 created a program to provide one-time per capita funding to municipalities for capital improvements and/or social services. Cities with populations of less than 1,000 may also use funding for operating expenses of capital projects.

Aid to Unincorporated Communities - DCRA

Chapter 60, SLA 1981 also created the Unincorporated Communities Aid Account which provides a one time payment of \$1,000 per capita to unincorporated communities in the unorganized borough with a population of at least 25 persons. This program is administered by the Department of Community and Regional Affairs with payment going to the most qualified entity.

The Department had planned to recommend a program of planning for capital projects and a distribution of funds based on population and need. However, budgetary limitations have forestalled this effort. The Task Force did agree in principle, however, that future appropriations under these programs should be administered by the Department of Community and Regional Affairs. The Governor's Office has requested preparation of legislation to accomplish this purpose.

Conclusion

The Department of Community and Regional Affairs has drafted legislation to implement these recommendations (Appendix C).

The Task Force concurs with these recommendations to the extent that an organizational consolidation of programs occur. Other recommendations were prepared and submitted by the Department of Community and Regional Affairs.

The Department is submitting these recommendations in the belief that the State needs a coherent policy for sharing State wealth with localities. This proposed program attempts to alleviate a variety of existing administrative problems and enhance the Governor's policy objectives concerning local government.

MODEL - MUNICIPAL REVENUE SHARING ENTITLEMENTS

TOTAL APPROPRIATION = \$158,816,000

BASIC APPROP. PRORATION FACTOR = 1.00000000000000

MINIMUM ENT. PRORATION FACTOR = 1.00000000000000

CHAPTER 88 PRORATION FACTOR = 3.23535604175440

KEY	NAME	POPULATION	MILL. RATE EGV	BASIC ENTITLEMENT <i>Fy83</i>	MINIMUM ENTITLEMENT	CHAPTER 88 ENTITLEMENT	TOTAL ENTITLEMENT <i>Fy84</i>
BOROUGHES							
0010	ANCHORAGE A.W.	180,740	6.25	\$60,962,818	\$0	\$3,655,630	\$64,621,448
0210	BRISTOL BAY BOROUGH	1,182	26.97	\$495,408	\$0	\$103,155	\$598,563
0230	FAIRBANKS BOROUGH	51,659	3.21	\$5,391,820	\$0	\$1,372,997	\$9,764,817
0270	HAINES BOROUGH	1,712	5.85	\$208,188	\$0	\$52,420	\$260,608
0290	JUNEAU BOROUGH A.W.	21,080	14.81	\$7,573,906	\$0	\$1,010,473	\$8,584,379
0350	KENAI PENINSULA BOROUGH	26,520	4.01	\$4,597,144	\$0	\$344,226	\$4,941,370
0420	KETCHIKAN BOROUGH	11,373	9.12	\$1,420,524	\$0	\$335,552	\$1,756,076
0440	KODIAK ISLAND BOROUGH	8,358	6.54	\$1,336,003	\$0	\$185,012	\$1,521,015
0470	MAT-SU BOROUGH	19,123	7.42	\$5,319,130	\$0	\$459,548	\$5,778,678
0560	NORTH SLOPE BOROUGH	4,504	9.71	\$1,838,930	\$0	\$141,620	\$1,980,550
0570	SITKA BOROUGH	7,927	13.58	\$2,645,291	\$0	\$745,472	\$3,390,763
FIRST CLASS CITIES							
1000	BARROW	2,353	5.98	\$571,222	\$0	\$45,559	\$616,781
1010	COPPOVA	2,223	33.80	\$1,191,991	\$0	\$243,126	\$1,435,117
1020	CRAIG	560	27.60	\$252,694	\$0	\$50,003	\$302,697
1030	DILLINGHAM	1,566	24.03	\$603,242	\$0	\$121,767	\$725,009
1040	FAIRBANKS	25,569	17.13	\$10,317,907	\$0	\$1,417,047	\$11,734,954
1050	GALENA	805	23.62	\$296,893	\$0	\$51,535	\$348,428
1060	HAINES	1,017	23.97	\$391,410	\$0	\$78,876	\$470,286
1070	HOMER	2,588	20.00	\$821,251	\$0	\$167,538	\$988,789
1080	HONANAH	799	5.76	\$229,449	\$0	\$14,892	\$244,341
1090	HYDABURG	356	4.79	\$96,423	\$3,577	\$5,522	\$105,522
1100	KAKE	523	17.95	\$187,911	\$0	\$33,874	\$221,785
1110	KENAI	4,558	23.72	\$1,801,326	\$0	\$340,890	\$2,142,216
1120	KETCHIKAN	7,200	32.09	\$3,185,758	\$0	\$747,534	\$3,933,292
1130	KING COVE	513	22.87	\$195,248	\$0	\$37,971	\$233,219
1140	MEADOWS	289	3.11	\$102,688	\$0	\$3,918	\$106,606
1150	KODIAK	4,678	19.51	\$1,916,642	\$0	\$235,401	\$2,152,043
1170	NENANA	454	21.76	\$201,953	\$0	\$3,058	\$205,011
1180	NOME	3,039	29.01	\$1,376,908	\$0	\$285,259	\$1,662,167

MODEL - MUNICIPAL REVENUE SHARING ENTITLEMENTS

TOTAL APPROPRIATION = \$155,816,000

BASIC APPROP. PRORATION FACTOR = 1.00000000000000
 MINIMUM ENT. PRORATION FACTOR = 1.00000000000000
 CHAPTER 82 PRORATION FACTOR = 3.23533604175440

KEY	NAME	POPULATION	MILL RATE EQV	BASIC ENTITLEMENT <i>F983</i>	MINIMUM ENTITLEMENT	CHAPTER 82 ENTITLEMENT	TOTAL ENTITLEMENT <i>F984</i>
FIRST CLASS CITIES							
1150	NORTH POLE	928	9.14	\$288,162	\$0	\$27,448	\$315,610
1200	PALMER	2,094	19.11	\$1,050,583	\$0	\$129,522	\$1,180,105
1210	PELICAN	172	26.57	\$70,329	\$29,671	\$14,787	\$114,787
1220	PETERSBURG	3,001	27.98	\$1,333,848	\$0	\$271,733	\$1,605,581
1230	SAND POINT	697	26.61	\$267,862	\$0	\$60,007	\$327,870
1240	SAINT MARY'S	432	38.43	\$212,268	\$0	\$53,722	\$265,990
1250	SELDOVIA	505	20.62	\$174,173	\$0	\$33,700	\$207,873
1250	SEWARD	1,943	22.73	\$1,057,505	\$0	\$142,939	\$1,200,444
1270	SKAGWAY	819	14.18	\$274,515	\$0	\$37,579	\$312,094
1280	SOLDOVNA	2,445	20.15	\$570,833	\$0	\$153,446	\$730,279
1290	UNALASKA	1,944	61.84	\$936,046	\$0	\$383,945	\$1,324,991
1300	VALDEZ	3,279	6.75	\$3,133,376	\$0	\$71,618	\$3,204,994
1330	WRANGELL	2,345	25.75	\$1,095,115	\$0	\$135,355	\$1,230,470
1360	YAKUTAT	430	19.72	\$156,900	\$0	\$27,440	\$184,340
SECOND CLASS CITIES							
5000	AKHTICH	103	0.00	\$47,053	\$52,942	\$0	\$100,000
5010	AKTACHAK	435	3.78	\$125,276	\$0	\$5,328	\$130,605
5020	AKIAK	197	0.00	\$71,702	\$28,293	\$0	\$100,000
5030	AKOLHIUT	636	5.03	\$256,950	\$0	\$10,350	\$267,300
5040	AKUTAN	189	0.00	\$122,193	\$0	\$32,083	\$274,276
5050	ALAKANUK	534	16.68	\$193,092	\$0	\$28,821	\$221,913
5060	ALFREDSTAD	152	0.00	\$61,976	\$38,024	\$0	\$100,000
5070	ALLAKNET	152	0.00	\$65,196	\$34,804	\$0	\$100,000
5080	AMBLER	198	19.70	\$76,305	\$23,695	\$12,621	\$112,621
5090	ANAKTUVIUT PASS	235	0.00	\$90,078	\$19,922	\$0	\$100,000
5100	ANDERSON	500	4.38	\$134,014	\$0	\$7,097	\$141,111
5110	ANIGON	445	0.00	\$129,373	\$0	\$0	\$129,373
5120	ANILAK	338	6.17	\$173,740	\$0	\$6,757	\$180,497
5130	ANPIK	110	0.00	\$55,761	\$44,239	\$0	\$100,000
5140	ATNAUTIUK	226	1.32	\$80,991	\$19,009	\$972	\$100,972

MODEL - MUNICIPAL REVENUE SHARING ENTITLEMENTS

TOTAL APPROPRIATION = \$158,816,000

BASIC APPROP. PRORATION FACTOR = 1.00000000000000
 MINIMUM ENT. PRORATION FACTOR = 1.00000000000000
 CHAPTER 88 PRORATION FACTOR = 3.23533604176440

KEY	NAME	POPULATION	MILL RATE EGV	BASIC ENTITLEMENT FY83	MINIMUM ENTITLEMENT	CHAPTER 88 ENTITLEMENT	TOTAL ENTITLEMENT FY84
SECOND CLASS CITIES							
5150	BETHEL	3,549	12.05	\$1,514,923	\$0	\$138,416	\$1,653,339
5160	BREVIC MISSION	149	7.18	\$63,512	\$36,486	\$7,462	\$107,460
5170	BUCKLAND	211	7.06	\$75,618	\$24,382	\$4,819	\$104,819
5180	CHEFORMAK	230	8.90	\$78,621	\$21,379	\$6,627	\$106,627
5190	CHEYAK	491	2.99	\$129,761	\$0	\$4,754	\$134,515
5200	CHUATHBALUK	104	6.69	\$59,219	\$40,781	\$2,252	\$102,252
5210	CLARK'S POINT	78	14.90	\$46,971	\$53,029	\$3,760	\$103,760
5220	DEERING	155	21.99	\$64,987	\$35,013	\$11,022	\$111,022
5230	DELTA JUNCTION	945	0.00	\$258,272	\$0	\$0	\$258,272
5240	DIONEDE	149	5.86	\$60,703	\$39,297	\$2,827	\$102,827
5250	EAGLE	186	2.47	\$65,675	\$34,325	\$1,491	\$101,491
5260	EK	226	2.03	\$77,269	\$22,731	\$1,486	\$101,486
5270	EKWOK	77	2.28	\$46,315	\$53,655	\$569	\$100,539
5280	ELIM	228	4.72	\$79,430	\$20,570	\$7,483	\$107,483
5290	EMMONAK	568	7.39	\$170,887	\$0	\$17,985	\$188,872
5300	FORT YLKEN	599	12.71	\$206,998	\$0	\$24,631	\$231,629
5310	FORTUNA LEDGE	243	9.01	\$81,653	\$18,347	\$7,093	\$107,093
5320	GAMBELL	480	4.57	\$129,627	\$0	\$7,110	\$136,737
5330	GOLDOVIN	94	9.10	\$53,150	\$46,850	\$2,465	\$102,465
5340	GOODNEWS BAY	167	0.00	\$65,429	\$34,571	\$0	\$100,000
5350	GRAYLING	209	0.00	\$73,879	\$26,121	\$0	\$100,000
5360	HOLY CROSS	241	1.78	\$91,186	\$18,814	\$1,395	\$111,395
5370	HOOGER BAY	624	2.86	\$157,803	\$0	\$5,790	\$163,593
5380	HOUSTON	583	0.11	\$130,825	\$0	\$216	\$131,041
5390	HUGHES	71	2.46	\$47,755	\$52,245	\$617	\$100,617
5400	HUELTA	270	0.00	\$113,427	\$0	\$1	\$113,428
5410	KACHEMNY	425	2.41	\$110,208	\$0	\$7,324	\$117,532
5420	KAKTOVIK	201	0.30	\$74,330	\$25,670	\$157	\$100,157
5430	KALTAG	247	0.00	\$80,762	\$19,238	\$0	\$100,000
5440	KASAAN	64	0.12	\$37,041	\$62,959	\$26	\$100,026
5450	KIANA	356	3.09	\$105,634	\$0	\$3,564	\$109,198

MODEL - MUNICIPAL REVENUE SHARING ENTITLEMENTS

TOTAL APPROPRIATION = \$153,516,000

BASIC APPROP. PRORATION FACTOR = 1.0000000000000000
 MINIMUM ENT. PRORATION FACTOR = 1.0000000000000000
 CHAPTER 88 PRORATION FACTOR = 3.23533604176440

KEY	NAME	POPULATION	HILL RATE EQV	BASIC ENTITLEMENT FY83	MINIMUM ENTITLEMENT	CHAPTER 88 ENTITLEMENT	TOTAL ENTITLEMENT FY84
SECOND CLASS CITIES							
5470	KIVALINA	249	4.25	\$82,859	\$17,141	\$7,921	\$107,921
5480	HOBUK	64	3.48	\$46,323	\$53,677	\$721	\$100,721
5490	KOTLIK	339	4.07	\$100,622	\$0	\$4,467	\$105,089
5500	KOTZEBLE	2,250	17.15	\$730,161	\$0	\$124,861	\$855,022
5510	KOVIK	203	6.31	\$74,417	\$25,563	\$4,149	\$104,129
5520	KOVILUK	95	10.23	\$53,253	\$46,747	\$7,145	\$107,145
5530	KUPREANOF	47	1.88	\$34,745	\$55,254	\$225	\$100,225
5540	KVETHLAK	454	3.26	\$122,715	\$0	\$5,678	\$128,393
5550	LADEN BAY	167	0.00	\$68,902	\$41,098	\$0	\$100,000
5555	LOWER KALDIAG	244	3.29	\$152,627	\$0	\$2,599	\$155,226
5560	MAKOKTAK	200	1.51	\$89,056	\$10,944	\$1,424	\$101,424
5570	MCCRATH	343	2.01	\$120,096	\$0	\$2,232	\$122,328
5580	NEVOPUK	160	14.19	\$67,664	\$32,736	\$7,748	\$107,148
5590	MOUNTAIN VILLAGE	580	16.25	\$218,945	\$0	\$30,502	\$249,447
5600	NAPASIAK	260	8.48	\$90,300	\$9,700	\$7,138	\$107,138
5610	NAPASIAK	242	0.00	\$50,443	\$19,457	\$0	\$100,000
5620	NEKMAK	135	1.40	\$58,379	\$41,621	\$612	\$100,612
5630	NEW STUYANOK	7	0.00	\$35,362	\$7,638	\$0	\$100,000
5640	NENTOK	175	0.95	\$67,329	\$32,671	\$542	\$100,542
5650	NICHINUTE	135	8.32	\$49,374	\$40,626	\$7,638	\$107,638
5660	NIKOAI	91	0.00	\$51,037	\$48,963	\$0	\$100,000
5670	NIPON TUN	173	0.18	\$65,831	\$34,169	\$104	\$100,104
5680	NIPON TUN	508	3.38	\$135,703	\$0	\$5,571	\$141,274
5690	NIKATO	338	2.42	\$101,820	\$0	\$2,655	\$104,475
5700	NILGHE	271	0.00	\$27,095	\$12,905	\$0	\$100,000
5710	OLD SWAMP	334	0.21	\$32,508	\$7,492	\$234	\$100,234
5720	OSIPALL	170	1.63	\$60,075	\$39,925	\$840	\$100,840
5730	PALOT NEATHIN	323	4.05	\$96,574	\$7,426	\$4,330	\$100,330
5740	CLAYTON	55	0.00	\$47,822	\$56,178	\$0	\$100,000
5750	POINT HOPE	531	1.20	\$141,596	\$0	\$2,077	\$143,673
5760	PORT ALBANDER	90	3.02	\$43,090	\$56,910	\$290	\$100,290

MODEL - MUNICIPAL REVENUE SHARING ENTITLEMENTS

TOTAL APPROPRIATION = \$155,816,000

BASIC APPROP. PRORATION FACTOR = 1.00000000000000
 MINIMUM ENT. PRORATION FACTOR = 1.00000000000000
 CHAPTER 28 PRORATION FACTOR = 3.23533604176440

KEY	NAME	POPULATION	MILL RATE EQV	BASIC ENTITLEMENT FY83	MINIMUM ENTITLEMENT	CHAPTER 28 ENTITLEMENT	TOTAL ENTITLEMENT FY84
SECOND CLASS CITIES							
5770	PORT HEIDEN	91	1.26	\$108,124	\$0	\$373	\$108,497
5780	PORT LIONS	211	10.52	\$68,176	\$31,824	\$7,121	\$107,121
5790	QUINCY	409	3.52	\$114,138	\$0	\$4,662	\$118,800
5800	RUBY	190	0.70	\$71,845	\$28,155	\$425	\$100,425
5810	RUSSIAN MISSION	169	1.81	\$65,605	\$34,394	\$992	\$100,992
5820	SAINTE MICHAEL	253	5.29	\$88,913	\$11,087	\$4,422	\$104,422
5830	SAINTE PAUL	591	9.88	\$259,082	\$0	\$13,901	\$277,983
5840	SAYBONA	530	7.71	\$140,719	\$0	\$13,229	\$153,948
5850	SAYRE	276	0.00	\$79,462	\$20,538	\$0	\$100,000
5860	SCHMIDT RAY	249	2.77	\$22,162	\$17,838	\$2,222	\$102,222
5870	SELAWIK	361	0.00	\$108,009	\$0	\$0	\$108,009
5880	SHAFER	127	1.05	\$59,049	\$40,951	\$444	\$100,444
5890	SHILOH	177	3.37	\$94,502	\$5,498	\$1,920	\$101,920
5900	SHILOH POINT	103	6.64	\$73,165	\$46,835	\$2,213	\$102,213
5910	SHISHAREF	425	3.58	\$118,541	\$0	\$4,926	\$123,467
5920	SILVERDALE	208	2.30	\$76,194	\$23,806	\$1,549	\$101,549
5930	STERRING	357	4.44	\$104,622	\$0	\$5,132	\$109,754
5940	TAMPA	388	2.44	\$232,002	\$0	\$3,074	\$235,076
5950	TELLER	229	8.78	\$79,549	\$20,451	\$6,510	\$106,510
5960	TELEGRAPH SPRINGS	132	2.72	\$52,869	\$47,131	\$1,164	\$101,164
5970	TEXARKANA	511	0.73	\$136,524	\$0	\$1,221	\$137,745
5980	THOMSON DAY	331	7.58	\$98,860	\$1,140	\$8,127	\$108,127
5990	TRUSSARDI	234	3.42	\$170,124	\$0	\$2,596	\$172,720
6005	TRUSSARDI	301	2.25	\$92,244	\$7,756	\$2,195	\$102,195
6020	UNALASKA	672	7.04	\$202,974	\$0	\$15,190	\$218,164
6030	UPPER MOUNTAIN	128	2.35	\$65,213	\$34,787	\$1,221	\$101,221
6040	WATERBURY	410	0.00	\$114,838	\$0	\$0	\$114,838
6050	WYRE	143	9.53	\$59,332	\$40,568	\$4,409	\$104,309
6060	WYRE	1,928	0.33	\$562,063	\$0	\$2,090	\$564,153
6070	WHITE MOUNTAIN	125	10.10	\$58,346	\$41,654	\$4,088	\$104,088
6080	WITTIER	211	39.68	\$101,859	\$0	\$27,093	\$128,952
TOTAL				\$142,292,273	\$2,135,658	\$14,378,068	\$155,816,000

Appendix A

December 17, 1981

SB 125 (CH. 6 SLA 1981) CRA/AML QUESTIONNAIRE RESPONSES

MUNICIPALITY	WERE TAXES REDUCED?	1981 LEVEL	1982 LEVEL	EST 1982 LEVEL W/O FUNDING	REDUCTION OF FEES & CHARGES	WAS RATE OR FEE INCREASED?	NEW SERVICES PROVIDED?	IS FUNDING ADEQUATE?	LISTED IN BUDGET FOR FY 82	FY 83
Municipality of Anchorage	Yes	12.06 mills average	8.30 mills	12.06 mills*	No	Yes	No		1981	
Bristol Bay Borough	Yes	7.5 mills Areawide	6.5 mills Areawide	8.5 mills	N/A	No	Yes	No	Yes	
Fairbanks North Star Borough	NR									
Haines Borough	Yes	1.8 mills	1 mill	3.5 mills	N/A	No	No	Yes	Yes	
City/Borough of Juneau	Yes	11.06 mills average	4.90 mills	11.73 mills	No	User fees	No	No		Yes
Kenai Peninsula Borough	Yes	2.5 mills	1.75 mills	2.63 mills	No	No	No	No		Yes
Ketchikan Gateway Borough	NR									
Kodiak Island Borough	Yes	7 mills	5.5 mills		No	No	No	Yes	Yes	
Kat-Su Borough	Yes	8.4 mills	6.7 mills	9.9 mills	No	No	Yes	No		Yes
North Slope Borough	NR									
City/Borough of Sitka	Yes	3.5 mills 4%	3.0 mills 4%	5.5 mills 4%	No	Yes	No	No	Yes*	

NR - No Response

N/A - Not Applicable

* - Response unclear, information estimated

13

MUNICIPALITY	WERE TAXES REDUCED?	1981 LEVEL		1982 LEVEL		EST 1982 LEVEL W/O FUNDING	REDUCTION OF FEES & CHARGES	WAS RATE OR FEE INCREASED?	NEW SERVICES PROVIDED?	IS FUNDING ADEQUATE?	LISTED IN BUDGET FOR	
											FY 82	FY 83
Cordova (Home rule)	Yes	15 mills 4%	1 mills 4%	15 mills 4%		No	No	No	Yes	Yes		
Craig	NR											
Dillingham	NR											
Galena (1st)	No	3%	3%	3%		No	Yes	Questionable	No	Yes		
Hoonah	NR											
Kake (1st)	No	3%	3%	3%		No	Yes	Yes	No	No	Yes*	
King Cove	NR											
Kenana	NR											
Nome (1st)	Yes	15 mills 3%	9 mills 3%	12.5 mill 3%		Exempted Sales Tax on heating and utilities	No	Yes	No	Yes		
Pelican	Yes	5.5 mills 3%	5 mills 3%	7 mills 3%		No	No	No	Yes	Yes		
Petersburg	NR											
Sand Point	Yes	3%	2%	3%		No	No	No	Depends on fishing success	Yes		
Skagway (1st)	Yes	7 mills 4%	4 mills 3%	5 mills 3%		No	Yes	No	No	Some	Most	
Unalaska (1st)	Yes	13 mills 1%	13 mills 1%	Rates to Max.		No	No	In the process	Barely	Yes		
Valdez	NR											
Wrangell (Home rule)	Yes	12.9 mills	7.2 mills	12.9 mills		No	No	No	No	Yes		
Yakutat (1st)	No	13.7 mills 2%	13.7 mills 2%	Unknown		No	No	No	No	Yes		

NR - No Response

N/A - Not Applicable

* - Response unclear, information estimated

MUNICIPALITY	WERE TAXES REDUCED?	1981 LEVEL	1982 LEVEL	EST 1982 LEVEL W/O FUNDING	REDUCTIO OF FEES CHARGES	WAS RATE OR FEE INCREASED?	NEW SERVICES PROVIDED?	IS FUNDING ADEQUATE?	LISTED IN BUDGET FOR	
									FY 82	FY 83
Akiacnak(2nd)	NR									
Akiak(2nd)	NR									
Akolmiut(2nd)	NR									
Akutan(2nd)	NR									
Alakanuk(2nd)	NR									
Allakaket	NR									
Ambler (2nd)	No						No			
Anderson	NR									
Angoon (2nd)	No						Yes			
Aniak	NR									
Anvik	NR									
Atmoutluk (2nd)	No						Yes			
Bethel (2nd)	No						No			
Brevig Mission	NR									
Buckland	NR									
Chefornak (2nd)	No						No			
Chevak (2nd)	No						No			
Chuathbaluk	NR									
Clark's Point	NR									
Deering	NR									
Delta Junction	NR									
Dionede	NR									
Eagle	No						Yes			
Eek	NR									
Elwok	NR									
Eliu	NR									
Emmonak	NR									

NR - No Response
N/A - Not Applicable

MUNICIPALITY	WERE TAXES REDUCED?	1981 LEVEL	1982 LEVEL	EST 1982 LEVEL W/O FUNDING	REDUCTION OF FEES & CHARGES	WAS RATE OR FEE INCREASED?	NEW SERVICES PROVIDED?	IS FUNDING ADEQUATE?	LISTED IN BUDGET FOR	
									FY 82	FY 83
Fort Yukon (2nd)	No						Yes			
Fortuna Ledge	NR									
Gambell	NR									
Golovin	NR									
Goodnews Bay	NR									
Grayling	NR									
Holy Cross	NR									
Hoonah	NR									
Hooper Bay	NR									
Hughes	NR									
Huslia	NR									
Hydaburg	NR									
Kachemak	NR									
Kake	NR									
Kaltag	NR									
Kasaan	NR									
Kiana	NR									
Kivalina (2nd)	No						No			
Klawock	NR									
Kobuk	NR									
Kotlik	NR									
Kotzebue	NR									
Koyuk	NR									
Koyukuk	NR									
Kupreanof	NR									
Kwethluk	NR									
Larsen Bay	NR									
Lower Kalskag	NR									
Manokotek	NR									
McGrath	NR									
Yekoryuk	NR									
Mountain Village	NR									
Napaklak (2nd)	No						No			
Napaklak	NR									
New Stuyahok	NR									
Nenahalen	NR									
Nenok	NR									

NR - No Response
N/A - Not Applicable

MUNICIPALITY	WERE TAXES REDUCED?	1981 LEVEL	1982 LEVEL	EST 1982 LEVEL W/O FUNDING	REDUCTION OF FEES & CHARGES	WAS RATE OR FEE INCREASED?	NEW SERVICES PROVIDED?	IS FUNDING ADEQUATE?	LISTED IN BUDGET FOR FY 82	FY 83
Highmute	NR									
Nikolai	NR									
Nondalton	NR									
Noorvik	NR									
Nuqsut	NR									
Nulato	NR									
Old Harbor	NR									
Ouzinkie	NR									
Pilot Station	NR									
Platinum	NR									
Point Hope	NR									
Port Alexander	NR									
Port Haiden	NR									
Port Lions	NR									
Quinnagak (2nd)	No						Yes			
Ruby	NR									
Russian Mission	NR									
Saint Michael	NR									
Saint Paul	NR									
Savoonga	NR									
Saxton	NR									
Scammon Bay	NR									
Selkirk	NR									
Shagulu	NR									
Sniiktoolik	NR									
Sheldon Point	NR									
Shishmaref (2nd)	No						No			
Shungnak	NR									
Stebbins	NR									
Tanana (2nd)	No						Yes			
Teller	NR									
Tenakee Springs (2nd)	No						Yes			

NR - No Response
 N/A - Not Applicable

17

MUNICIPALITY	WERE TAXES REDUCED?	1981 LEVEL	1982 LEVEL	EST 1982 LEVEL W/O FUNDING	REDUCTION OF FEES & CHARGES	WAS RATE OR FEE INCREASED?	NEW SERVICES PROVIDED?	IS FUNDING ADEQUATE?	LISTED IN BUDGET FOR FY 82	FY 83
Togiak	NR									
Toksook Bay	NR									
Tuluksak	NR									
Tununak	NR									
Unalakleet (2nd)	No						Yes			
Upper Kalskag	NR									
Wainwright	NR									
Wales	NR									
Wasilla	NR									
White Mountain	NR									
Whittier	NR									

NR - No Response
N/A - Not Applicable

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: All Commissioners

DATE: October 2, 1981

F.E. NO:

TELEPHONE NO:

FROM: Lee McAnerney
CommissionerSUBJECT: Inventory of "local
services" provided
by State agencies ✓

At the Cabinet meeting on September 21, Governor Hammond indicated that each State agency should identify any services currently provided by the State which might be more appropriately delivered by a local government. The purpose of this identification process would be to examine the potential for linking the provision of these services with the receipt of State revenue sharing and municipal assistance funds by local governments.

The Governor has already appointed a working group, which I chair, to reexamine the policy objectives of financial aid programs for local governments. One aspect of this reexamination involves exploring the concept advanced by the Governor. To assist in this effort, I would appreciate information from your agency on any programs or services delivered by state government which you feel should be delivered at the local level. While it is difficult to make a distinction between State and local responsibilities, I might suggest that "local services" include local public protection, streets and sidewalks, local utilities, local health clinics and hospitals, libraries, planning, platting and zoning, mass transit, ambulances, boat harbors and parks and recreation. However, please feel free to provide information on programs or services which are not listed that you feel are appropriately "local" in nature. I would appreciate a concise description of the program or service, where the program or service is provided, the level of funding for the program or service and the level of technical support provided in addition to direct program or service funds.

I would appreciate your response to my office no later than October 16, 1981.

Thank you for your cooperation.

MEMORANDUM

State of Alaska

RECEIVED

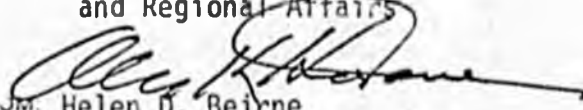
DEC 17 1981

TO: Lee McAnerney
Commissioner
Department of Community
and Regional Affairs

DATE: December 17, 1981
OF COMMUNITY
AND REGIONAL AFFAIRS

FILE NO:

TELEPHONE NO:


FROM: Helen D. Beirne
Commissioner
Department of Health and
Social Services

SUBJECT: Inventory of "Local
Services" Provided by
State Agencies

I am sorry for the delay in responding to your memorandum of October 2. However, we find that the issue of what is more properly a local service as opposed to a state service is considerably more complicated than it originally appeared on the surface as evidenced in our efforts over the last two years to contract with local entities for the delivery of various types of health and social services. Those efforts have demonstrated that there are substantial legal problems. As I understand the various opinions and memoranda of advice which we have received from the Department of Law on this topic, there are legal impediments which restrain the state from relinquishing certain functions particularly in the area of discretionary functions and to some extent also in the area of ministerial functions. I presume that extensive statutory revisions would be required in order for the state to hand over certain functions to local government and also to permit local government to assume them regardless of the source of financing.

A second complicating factor is the problem of economies of scale. Many of our communities are of insufficient size to support full-time workers such as public health nurses, social workers, probation officers, etc. A move toward local services would require in many instances the formation of some type of local district combining several small units.

A third problem area would be definition of the state's role if any in setting standards to be met by locally delivered services. In some of the older revenue sharing legislation there were examples of standards such as qualifications of personnel, etc. to which a municipality had to agree in order to receive funds. Although the prevailing national mood seems to be anti-regulatory, it does appear that certain sensible minimum standards ought to be applied at least in certain areas such as hospital construction, etc.

Notwithstanding the reservations expressed above consideration could be given to a stronger local role using revenue sharing or municipal assistance funds for the following types of activities:

1. Municipal health centers. Anchorage operates the only health department in the state and the state contributes approximately half of the general public health program costs through an annual grant to the Municipality. Fairbanks has traditionally provided a great deal of support to the Fairbanks health center in the way of additions or remodeling, equipment,

etc. Relatively few other local governments make any substantial contribution to the health centers which serve their populations. In fact, there seems to have been a withdrawal of local support in some communities. Certainly some municipal revenue sharing funds could be used in communities such as Ketchikan, Sitka, Petersburg, Wrangell, Homer, Kenai, etc. to pay costs of space rental, equipment replacement, vehicles, etc. Where the health center serves both a municipality and a surrounding area, some adjustment presumably would have to be made depending upon the proportions of services provided within a municipality versus those outside.

2. Various programs serving developmentally disabled individuals could conceivably receive a portion of their support from revenue sharing funds. These might include infant learning programs, respite care services, etc.
3. Certain types of counseling and crisis intervention types of services such as those provided through Big Brothers/Big Sisters and various local contractors or grantees now receiving funds directly from the state could presumably appropriately be supported through use of revenue sharing funds. Many of the costs of community mental health centers and community alcoholism and drug abuse programs could be met through revenue sharing mechanisms.
4. Support for operational costs of local hospitals could also be met to some extent with revenue sharing mechanisms. It is doubtful that in the smaller communities if revenue sharing would be an adequate source of funds for major capital improvements to the hospital system.

In summary, theoretically almost all of the grant or contract programs currently operated by the Department could be handled through revenue sharing at the local level. I have attached material regarding the potential funding involved in these programs. A major question would be the state's obligation to assure that certain types of services such as alcohol or mental health are in fact available at the local level. Each governing statute would have to be researched to determine its compatibility with a local control approach.

Attachments

MEMORANDUM

State of Alaska

TO Debra Behr
 Special Assistant
 Office of the Commissioner
 Dept. of Health & Social Services

DATE December 14, 1981

FILE NO DG-29

TELEPHONE NO

FROM Joanne Clark *JCC*
 Acting Director
 Div. of Management and Budget
 Dept. of Health & Social Services

SUBJECT FY 82 Grantees

Attached is a compilation of FY83 Detail Budget form 18's showing the Department of Health and Social Services FY 82 Grantees and the amounts granted. A summary of these forms is as follows:

<u>Component</u>	<u>Number of Grants</u>	<u>Total FY 82 Authorized</u>
Alcoholism Grants	56	14,151.3
Drug Abuse Grants	8	1,573.6
HSA Grants	3	300.0
Community Services	18	4,549.4
Comm. MH Grants	23	4,178.4
Spec. Proj. and Grants	1	25.6
Handicapped Children	3	75.5
Nutrition	4	540.8
Spec. Education Grants	Numerous	1,400.0
Grants to Mun. of Anch.	1	939.1
Public Health Admin.	4	196.3
Anch. Prog./Handicapped	Various	620.9
Holistic Health	17	275.3
Health Clinics	9	942.0
EMS Administration	4	148.3
EMS Grants - Reg. Councils	4	1,365.0
TOTALS	155+	31,281.5

Attachments

MEMORANDUM

State of Alaska Department of Transportation & Public Facilities

TO: Lee McNerny
Commissioner
Department of Community
and Regional Affairs

FROM: Robert W. Ward
Commissioner
Department of Transportation
and Public Facilities

[Handwritten signature]
Transpo

DATE: December 14, 1981

FILE NO: 000H

TELEPHONE NO: 465-3900

SUBJECT: Inventory of "Local
Services" provided
by State agencies.
(Memo 10-2-81)

With a few exceptions the DOT/PF is the overall planning and construction agency for facilities of all types for the various Departments of the State's programs. DOT/PF, unless mandated otherwise by the legislature for specific programs, has three means to implement projects within municipalities: a) by means of transferring DOT/PF responsibilities to local governments, b) by means of granting or "passing through" funds to local governments, and c) by means of doing the work for municipalities.

The transfer of responsibilities agreement (TORA) is presently employed to varying degrees at the request of local governments and by administrative determination by the department.

Grants to political sub-divisions are still employed where federal funds or other Departments of the State funds are involved and are to be administered by DOT/PF. These grants funds are made available in varying degrees depending upon the recipient's ability to administer them.

A list of facilities programs with which DOT/PF is usually involved and for which the authority and responsibility to plan provide, operate and maintain, to some extent, could be shifted to the political sub-divisions, is as follows:

- + Local Service Roads and Trails
- + Mass Transit
- + Bicycle Paths
- + Pedestrian Walkways
- + Airports
- + Airport Terminals
- + Aircraft Parking
- + Airport Concessions
- + Ports - Under existing law the Alaska Port Development Act (AS 30.15) allows municipalities to receive grants from the state for port construction and improvement upon application and approval.

- + Small Boat Harbors - The costs of construction for small boat harbor projects are usually assumed by the State upon project approval by DOT/PF and after negotiation with the municipality. Traditionally, local interests assume the responsibilities for providing lands, easement, rights-of-way and operation and maintenance of these facilities.
- + Harbors of Refuge and Launching Ramp Facilities - These are usually small facilities with few amenities and are constructed and maintained by the State. In some cases these facilities are within the boundaries of political sub-divisions with taxing or fee collecting authority.
- + Buildings - The responsibilities for buildings of many types which are presently constructed, insured, maintained and operated solely by the State to satisfy the various Departments' programs could, in varying degrees, be shifted to the municipalities. In some cases, the public would obviously be better served under State operation as in the cases of Pioneers' Homes or remote highways maintenance facilities, for example. However, as in the case of school programs which to the greatest extent possible, are now administered by the political sub-divisions, there are numerous other facilities that could fall into this category of administration to different degrees. A partial list is as follows:

Office buildings, warehouses, storage facilities, repair facilities (vehicle, aircraft, marine), telecommunications facilities, utilities facilities, libraries, museums, hospitals, public meeting centers, gymnasiums, swimming pools, vocational rehabilitation centers, housing connected with numerous programs such as hatcheries, law enforcement, etc., courts, jails and other rehabilitation facilities and combined facilities that might serve both several state programs needs in addition to local programs.

- + Planning - More responsibility for both transportation and facilities planning could and should be vested with the political sub-divisions in anticipation of their greater involvement.

Cost for services and programs which are currently being provided by the state which might be more appropriately delivered by local government are identified as follows:

<u>Program</u>	<u>\$ Millions</u>
1. Local Service Roads and Trails - Construction (Including local streets, sidewalks and trails) Statewide - Rural Areas	7.0
2. Local Roads and Street Maintenance (Road repairs, grading, snow-ice removal) Statewide	16.0

<u>Program</u>	<u>\$ Millions</u>
3. Airports Maintenance Statewide	7.6
4. Mass Transit (Planning) Statewide	1.0
5. Bicycle Paths Statewide	2.0
6. Ports Statewide	10.0
7. Small Boat Harbors Statewide	20.0
8. Harbors or Refuge and Launching Ramp Facilities	<u>2.0</u>
	65.6

Buildings - These amounts can vary radically depending upon various agency programs requirements, Federal or other participation and community capability for contracting maintenance and operations. Also, much of the facilities financing is tied to previous bond measures which might lead to serious legal implications if contracting authority were changed.

MEMORANDUM

State of Alaska

TO: Richard Ake
Deputy Commissioner
Department of Community
& Regional Affairs

DATE: November 20, 1981

FRE NO

TELEPHONE NO

FROM: Glenn Akins
Deputy Commissioner
Department of Environmental
Conservation

SUBJECT: Inventory of Local
Services

As you know, this Department believes that many of our functions may, and should, be carried out by local governments. However, only the Municipality of Anchorage currently conducts a reasonably extensive local environmental management program. Fairbanks North Star Borough and the North Slope Borough have limited environmental programs and express interest in expanding them. Other communities seem to prefer to let the state perform all health and environmental protection functions.

As we have discussed with Senator Sturgulewski's Title 29 Review Commission, the main functions we believe should be delegated to locals are the following:

1. Subdivision Plan Review (approval of subdivisions' plans to assure adequate disposal of sewage). DDC regulations allow local administration. Anchorage has an excellent program.
2. On-lot Water and Sewer Inspections. DDC inspects homes for which bank loans are desired, to assure the bank that the property has safe and adequate water and waste disposal. Anchorage conducts this program locally.
3. Sanitation (Health) Inspections. Restaurants, public facilities and institutions are inspected to assure protection of public health.
4. Surface Oiling. Regulation of oil application to road surfaces.
5. Air Quality. Local governments may establish air quality control programs, including permitting. The North Slope Borough has expressed an interest in this program.

I would be happy to provide more detailed information and work with you further on this matter.

MEMORANDUM

State of Alaska

TO Lee McAnerney, Commissioner
Department of Community &
Regional Affairs

DATE October 16, 1981

FILE NO

TELEPHONE NO

FROM Charles R. Webber, Commissioner
Department of Commerce & Economic
Development

SUBJECT Inventory of Local Services
Provided by State Agencies

Your memorandum of October 2 requesting each state agency to identify services currently provided by the State which might be more appropriately delivered by a local government.

The Cultural Facilities Development Fund provides State assistance in the construction and development of cultural facilities within municipalities which actively provide support to the arts.

The facilities are for local use and are funded on an individual basis by the Legislature.

There is also an Advisory Council on Cultural Facilities to assist and review requests from municipalities. This council was funded for one year in the amount of \$37,500. Technical support is provided by the department.

Although capital funding was requested by the Advisory Council for FY '82, no appropriations were approved; \$10,000,000 will be requested for FY '83 but has not been approved by the Budget and Review Committee to date.

Attached is further information concerning this program.

CRW/cw#2511/wfs 5/9

Attachment

RECEIVED
OCT 20 1981
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

MEMORANDUM

State of Alaska

TO Lee McAnerney, Commissioner
Department of Community and
Regional Affairs

DATE: October 9, 1981

FILE NO:

Judy Knight for
FROM Edmund N. Orbeck, Commissioner
Department of Labor

TELEPHONE NO: 465-2700

SUBJECT: Inventory of "Local
Services" Provided by
State Agencies

Pursuant to your memorandum of October 2, same subject, I have reviewed the services provided by this department with respect to those which might be handled by a local government.

The employment and unemployment services of the Department are delivered in a local area environment, but rely on the statewide labor market and service concept for full effectiveness. Our worker protection components also are aimed toward coverage in the local areas, but are quite technical in nature and considerable effectiveness is lost in fragmenting them. For example, authority for inspections is granted to local governments according to the statutes and the department provides technical assistance and training to local government building inspectors upon request in those few municipalities which have adopted codes and taken on that function. Even so, there are continuing requests for electrical and plumbing inspections in those locations from our State inspectors.

In summary, we do not believe there are programs or services currently provided by our department which should be delivered at the local level.

cc: Jay S. Hammond, Governor
Terry Miller, Lieutenant Governor

RECEIVED
OCT 12 1981
DEPT OF COMMUNITY
AND REGIONAL AFFAIRS

MEMORANDUM

State of Alaska

TO Lee McAnerney
Commissioner
Department of Community
and Regional Affairs

DATE November 23, 1981

FILE NO

TELEPHONE NO 465-4322

FROM William R. Nix *W.R.N.*
Commissioner
Public Safety

SUBJECT Inventory of Local
Services Department of

At the outset, please forgive this department for not responding, but your letter reflected that a response was necessary only on "any programs or services delivered by state government which you feel should be delivered at the local level." Since this department could not identify ongoing existing state programs that could be diversified for local government to assume responsibility, we did not respond.

Those programs which are conducive to local management have already been implemented. I speak of the Village Public Safety Officer Program, the Emergency Medical Services, with ambulances being provided by the Highway Safety Planning Agency, and limited incarceration at certain local jail facilities.

In each of the cited cases, the programs are not, and presently cannot be, autonomous local programs. They are, in fact, wholly or partially supported monetarily and monitored by the state because of existing law or because it is a more convenient mode of operation for the state with corresponding benefits to the local communities.

MEMORANDUM

State of Alaska

TO Lee McAnerney
Commissioner
Department of Community and Regional
Affairs

DATE: November 25, 1981

FILE NO

TELEPHONE NO: 465-2800

FROM Marshall L. Lind
Commissioner
Department of Education

SUBJECT: Inventory of "Local Services"

I have received your "tickler" of November 19, 1981, concerning our lack of response to your earlier memo on the above referenced subject. In this case, our non-response was indeed a response. To my knowledge, all educational services under the jurisdiction of this department are delivered at the local level unless otherwise precluded by law.

MEMORANDUM

State of Alaska

TO Lee McAnerney
Commissioner
Department of Community
and Regional Affairs

DATE November 19, 1981

FILE NO:

TELEPHONE NO 465-3600

FROM WILSON L. CONDON
ATTORNEY GENERAL

SUBJECT Inventory of "local services".

By:

Elizabeth Shaw
Assistant Attorney General
Department of Law

This department has not identified any services currently provided by our attorneys which would appropriately be delivered by local governments.

We hope that our delay in responding to your memorandum of October 2, 1981, has not inconvenienced you .

RECEIVED
NOV 22 1981
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

MEMORANDUM

State of Alaska

TO Lee McAnerney
Commissioner
Department of Community and
Regional Affairs

DATE 16 October 1981

FILE NO

TELEPHONE NO

FROM Major General C.F. McCrason *lcc*
The Adjutant General
Department of Military Affairs

SUBJECT Inventory of "local services"
Provided by State Agencies

We have examined the services provided by this agency and feel that they are best provided by us on a statewide basis. I do not feel that local governments could provide them adequately.

Thank you for the opportunity to comment on this matter.

RECEIVED
OCT 20 1981
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

MEMORANDUM

State of Alaska

Department of Revenue

TO The Honorable Lee McAnerney
Commissioner
Department of Community
and Regional Affairs

DATE October 27, 1981

FILE NO

TELEPHONE NO

FROM Thomas K. Williams *TKW*
Commissioner
Department of Revenue

SUBJECT Investing of "local
services" provided by
state Agencies

We have reviewed the programs administered by the Department of Revenue considering which would be more appropriately administered by local government.

Several of our programs have aspects which could be effective at the local government level. However, these programs also have factors and conditions which effect the unincorporated areas of Alaska. These are primarily license and permit programs which require that continuity be maintained at the state-wide level. Re-direction of these programs is not a practical idea until such time as local administrative powers exist in the unincorporated areas.

TKW:PAW:ml

MEMORANDUM

State of Alaska

TO Lee McAnerney
Commissioner
Department of Community
& Regional Affairs

DATE December 1, 1981

FILE NO

TELEPHONE NO 465-4100

FROM *for* Ronald O. Skoog
Commissioner
Department of Fish & Game

SUBJECT Inventory of "Local
Services" Provided
by State Agencies

Please accept my apologies for the delay in my response to your memo of October 2. To get right to the point, the type of responsibilities this Department has, which is dealing primarily with the public Fish and Wildlife Resource and their habitat, does not lend itself to being delegation to "local" government. Migratory habits of the animals and the degree of scientific and technical expertise required to manage the resource are two of the specific reasons that delegation of responsibilities to local government would not produce satisfactory results. The Department does engage in many cooperative programs at the local level, such as fish culture projects in the schools, habitat improvement and hunter safety programs. Our involvement, however, is limited to providing scientific and technical expertise and in the case of the hunter safety program to assist technically as well as administering the grant.

Therefore, I cannot recommend any of the programs in the Department of Fish and Game nor any of the services we provide as appropriate for delegation to local government.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. _____
 Title "An Act relating to the consolidation of State Revenue Sharing & Municipal
 Requested by Rules Committee by request of the Governor Date 1-14-82 Assistance

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs
 Program Category Affected Development
 BRU, Program, Or Subprogram(s) Affected Local Govt. Assist.--Train. & Dev. & Rev.
 (Note: If more than one budget component is affected, separate line-item Shar. Admi:
 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		139.3	149.1	159.5	170.6	
200 TRAVEL		29.4	32.0	34.9	38.1	
300 CONTRACTUAL		35.4	38.6	42.1	45.0	
400 COMMODITIES		3.7	1.3	1.4	1.6	
500 EQUIPMENT		2.4	-0-	-0-	-0-	
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		210.2	221.0	237.9	255.3	

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		210.2	221.0	237.9	255.3	
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

*No new positions are reflected as the Department proposes to merely fund existing vacant positions.

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		0*	0	0	0	
PART TIME		0*	0	0	0	
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)
 Breakdown of costs between the Training & Development & Revenue Sharing Administration components contained in the Local Government Assistance BRU and the Administration BRU:

	LGA BRU		ADMIN BRU	TOTAL
	T&D	RSA		
100 Personal Services	78.9	29.5	30.9	139.3
200 Travel	23.4	6.0	-0-	29.4
300 Contractual	15.1	16.2	4.1	35.4
400 Commodities	2.0	1.5	.2	3.7
500 Equipment	1.0	-0-	1.4	2.4
TOTAL	120.4	53.2	36.6	210.2

The breakdown above reflects FY 83 funding with proportionate increases over subsequent years to account for inflation at the following rates:

7% increase per year for personal services and 9% increases for all other categories. One time items in commodities and equipment are subtracted after the first year.

IV. DATE 1/14/82

PREPARED BY Doug Griffin
 AGENCY CRSA Local Government Assistance
 PHONE 465-4736

Original: Legislative Finance
 cc: Budget and Management

FISCAL NOTE DETAIL

100 PERSONAL SERVICES

\$139,281

Local Gov't Specialist IV -	Rg. 19
Salary 3,623 X 12 =	\$ 43,476
Benefits	10,961
TOTAL	54,437

1/2 Clerk Typist III -	Rg. 8
Salary 1,726 X 6.4 =	\$ 11,047
Benefits	4,591
TOTAL	15,638

Local Gov't Specialist II existing position in Anchorage to be transferred
- difference in Salary due to cost-of-living adjustment.

Salary	\$ 7,212
Benefits	1,563
TOTAL	8,775

Local Gov't Specialist I -	Rg 13
Salary 1,870 X 12 =	\$ 22,440
Benefits	7,060
TOTAL	29,500

Accounting Tech. II	Rg 14
Salary 1,995 X 12	\$ 23,942
Benefits	6,991
TOTAL	30,933

200 TRAVEL

\$ 29,400

8 trips to Anchorage (including per diem)	
@ 550 per =	\$ 4,400

30 trips in area (including per diem)	
@ 400 per =	\$ 12,000

Moving expenses for new hires and/or transfers =	\$7,000
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Additional travel for State Revenue Sharing technical assistance and administration, 10 trips	
@ 600 per =	\$ 6,000

300 CONTRACTRAL SERVICES

\$ 35,430

Communications (Phone, LD, Postage)	\$ 2,750
Printing and Advertising	1,250
Office space rental	13,200
Copier costs	1,050
Word processing lease/purchase	1,680
Professional services(computer programing)	15,000
Other contractual costs	500

400 COMMODITIES

\$ 3.700

Statutes, office supplies & small equipment items
(equipment totaling \$2,500 is a one-time item)

500 EQUIPMENT

\$ 2,400

Office equipment and shipping

NARRATIVE

The attached bill provides for consolidation of the State Revenue Sharing program and the Municipal Assistance program. It also revises the State Revenue Snaring program to exclude unincorporated communities and amends the statute governing the Rural Development Assistance (RDA) program to make only unincorporated communities eligible for RDA funding on a competitive application basis.

The new positions and support funding for these positions are designed to meet two major impacts of this legislation. First, the "new" RDA program will require greater capability to provide technical assistance and training to unincorporated communities wishing to participate in the program. These communities will have to regularly submit an RDA application to provide continued community service programs which may have been initiated using SB 168 funds and may require extensive aid in managing RDA grants for capital improvement and/or community service programs. Traditionally the RDA program has been used as a tool to provide planning, grant writing, and grant administration skills and it is envisioned that to the greatest extent possible it should continue in this mode.

The second major aspect of this bill is the consolidation of the State Revenue Sharing (SRS) and Municipal Assistance programs and the increase in the minimum entitlement for municipalities from \$25,000 plus COLA to \$100,000. These two programs, though often confused, do provide a municipality with two opportunities to receive State funding to support the operation of the city. These funds are vital to most small cities as they have few local resources to provide locally desired services. With the consolidation of programs, a city

has one less opportunity to receive general funding for municipal services so it will become increasingly important to improve the degree of technical assistance and outreach provided to small cities. Twenty seven cities (18%) failed to qualify for SRS during FY 82 and it is hoped that this number could be greatly reduced with improved outreach and field capabilities. The positions in this fiscal note demonstrate the Department's commitment to improved technical assistance, training and outreach with local governments regarding the State Revenue Sharing program. The outreach and provision of publicity and information regarding SRS has long been neglected due to staff and budget limitations. A lack of adequate travel funding for Revenue Sharing administration has also hampered its effectiveness. The Department believes that additional efforts to include every eligible participant in the SRS program is important as it insures a more equitable distribution of the states wealth to Alaskans.

Finally, the transfer of the existing Accounting Technician II from the Department of Revenue to this Department will provide improved administration of the SRS program and allow quicker payment processing and distribution.

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