

ALASKA STATE REGISTER  
1993 SCRA 0. SB 180 (#13) 1293


Governor Jay S. Hammond  
Page Two

As Senator Sturgulewski pointed out this could constitute a major shift of taxes to the business community to accommodate the desires of a specific interest group.

It is our feeling that the effects of this amendment were not carefully thought out or realized at the time these amendments were added.

For the above reasons, the ASCC, representing the broad spectrum of the Alaska business community strongly urges your veto of this legislation.

Sincerely,

  
George Krusz  
President



# Municipal Finance Officers Association of Alaska

632 W. 6th  
Pouch 6-650  
Anchorage, AK 99502

June 9, 1982

R  
D

BUDGET/AUDIT  
COMMITTEE

The Honorable Jay S. Hammond  
Governor, State of Alaska  
Office of the Governor  
Pouch A  
Juneau, AK 99811

Dear Governor Hammond:

The Board of Directors on behalf of the Municipal Finance Officers Association of Alaska is extremely concerned with the serious financial impact on Alaskan communities that will result from the House amendments to Senate Bill 180. Because of the limited legislative debate on these amendments and the additional information which has subsequently come to light, we strongly urge your veto of this piece of legislation.

We are specifically concerned with the following two amendments which will have direct, negative fiscal impacts on almost all Alaskan communities, both large and small, urban and rural:

o Amendment No. 10 - Changes In The Way "Population" Is Determined for State Programs.

The House population language will result in a redistribution of some \$1.5 million in municipal assistance and state revenue sharing from other municipalities to the North Slope Borough. More significant than these effects, however, would be the endangering of the state's ability to provide local census figures for the almost 100 federal programs that factor population in their distribution formulas.

During the pipeline days, Alaska was not able to claim tremendous amounts of available federal aid because it could not substantiate its rapid population increases. In response to this, the state dramatically improved its ability to count population in accordance with federal standards, and state supervised local census are now fully acceptable by the federal government. House language would result in the double counting of workers at remote sites, would not allow for the counting of most seasonal cannery workers, and would alter the definition of resident. The federal government could refuse to accept any future state or locally generated population figures resulting in considerable financial losses to Alaskan communities.



# Municipal Finance Officers Association of Alaska

Governor Jay S. Hammond

June 9, 1982

Page 2

o Amendment No. 17 - Mandatory Exemption Of Forest Lands From Local Taxation.

This amendment was added without analysis of effect on current or future municipal tax-base or revenues. State reimbursement of lost revenues, as provided for senior citizen tax exemptions, was not included in the bill. The definition of "forest lands" referenced in the act is extremely broad, and could apply to timbered land in a number of boroughs. The definition of forest lands includes land, of any acreage, "...stocked with forest trees of any size and not currently developed for nonforest use, regardless of whether presently available or accessible for commercial purposes..."

Because of the vague and over broad definition of forest lands referenced in the amendment, it appears that most privately held land with trees on it could qualify. For example, the Mat-Su Borough estimates that it could lose up to 56% of its tax base under this amendment.

In conclusion, we believe that Senate Bill No. 180, as amended, is not in the best interest of Alaskan municipalities and of the people they serve and urge your veto of this legislation.

Sincerely,

Barbara Steckel  
President

BS:dw

Municipality  
of  
Anchorage



POUCH 6-650  
ANCHORAGE, ALASKA 99502-0650  
(907) 264-6770

TONY KNOWLES,  
MAYOR

DEPARTMENT OF FINANCE  
Property Appraisal Division

ALASKA ASSOCIATION OF ASSESSING OFFICERS

June 4, 1982

Honorable Jay S. Hammond  
Governor of Alaska  
Pouch A  
Juneau, Alaska 99811

Re: Veto of Senate Bill 180, Title 29 Revisions

Dear Governor Hammond:

It is with deep regrets that this Association must ask you to take veto action on Senate Bill 180. Portions of Title 29 are in need of revision and many long hours have been expended by the Legislature, State officials, Alaska Municipal League, local Municipal officials, and concerned citizens to assure that workable legislation is passed that is fair and equitable to all citizens of the State.

In some eleventh hour legislative action, several amendments were made to S.B. 180 that makes it very damaging to most organized taxing jurisdictions. The required exemption of forest land from municipal taxation is the most notable example. The interpretation of forest land as defined in AS 41.17.950 (6) would include all lands in each municipality that contained trees and had not been developed for other uses.

Many taxing jurisdictions will lose 50% or more of their tax base, and the effect will be to shift the tax burden from the exempted property to the remainder of the taxpayers in that area. The rise in taxes could be two to three times the current rate. The ability to bond would also be greatly reduced due to the loss in assessed value.

The Alaska Association of Assessing Officers represents its members who are charged with the responsibility of justice and equity in the distribution of the tax burden and who are additionally responsible for the fair and impartial assessment of over \$20,000,000,000 in property value. As direct representative of this organization, I urge you not to let Senate Bill 180 become law. With the addition of a few amendments, the Legislature has created a bad bill which will be very damaging to the municipal governments and to all people in the State living in an organized taxing jurisdiction.

I would like to thank you in advance for your consideration in this matter, and for your veto action on Senate Bill 180.



Ronald J. Charles  
President

Alaska Association of Assessing Officers

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ORIGINAL.

Call Senate  
ANCH Assembly

Plen  
SB 180

Telegram to all Legislators and Governor

5-25-82

We are not in favor of gun control or registration of guns nor, to our knowledge is any local government in the State. However, the proposed amendment to SB 180 which removes local government option relating to gun oriented ordinances is unwise and will do more harm than good.

First, it could void all local government ordinances relating to carrying concealed weapons. It could, de facto, legalize the carrying of concealed weapons on our bikepaths, on our streets and in our neighborhoods. It could hamper our efforts to make Anchorage a safe place to live.

Second, the amendment may make impossible all attempts by local governments and school districts to work with the NRA, the Izaak Walton League, and others to provide shooting ranges with reasonable hours of operation and with orderly regulation on use and users of the facility. The amendment could bar local government and the school district from working with the shooting community to teach gun awareness and gun safety.

Third the amendment is a further unnecessary encroachment by the state into local government powers. There are no local governments in the State favoring gun control or registration and thus the amendment is unnecessary. We are not in favor of gun control or registration and we strongly oppose this unnecessary restriction of local government power.

Therefore we urge that the House and the Senate and the Governor's Office take whatever steps necessary to remove this onerous amendment from SB 180.

Signed:

Asaen Lyben Jane Augvik, Paul Bacr, Fred Chief, Joe Josephson, Ben Marsh, Carol Maser, Rick Mystrom, Gerry O'Connor, Lidia Solkregg, Don Smith and David Walsh.

THE PRECEDING DOCUMENT(S) MAY NOT FILM  
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ORIGINAL.



# Matanuska-Susitna Borough

BOX 5, PALMER, ALASKA 99645 • PHONE 745-3246

BOROUGH ASSEMBLY

June 11, 1982

Honorable Jay S. Hammond  
Governor, State of Alaska  
Pouch A  
Juneau, Alaska 99311

Dear Governor Hammond:

The Matanuska-Susitna Borough Assembly, at a meeting held last evening, adopted a resolution requesting veto of SB 180. A copy of this resolution is enclosed.

Passage of SB 180 would cause a great loss of revenue for this Borough as well as other local governments of the State.

Yours respectfully,

Borough Clerk

CC: Honorable Jay Kerttula  
President, State Senate  
Box 2  
Palmer, Alaska

Mr. Keith Specking  
Legislative Assistant  
Pouch A  
Juneau, Alaska

Mrs. Ginny Chitwood  
Alaska Municipal League  
204 North Franklin St.  
Juneau, Alaska 99301

Introduced by: Borough Manager  
Prepared by: Borough Attorney

MATANUSKA-SUSITNA BOROUGH

RESOLUTION SERIAL NO. 82-59

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY REQUESTING THE GOVERNOR'S VETO OF HOUSE CS FOR CS SB 180 (JUDICIARY) AM H.

WHEREAS, Senate Bill 180 originally intended to restructure and make technical corrections to improve and increase the workability of the State Municipal Code, Title 29 of the Alaska Statutes, without making substantive changes within the code; and

WHEREAS, the Matanuska-Susitna Borough Assembly recognizes the substantial efforts of citizens in the Matanuska-Susitna Borough and throughout the State in developing a bill which corrected ambiguities and inconsistencies in Title 29 and fairly balanced the various interests of the public; and

WHEREAS, the original version of this bill was developed after extensive public hearings throughout the State, with public input from citizens, municipal staff and the state administration; and

WHEREAS, the original Senate approved version of SB 180 substantially improved Title 29 without major substantive changes to existing law; and

WHEREAS, recent amendments to the bill on the floor of the House resulted in substantive changes to SB 180 which did not receive the scrutiny of staff analysis or public hearings and are contrary to the "housekeeping" intent of the original bill; and

WHEREAS, the bill, as amended, would have substantial adverse impact on municipalities in Alaska, and particularly the following provisions:

1. An amendment exempting from local property taxes all "forest lands", broadly defined to include all unimproved lands having trees, which includes in excess of 55% of the tax base of this Borough;
2. An amendment of the basis for determining local population for revenue sharing purposes to delete the requirement that reliable population data be used and to insert a requirement that remote site workers be counted which will result in a shift of distribution of municipal assistance;
3. Provisions eliminating the authority of a municipality to regulate subdivisions in remote areas and unduly restricting the authority to establish procedures for subdivisions in other areas;

WHEREAS, the affect and impact of these last minute amendments is to substantially and adversely affect the tax base of municipalities throughout the State and to substantially and adversely impact the authority of municipalities to respond to the need of local citizens; and


WHEREAS, these amendments were approved by the State Legislature through a process which allowed for no comment by the public, the municipalities affected or the State Administrative staff; and

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly requests that Governor Hammond veto this bill, House CS for CS Senate Bill 180 (Judiciary) and it; and

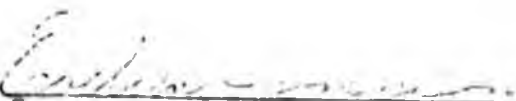
BE IT FURTHER RESOLVED, that the Borough Assembly joins with other local governments in voicing its strong objections to the use of SB 180, a technical housekeeping bill, to promote the goals and special

interests of a selected few to the detriment of the general  
Alaska.

PASSED AND APPROVED by the Borough Assembly of the Matanuska-  
Susitna Borough this 17<sup>th</sup> day of January, 1982.

  
Ronald L. Larson  
Borough Mayor

ATTEST:

  
Evelyn Inomson  
Borough Clerk

(SEAL)

RESOLUTION NO. 82-36

A RESOLUTION REQUESTING THE  
GOVERNOR'S VETO ON HCSCS SB 180 (JUDICIARY) AM H

WHEREAS, Senate Bill 180, as originally drafted, was essentially a technical measure to improve the application of the provisions of the State Municipal Code (Title 29) without making substantive changes in the code; and

WHEREAS, these improvements were developed under the auspices of the Alaska Municipal League, a joint Senate and House Community and Regional Affairs Committee, and a task force of legislators and municipal officials, who met extensively over a two-year period in work sessions and in public hearings held in Juneau, Anchorage, Fairbanks and Palmer; and

WHEREAS, the original version of SB-180 as presented to the Legislature met the conditions of improving Title 29 without making significant alterations in its substance and as such was supported by the Fairbanks North Star Borough through its participation in the Alaska Municipal League; and

WHEREAS, in the course of legislative floor actions, major amendments were adopted to SB-180 which distorted its original intent and significantly revised the scope, powers, and provisions of Title 29, to wit:

- an exemption from local property tax rolls of all unimproved land having trees, and
- a provision to determine local population for revenue sharing purposes which could create inconsistent population counts and result in major shifts in the distribution of state assistance to local governments.

WHEREAS, the proposed exemption of forestry lands could result in as much as \$300 million of unimproved property being removed from borough tax rolls, and the subsequent transfer of these tax requirements to residential and commercial owners of property within the Borough; and

WHEREAS, the revision of procedures for the determination of population would result in substantial revenue losses to the Borough, the City of Fairbanks, and the City of North Pole; and

WHEREAS, in spite of the serious objections raised by municipalities to these amendments, SB-180 has now been approved in its amended form by both Houses of the State Legislature:

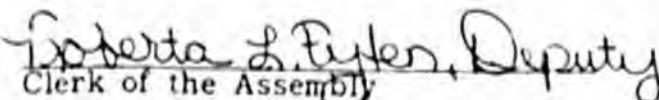
NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Fairbanks North Star Borough call upon Governor Hammond to veto this legislation which would create serious and long-standing difficulties in the operation of local government in Alaska.

BE IT FURTHER RESOLVED that the Assembly voice its strong objections to the use of amendments to SB-180 to promote the goals of special and restricted interests to the detriment of the public at large in Alaska.

PASSED AND APPROVED THIS 3RD DAY OF JUNE, 1982.

  
\_\_\_\_\_  
Presiding Officer

ATTEST:

  
Clerk of the Assembly

Law Offices of  
Kempel, Huffman & Ginder

255 E. Fireweed Lane, Suite 200  
Anchorage, Alaska 99503

Roger R. Kempel  
Richard R. Huffman  
Peter C. Ginder  
Ronald L. Baird  
Diane F. Valentine  
Lisa B. Nelson

June 10, 1982

Telephone  
(907) 277-1604  
(907) 276-1605

The Honorable Jay S. Hammond  
Governor  
State of Alaska  
Pouch "A"  
Juneau, Alaska 99811

Re: Veto of HCS CSSB 180 (Jud)

Dear Governor Hammond:

The Alaska Rural Electric Cooperative Association,  
on behalf of its members, urges you to veto HCS CSSB  
180 (Jud).

The Alaska Rural Electric Cooperative Association,  
Inc. ("ARECA") is the statewide organization of Alaskan non-  
profit electric cooperatives, including.

Alaska Village Electric Cooperative, Inc.  
Copper Valley Electric Association, Inc.  
Cordova Electric Cooperative, Inc.  
Glacier Highway Electric Association, Inc.  
Golden Valley Electric Association, Inc.  
Homer Electric Association, Inc.  
Kodiak Electric Association, Inc.  
Kotzebue Electric Association, Inc.  
Matanuska Electric Association, Inc.  
Naknek Electric Association, Inc.  
Nushagak Electric Association, Inc.  
Tlingit/Haida Regional Electric Authority  
Unalakleet Valley Electric Cooperative, Inc.  
Alaska Electric Light & Power Company  
City of Fairbanks Municipal Utilities System  
Nome Joint Utility System  
Thomas Bay Power Commission  
Metlakatla Power & Light

June 10, 1982

ARECA specifically objects to the inclusion within HCS CSSB 180(Jud) of proposed Alaska Statute §29.35.070, Public Utilities. The effect of that section, if enacted, would be to remove from non-profit electric cooperative members who have chosen to do so, the power to regulate their own affairs. In 1980, AS 42.05, the "Alaska Public Utilities Commission Act," was amended to allow the members of electric cooperatives to vote on the question of whether they wished to continue to be regulated by the Alaska Public Utilities Commission (APUC) or whether they wished to regulate their own affairs. (AS 42.05.712) To date, four deregulation elections have been held under that statutory section, and the members of three cooperatives (Glacier Highway Electric Association, Cordova Electric Cooperative and Cordova Telephone Cooperative, and Naknek Electric Association) have opted out of regulation, while the members of one cooperative (Matanuska Electric Association) have opted to remain under the authority of the APUC.

The enactment of AS 29.35.070, Public Utilities, found at page 71 of HCS CSSB 180(Jud), would essentially negate this election process by requiring that all cooperatives not regulated by the APUC would be automatically regulated by the relevant home-rule or general law municipality. The members of ARECA believe that the Legislature should be forced to give more thought to the legal and policy considerations of this drastic regulatory change. At the very least, the Legislature should consider this legislation in light of its interaction with the electric cooperative deregulation election procedures set out in AS 42.05.712.

Again, we urge you to veto HCS CSSB 180(Jud).

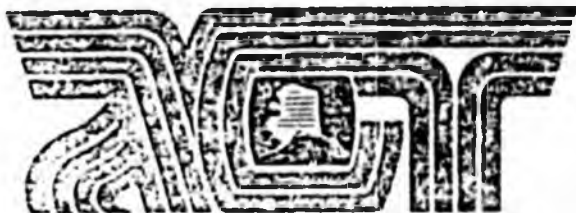
Sincerely,

KEMPEL, HUFFMAN & GINDER



Roger R. Kempel  
General Counsel for  
Alaska Rural Electric  
Cooperative Association, Inc.

Alaska Cable Television Association



June 11, 1982

The Honorable Jay S. Hammond  
Governor, State of Alaska  
Pouch A  
Juneau, Alaska 99811

Dear Governor Hammond:

On behalf of the Alaska Cable Television Association, I am writing requesting you to consider a veto on HCSCSSB 180 (JUD) am H. Sec. 29.35.060 and Sec 29.35.070 would provide that public utilities could be regulated by a municipality as to rates not subject to AS 42.05 (Alaska Public Utilities Commission). This is in direct conflict with Chapter 136, SLA 1980 (FCCSSB577) which deregulated certain utilities from the Alaska Public Utilities Commission control over rates and tariffs.

In 1980 the Legislature intended to deregulate, to a time certain, the cable television (CATV) industry. It was also the intent of the legislature that a municipality not regulate those items which the APUC no longer had control over. A problem does exist in Chapter 136 SLA1980 that the language is not as concise as it might be, yet Legislative counsel in a memorandum to Representative Jim Duncan expressed the opinion outlined above. A copy of that memorandum is attached.

Should HCSCSSB 180 (JUD) am H become law, the cable industry, as well as other partially deregulated utilities would be faced with two regulatory bodies, the APUC and the municipality in which that utility operates. This scenerio would be untenable for the coninued growth and rpxansion of cable as an advancing telecommunications media or any other utility as well.

The remedy to this overlapping authority between title 29 (Municipal Code) and AS 42.05 (Alaska Public Utilities Commission) can be addressed by the 13th Alaska Legislature and resolved to the best interest of the people of the State of Alaska. Both statutes are meant to serve the public but the enactment into law of HCSCSSB 180 am H would cause undo hardship on the cable industry an the public we are trying to serve.

Thank you, Governor Hammond, for your time and consideration of this matter.

Sincerely,

Clark J. King  
Executive Director

cc: Honorable Don Gittman, Honorable Artiss Sturgis, et  
Honorable Patrick O'Connell

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MEMORANDUM

September 30, 1980

SUBJECT: Regulation of Utilities  
(Work Order Number 12-0079)

TO: Representative Jim Duncan

FROM: Thomas A. Sofo  
Legislative Couns I

You have asked for an explanation of the scope of section 1 of Chapter 136, SLA 1980 as it pertains to the ability of municipalities to regulate public utilities. I have attached a copy of Chapter 136, SLA 1980 and the several other documents to which this memo will refer.

A review of section 1 of Chapter 136, SLA 1980 (FCOS SB 577) indicates that it amended AS 29.42.060. Prior to that amendment AS 29.42.060 generally allowed municipalities to set rates for all utilities providing services to municipalities or their inhabitants which otherwise were not regulated under AS 42.05 (The Alaska Public Utilities Commission Act). The amendment removed the broad language which seemingly covered all utility operations that did not come under AS 42.05, both public and private, and substituted "municipally owned utility" to describe the class of utility which a municipality may subject to economic regulation. As a result, it appears that municipalities may regulate only those utilities which it owns and are not otherwise regulated under AS 42.05.

Some background to this particular section will be helpful in understanding some of the arguments which are likely to be raised. The original version of SB 577 amended AS 29.-42.060 in section 6 of that bill. At that time the amendments were mainly directed at adding a subsection (b) and an additional sentence to the end of the former language which became subsection (a). At that point in time there was no particular attempt to expand or constrict the scope of municipal regulation. Shortly thereafter SB 577 as contained revised language for

Representative Jim Duncan

Page 2

September 30, 1980

section 4 and added the words "or exempt under AS 42.05.711(c) - (h)" to the phrase "not regulated under AS 42.05". The apparent purpose behind the amendment at that time was to make it clear that those utilities which were deregulated by virtue of amendments contained later in the bill (that is, those sections amending AS 42.05.711(c) - (h)) were not to become subject to regulation under AS 29.48.060. The bill at this stage required that a utility not be regulated under AS 42.05 or not specifically exempt from regulation under AS 42.05.711(c) - (h). At one point, in response to a question concerning the ambiguity of this language, it was suggested that the word "not" be inserted between the words "or" and "exempt" so that it would be clearer that municipal regulations would be allowed only if a utility was not regulated under AS 42.05 and not exempt by AS 42.05.711(c) - (h). Nevertheless, the later versions of SB 577 no longer included the specific exemption from municipal regulation of those utilities which were otherwise deregulated from APUC regulation by later sections of the bill. In fact, what surfaced was the present language which is contained in Chapter 136, SLA 1980. As described above, it took a slightly different approach to municipal regulation by constricting the class of utilities which a municipality may regulate without any reference to those utilities which were exempted from APUC regulation by the same bill. Now, the municipal code (AS 29) only allows municipalities to regulate utilities which they themselves own and are not otherwise subject to regulation by the APUC. You should be aware that AS 29.43.050 still permits municipalities to regulate the granting of franchises and permits to all public utilities not presently regulated under AS 42.05. AS 29.43.050 is narrowed only to the topic of economic or rate regulation. In this area the legislature has seen fit to limit the scope of municipal regulation to those utilities owned by the municipality and not regulated under AS 42.05. It is notable that such self-regulation is in fact no regulation whatsoever and could have been accomplished by merely repealing AS 29.43.050.

If you have any further questions regarding the present status of municipal regulation of utilities, please do not hesitate to contact me.

708:175

Enclosure

THE PRECEDING DOCUMENT(S) MAY NOT FILM  
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- AMC Letter
- ~~Send J. Sup # 53~~ Veto package | Given memo - pig from Per
- x ~~Sta. Home~~ Letter
- DC + RA package
- x Antis veto letter
- x 6/16 memo Swanson to Oakes
- At. St. Chamber of Commerce
- x Munc of Anch - letter from Knowles ② letter from Assoc
- Mun Fin. Off. Assoc.
- x At. Assoc. of Assessors Officers
- x At. Rural Elec. Coop.
- x At. Cable Television Assoc.
- Mat. Su Borough
- x Fbx N. Star Borough

Anch Chamber of Commerce  
 Fox City  
 N. Pale other name?  
~~Cooking~~  
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| Sealashie  
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Rev.  
 Carbon  
 DPDP

Batal  
 Yakuba

Kethikan

NORTH SLOPE BOROUGH  
P.O. BOX 69  
BARROW, ALASKA 99723  
TELEPHONE (907) 852-2611

RECEIVED

FEB 24 1982

DEPT. OF COMMUNITY  
AND REGIONAL AFFAIRS

February 22, 1982

Commissioner Lee McAnerney  
Department of Community and  
Regional Affairs  
Pouch B  
Juneau, Alaska 99811

*by Gilman*

Dear Commissioner McAnerney:

I have received a notification (copy enclosed) from David Swanson of the results of the special population count of unincorporated communities and oil-related work sites within the North Slope Borough. I certainly appreciate the efforts of Dittman Research Corporation and the Department of Labor in having this work done in the very limited time available.

There are two specific issues I would like to raise at this time regarding the enclosed count, however. These are as follows:

1. The Sub-Total Unincorporated column does not add up correctly. Assuming that there are no typographical errors, this column should add up to 2,922, i.e. an error of 10.
2. The Military Installations count included by the Department of Labor was that submitted by the North Slope Borough for July 1981. At the Department of Labor's request, the Borough obtained January 1982 population information from both the U.S. Air Force (Cape Lisburne) and FELEC Services, Inc. (DEW Line stations) and submitted them to the Department of Labor on February 9 (copies enclosed). For some reason, there was a delay in this mail reaching the Department of Labor. However, since the Borough went to the extra trouble (and expense) of having all incorporated areas within the Borough, including Atkasuk and Point Lay, counted in January so that the total figure would reflect conditions at one point in time, since the Borough had to wait for Department of Labor approval of its letters to the U.S. Air Force and FELEC Services, Inc. and since the Borough submitted the results to the Department of Labor as soon as it received them, we would like to request that the more recent figures be used. Under these conditions, the total Military Installations population figure should be 193 (POW-Main - 20; LIZ-2 - 14; LIZ-3 - 15; POW-1 - 12; POW-2 - 19; BAR-Main - 58; and Cape Lisburne - 55). If the more recent Military Installations figures are accepted, the Sub-Total Unincorporated population figure should read 2,973 rather than 2,922 (assuming there is no objection to correcting the error in addition). The total Borough population would therefore be 7,159.

Commissioner Lee McAnerney  
February 22, 1982  
Page 2

I would appreciate the resolution of these issues.

Sincerely,

A handwritten signature in cursive script that reads "Eugene Brower". The signature is written in dark ink and is positioned above the typed name.

Eugene Brower  
Mayor

Enclosures

cc: David Swanson, Department of Labor  
Lew Dischner, Trust Consultants

# MEMORANDUM

# State of Alaska

## COMMUNITY AND REGIONAL AFFAIRS

TO: Susan Greene  
Special Assistant  
Office of the Governor

DATE: June 1, 1982

FILE NO:

TELEPHONE NO:

FROM: Richard A. *RA*  
Deputy Commissioner

SUBJECT: Impact of  
"Population"  
Amendments to SB 180

These amendments must be considered in light of the history of the Department's population estimation procedure. Prior to the 1980 census the Department estimated population using the 1970 U.S. Census figures plus other reliable data as submitted by a municipality. "Other reliable data" usually included school enrollments and water/sewer hookups. Because the Department and the municipalities lacked the resources to conduct a census each year, the numbers were rarely verified by actual counts. As a result, the Statewide population in 1980 was estimated by the Department to be 464,295 which was well in excess of the 1980 U.S. Census Bureau count of 401,851.

In 1981, the Department modified its regulations to require "other reliable data" that was of census quality, i.e. counted only those residents that spent 51% of their time in a given location or have no other usual place of residence. This change excludes use of data that may not reflect an accurate population count. The purpose of this change was to insure that the Federal Government accepted population figures developed by the State and municipalities for use in the distribution of federal funds. During the 1982 legislative session the Governor has submitted legislation, HB 660, that would change the law to require census quality data to be used in population counts conducted by the Department.

One particular area of concern is the North Slope Borough. On December 31, 1980, the Attorney General advised the Department to count persons employed at Prudhoe Bay and at the Petroleum Reserve based on other reliable data. In the absence of an actual census, the Department utilized data provided by the Borough that indicated a population of 9,234. In figures released in 1981 the U.S. Census Bureau excluded all industrial workers from the Borough population count and counted 4199 residents in 1980. In order to preserve the integrity of the Census, the Department sought the Borough's cooperation in conducting a census of

industrial workers. The Borough agreed to conduct a census and use census definitions to determine population. Based on that census, the Borough's population climbed to 7098.

The 11,252 figure utilized in a recent letter from Commissioner McAnerney to Mayor Brower reflects the total number of people in the North Slope Borough on the day of the recent census. The difference reflects those industrial workers who did not meet the Census definition of residency, i.e. spend 51% of their time in the North Slope Borough.

The amendments to SB 180 would have the effect of requiring the Department to utilize the higher figure for several programs. The impact is estimated to be as follows:

	<u>Census Population</u>	<u>SB 180 Amendments</u>
Population	7,098	11,252
Municipal Asst.	\$1,794,700	\$2,598,507
Revenue Sharing	\$687,499	\$933,392
Locally Collected Oil & Gas Taxes Limited by Law (See footnote 1)	\$32,207,512	\$51,056,484

The letter to Mayor Brower signed by the Commissioner on May 6 reflects the Commissioner's position that the higher amount is acceptable to the Department.

5/29/82

SENATE JOURNAL  
SUPPLEMENT

No. 53

SB  
180EFFECT OF POPULATION DEFINITION ON REVENUE SHARING  
AND MUNICIPAL ASSISTANCE  
FY 82 ACTUAL DISTRIBUTIONS

MUNICIPALITY	MUNICIPAL ASSISTANCE \$	REVENUE SHARING \$	TOTAL CHANGE \$
Anchorage	-622,107	- 98,394	- 720,501
Wristol Bay B.	- 4,068	- 1,480	- 5,548
Fairbanks N. Star B.	- 86,610	- 20,428	- 107,038
Fairbanks (city)	- 88,004	- 18,614	- 106,618
North Pole	- 3,194	- 353	- 3,547
Haines B.	- 2,382	- 499	- 2,881
Haines (city)	- 3,500	- 1,131	- 4,631
Juneau	- 72,557	- 19,440	- 91,997
Kenai Penn. B.	- 48,381	7,615	- 55,996
Homer	- 8,908	- 1,594	- 10,502
Kenai	- 15,689	- 4,895	- 20,584
Seldovia	- 1,738	- 355	- 2,093
Seward	- 6,687	- 1,486	- 8,173
Soldotna	- 8,416	- 1,752	- 10,168
Kachemak	- 1,463	- 2	- 1,465
Ketchikan B.	- 13,413	- 4,481	- 17,894
Ketchikan (city)	- 24,782	- 9,457	- 34,239
Saxman	- 950	- 1	- 951
Kodiak Isl. B.	- 9,276	- 2,902	- 12,178
Kodiak (city)	- 16,101	- 3,872	- 19,973
Old Harbor	- 1,149	- 1	- 1,150
Duzinkie	- 739	- 1	- 740
Port Lions	- 726	- 2	- 728
Larsen Bay	- 575	- 2	- 577
Akholik	- 356	- 1	- 354
Mat-Su B.	- 69,346	- 7,343	- 56,691
Palmer	- 7,831	- 1,807	- 9,638
Houston	- 2,006	- 4	- 2,010
Wasilla	- 6,636	- 10	- 6,666
North Slope B.	+1,268,658	+245,893	+1,514,551
Anaktuvuk Pass	808	-	808
Barrow (recounted)	+ 27,910	- 705	+ 27,205
Kaktovik	- 692	- 3	- 695
Point Hope	- 1,119	- 1	- 1,831
Wainwright	- 1,411	-	- 1,411
Nulqur	- 933	-	- 933
Sitka	- 27,547	- 5,000	- 32,557
All other cities	- 155,749	- 72,240	- 187,969

10 Hon. Lee McAnerney, Commissioner  
Department of Community & Regional  
Affairs

DATE: December 31, 1980

FILE NO: J-66-358-81

TELEPHONE NO: 465-3666

FROM: WILSON L. CONDON  
ATTORNEY GENERAL

SUBJECT: Meaning of word "pop-  
ulation" for revenue-  
sharing purposes

By:

Rodger W. Pegues  
Assistant Attorney General

This responds to your request for our advice on  
this subject.

We have concluded that the word "population" as  
used in the new Revenue Sharing Act, AS 29.88, includes all  
those persons who would ordinarily be counted in a given lo-  
cality by the census. We draw this conclusion for several  
reasons.

First, the Act itself states that the population  
shall be determined by the latest census figures. AS 29.88.-  
015. Second, the Act prescribes that military personnel --  
ordinarily not permanent residents but ordinarily included  
by the census as resident where they are stationed -- be in-  
cluded in the population. Third, municipal services are pro-  
vided for, and generally required by, persons who are physi-  
cally present for any length of time notwithstanding that  
their permanent residence is elsewhere. In other words, it  
is consistent with the Act's overall purpose to include them.

Ordinarily, those persons employed at Prudhoe Bay  
and in the Petroleum Reserve who spent at least four nights  
of the week during the referenced week at their work place  
would be counted there by the census. However, it appears  
that the Census Bureau, contrary to its general rule, counted  
most, if not all, of the oil company employees on the North  
Slope at their permanent place of residence rather than at  
their work place. That is perfectly legal and proper and  
probably gives a more accurate demographic picture of Alaska.  
(The vast majority of the oil company employees on the North  
Slope reside elsewhere in Alaska.) However, it distorts the  
picture from the standpoint of the Revenue Sharing Act.

As indicated above, it's people who cause problems  
and create needs to which local government must respond.  
There are some 3500 to 4000 or more persons who live and  
work in the North Slope Borough in addition to those which

DEPT. OF  
AND REG.

JAN 2 1981

RECEIVED

will apparently be shown by the census. Under these circumstances, you should use other reliable data to determine their number, and include them in your determination of the borough's population. This will result in some double counting, but that appears to be inevitable in that most of these employees reside half of their time in one locality and half in another. Thus, both localities should be able to count them.

That the oil company camps are largely self-sustaining is irrelevant. The military reservations -- whose residents are counted -- are also largely self-sustaining, and at any event, the Revenue Sharing Act does not distinguish between municipalities on the basis of the level of services actually provided or of the intensity of the problems encountered.

RWP/pjg

December 21, 1981

CERTIFIED/RETURN RECEIPT REQUESTED

The Honorable Eugene Brower  
Mayor of the North Slope Borough  
P. O. Box 69  
Barrow, Alaska 99723

Dear Mayor Brower:

RE: FINAL POPULATION DETERMINATION  
JULY 1, 1981

Pursuant to Alaska Statutes 29.88.015 and 29.89.000, the Department of Community & Regional Affairs is required to certify final population figures for the purpose of allocating State Revenue Sharing funds to your municipality during the 1982 fiscal year. The Department is withholding final determination of population for the North Slope Borough pending additional information on the population of petroleum-related workers.

The Department has prepared a preliminary estimate of 4504 based on a statistically acceptable methodology. However, Palmer McCarter, Director of the Division of Local Government Assistance, has informed me of your concern that the estimate understates the actual population of the North Slope Borough by about 5,400. The Borough's population estimate is 9,940; the Department's estimate is 4,504.

The North Slope Borough's current estimate of 9,940 is considered unacceptable because it relies, in part, on lists of petroleum workers provided by oil companies and others to determine the number of persons who work at Prudhoe Bay. The number of persons who reside at Prudhoe Bay cannot be reliably determined through a simple head count. The standard census procedure is to interview each person and ask that person a set of questions to determine his residency in accordance with concepts and definitions utilized by the United States Bureau of the Census.

The Honorable Eugene Brower  
December 21, 1981  
Page 2

Nevertheless, I am prepared to give the Borough an additional opportunity to submit better data. I would be willing, if time permits and you are in agreement, to authorize the North Slope Borough to conduct a special census of the Prudhoe Bay industrial area and other areas where there is a disputed population figure. This census would have to be conducted at the expense of the Borough and would have to be supervised by the State Demographer to insure the quality of the results. This approach would be, in my judgement, equitable, legally acceptable, and in keeping with professional and technical standards. An added advantage would be that the results of a special census could be used to produce estimates in future years. Because the Department is required to release a final population figure no later than January 15, 1982, time is of the essence, and a decision should be made at once.

Please feel free to call or write me at your earliest convenience.

Sincerely,

*Lee McAnerney*

Lee McAnerney  
Commissioner

cc: Martin Farrell, Borough Attorney  
Jim Baldwin, Assistant Attorney General  
Palmer McCarter, Director, Local Government Assistance Division  
David Swanson, State Demographer, Department of Labor



# NEWS RELEASE

## ALASKA DEPARTMENT of LABOR

P.O. Box 1149 Juneau, Alaska 99811 (907)465-2700

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### NORTH SLOPE POPULATION UPDATE

DEPT. OF COMMUNITY  
AND REGIONAL AFFAIRS

The North Slope Boroughs' official population for 1981 has been determined to be 7,098, an increase of 2,889 individuals over the 1980 census. This determination will be used for State revenue-sharing and other programs that substantially affect the North Slope Borough. The 1981 population determination reflects a special census of all oilrelated work sites just completed by the Borough and certified by David Swanson, State Demographer.

Both on-site supervision and assistance was provided to the Borough by Swanson and staff from the Research and Analysis Section, Alaska Department of Labor.

According to Swanson, the special census was conducted because it was not known how many oil workers met the state definition of a "resident" used for purposes of population determination. This issue was not resolved in the 1980 federal census because the U.S. Census Bureau departed from the usual definition of "residency" when it surveyed the Prudhoe Bay area. Consequently, the Prudhoe Bay area was substantially undercounted in 1980.

Since the U.S. Bureau of the Census accepts the results of all state-certified censuses conducted in Alaska, the information obtained from the special 1981 count will be used by the U.S. Bureau of the Census to update its 1981 figures for the North Slope Borough. These figures are used for federal revenue sharing.

An important use of the special 1981 census will be to estimate the effect of the 1980 federal undercount of Prudhoe Bay on the entire state. For example, it will be possible to estimate how many of the oil workers who could have been counted as Alaskan residents in 1980 were allocated out-of-state by the U.S. Census Bureau.

Date: February 22, 1982

FOR IMMEDIATE RELEASE

No. 82-43

Jay S. Hammond • Governor  
Edmund N. Orbeck • Commissioner  
J. Allan MacKinnon • Information Officer

February 22, 1982

The Honorable Eugene Brower, Mayor  
North Slope Borough  
P.O. Box 69  
Barrow, Alaska 99723

Dear Mayor Brower:

RE: FINAL POPULATION DETERMINATION  
JULY 1, 1981

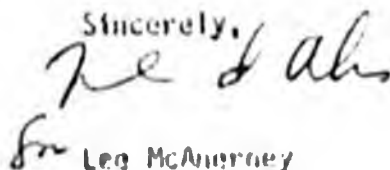
As previously stated in a letter to you dated December 21, 1981, the Department of Community and Regional Affairs withheld a final determination of the population of the North Slope Borough pending the outcome of a special census of unincorporated communities and oil-related worksites within the Borough.

Pursuant to a letter to you dated February 17, 1982 from David Swanson, State Demographer, I have decided to accept the figures he has certified (see enclosure) as the basis for my final July 1, 1981 determination of the population of the North Slope Borough. This results in an official population of 7,098 for the North Slope Borough and 2,539 for the City of Barrow. The population of all other municipalities in the North Slope Borough shall remain unchanged.

These population figures will be used to compute the amount of State Revenue Sharing funds that will be allocated to the North Slope Borough and the City of Barrow during the 1982 fiscal year.

If you have any questions, please write or call me.

Sincerely,



Leg McAnerney  
Commissioner

Enclosure

cc: The Honorable Frank Ferguson, Alaska State Senate  
The Honorable Al Adams, Alaska State House of Representatives  
Nathaniel Olemaan, Mayor, City of Barrow  
David Swanson, Alaska Demographer, State Department of Labor

# STATE OF ALASKA

JAY S. HAMMOND, Governor

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH R  
JUNEAU, ALASKA 99811  
PHONE: 1907/ 465-4700

March 10, 1982

The Honorable Al Adams  
Chairman, House Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99801

Dear Representative Adams:

As you know, the Department of Community and Regional Affairs is responsible for certifying population counts for the purpose of the State Revenue Sharing program.

One purpose of the program is to provide financial assistance to municipalities for service provision to total population throughout the year. However, the U.S. Census, which forms the basis of the population determination, only counts actual year-round residents and does not capture other population that may require municipal services. For this reason, the Department has experienced significant difficulty in defining population for the purpose of this program.

In order to solve this problem, the Department is supportive of statutory language that defines population to include total number of persons served by a municipality. The attached language accomplishes that purpose.

If I may be of further assistance, please feel free to contact me.

Sincerely,

*Lee*

Lee McAnerney  
Commissioner

Attachment

Proposed Amendment

Page 107, line 21 after "and" insert:

"shall include permanent residents and military personnel or employees of a military reservation located in the municipality. Population shall also include the average number of persons working at isolated job sites in a municipality as determined by the Commissioner of Community and Regional Affairs based on information supplied by employers of persons at isolated job sites." [T]

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

May 6, 1982

The Honorable Eugene Brower  
Mayor, North Slope Borough  
P.O. Box 69  
Barrow, Alaska 99723

Dear Mayor *Eugene* Brower:

Pursuant to AS 29.53.045(e), this letter serves as notification that I, Lee McAnerney, Commissioner of the Department of Community and Regional Affairs, have determined the population for the North Slope Borough to be 11,252 as of July 1, 1981.

This Department has relied on the Attorney General's Opinion dated December 31, 1980 to include the industrial workers in determining the population base.

Sincerely,



Lee McAnerney  
Commissioner

cc: Commissioner Tom Williams  
Department of Revenue

FROM THE DESK OF

Stu Hall

Anchorage  
14 June 1982

NOT FOR PUBLIC RELEASE

Dear Arliss,

Per our conversation this weekend at the "Open Aire Pleasure Faire," enclosed is a draft of a proposed Commission position on Senate Bill 180 (Municipal Code Revision). I stand by the Memorandum. I take it that Carolyn prefers the Commission not recommend a veto; I do not agree.

Of course, the bill is apt to be vetoed for reasons other than the APUC's concerns, but all of the agencies' concerns taken together may add up to "veto". In short, I don't think it makes any sense to outline a piece of legislation's infirmities from your perspective and then say, we don't have a position on what action you ought to take.

So, at this juncture, I'll let Carolyn do the communicating with the Governor's office, and she can rewrite my Memo for that purpose. I will submit the enclosed pretty much verbatim to the AG's office for their review in conjunction with the analysis they are preparing for the Governor, but in so doing, I will make very clear that the views expressed in the Memo are my own, not necessarily the Commission's. I realize that this weakens our position; I'd much have preferred a Commission position on the bill. However, my analysis really is more appropriate for the AG's office in any event, and I'll let Carolyn do whatever "politicizing" she feels is necessary.

My best always, Stu

# MEMORANDUM

ALASKA PUBLIC UTILITIES COMMISSION

DATE: 10 June 1982 / Revised 14 June 82

TO: ~~Hon. Jay E. Hammond, Governor~~  
~~Keith Spocking~~  
Legislative Assistant

TELEPHONE NO.: 276-6222

Arthur H. Peterson, Esq.  
Assistant Attorney General  
Department of Law/Juneau

FILE NO.:

FROM: Stuart C. Hall, Commissioner

SUBJECT: Municipal Code Revision  
(HCS CSSB 180 (Jud) am. H)

~~The Alaska Public Utilities Commission~~ respectfully requests that the above legislation, effecting a revision of the state's Municipal Code (AS 29) be vetoed. Recognizing the substantial effort that has gone into the first comprehensive examination of this statute in a decade, we reluctantly urge that the bill be disapproved.

1. Most significantly the bill alters an important policy decision that was made in 1980 in conjunction with legislation emanating from the "Sunset" audit of the APUC's operations: AS 29.48.060 (per sec. 1, ch. 136, SLA 1980) was amended to limit municipal rate-making authority to municipally owned utilities. The new AS 29.35.070(a) restores municipal authority over all public utility rates to the extent not regulated under AS 42.05, but, as noted in item 2, below, without the procedural due process protections previously applicable to municipal ratemaking proceedings. The 1980 amendment was designed to protect those utilities either deregulated by the Legislature (i.e., exempted from economic regulation<sup>1</sup>) from being re-regulated by municipal governments. These included small electric and telephone utilities (AS 42.05.711(e)) and small garbage and refuse collection companies (AS 42.05.711(i)), as well as other smaller utilities and electric and telephone cooperatives that were authorized to conduct deregulation elections among their customers or subscribers under AS 42.05.712. The cable television industry generally was deregulated (see sec. 9, ch. 136, SLA 1980). Thus, under the language of proposed AS 29.35.070(a), e.g., the deregulated Cordova Electric and Telephone Cooperatives, the Naknek Electric Association, Inc., and the Glacier Highway Electric Association, Inc., and all of the CATV utilities effectively deregulated under the 1980 legislation could be re-regulated by local governments. ~~I am~~ aware that some municipalities are particularly sensitive about what they consider their "loss of power" under the 1980 legislation and were determined to retrieve it. There is no legislative history supporting SB 180, or any versions thereof, nor any undergirding the 1980 legislation, to suggest that when the Legislature deregulated these utilities from APUC oversight (other than for purposes of certification) that it was intended that they be re-regulated by the municipalities. In fact, the actual amended language of existing AS 29.48.060 suggests quite the contrary. It would be an extraordinary reversal of policy if the revised Municipal Code were to permit a program of municipal re-regulation in the face of a determined program of state level de-regulation enacted but two years ago.

<sup>1</sup> Economic regulation means regulation as to rates and charges for, and conditions of, utility services; quality of service furnished by the utility; management practices and customer complaints.

Memorandum to:

~~Hon. Jay S. Hammond and~~  
Arthur H. Peterson, Esq.

From: ~~Alaska PUC~~ *Stuart C. Hall*

Re: Municipal Code Revision

10 June 1982, pg 2

2. As noted in 1, above, proposed AS 29.35.070(a) would permit local governing bodies (either borough assembly or city council) to regulate rates and charges for public utility services not regulated under AS 42.05. This was the law prior to 1980, with a very important distinction: The Municipal Code then, and even now, contains language protecting the rights both of the utility and of its customers. Even if it is determined that it is sound public policy for municipalities to have this ratemaking authority, the proposed revision in the Municipal Code pending before you would delete all of those elements of due process that apply to adjudication of rate and tariff matters before the APUC. The existing Code (AS 29.48.070 - 29.48.090) expressly imposes several standards of procedural due process to ensure that the public will have an opportunity to participate in the ratemaking process: If the local legislative body decides to regulate, fix or change rates for a utility that is not regulated by the APUC under AS 42.05, then it must order a hearing on the proposed rates before the council or assembly. A 15-day notice must be given interested parties in at least one newspaper of general circulation within the utility's service area; if there is no newspaper, then three notices must be posted for the same period of time in the area served, as well as written notice provided to the utility and its customers. AS 29.48.070. At the rate hearing, the utility and other interested parties, including its customers, may be present and represented by counsel; they are permitted to produce and examine witnesses, introduced evidence and use subpoenas to compel witnesses' attendance and production of records. AS 29.48.080. Continuation of a rate hearing is permitted; however, all hearings require the presence of a quorum of the local legislative body, and the rates must be fixed by ordinance with an effective date at least 10 days after the ordinance is adopted. AS 29.48.090. Incredibly, these provisions apparently are regarded as superfluous, and HCS CSSB 180 (Jud) am H would strike them from the law. If local legislative bodies are perceived as an appropriate entity to engage in public utility ratemaking, then at least minimal standards of due process to be accorded all interested parties must be provided for by statute. The revised Municipal Code fails in that important particular.

3. The legislation also deletes two important sections of the existing Code:

AS 29.48.050(c) authorizes utilities regulated under AS 42.05 by the APUC to use streets and "other public places" on payment of reasonable fees, and under reasonable terms and conditions, with reasonable exceptions the local legislative body prescribes. Even more importantly, that subsection provides that in the event of a dispute as to the reasonableness of fees, terms, conditions, exceptions, the APUC decides that question.

AS 29.48.100(a) provides that if there is a conflict between the public utilities provisions of the Municipal Code (AS 29.48.050 - 29.48.070) and AS 42.05, the provisions of AS 42.05 prevail.

Memorandum to:

~~Hon. Jay S. Hammond and~~

Arthur H. Peterson, Esq.

From: ~~Nicole E. Stuart~~ *Stuart C. Hall*

Re: Municipal Code Revision

10 June 1982, pg 3

Both of these subsections ensure that there will be some entity with a statewide perspective that oversees and coordinates public utility regulatory policy, even though the borough assembly or city council is granted a role with respect to the oversight and management of municipally owned or operated utilities, or with respect to those utilities not regulated under AS 42.05. That entity logically is the APUC, and present state law so provides.

The deletion of these two subsections, <sup>I</sup> we believe, would adversely affect on-going proceedings before the APUC:

With respect to AS 29.48.050(c), some rural village or city councils are attempting to grant franchises or rights-of-way to telephone companies that are not, as yet, certificated by the APUC to furnish local exchange telephone service to their communities. These entities then have told the APUC that regardless of the Commission's action on the certification applications, the local governing body will grant the franchise or right-of-way to no other utility. There are several competing applications pending before the Commission for authority to furnish local telephone service to over 70 "bush" communities. Clearly, the Commission has -- and must continue to have -- the authority to determine if the public convenience and necessity requires the service and which of the applicants is fit, willing and able to provide the service. AS 42.05.221 - 42.05.241. Local governing bodies cannot be permitted to thwart that policy that the legislature has established or to interfere with on-going proceedings before the Commission. Obviously local input into Commission decision-making, particularly as to what entity will serve a given community, is both encouraged and welcome. However, it is quite another matter to attempt to usurp prescribed authority. Repeal of AS 29.48.050(c) merely would ensure legal confrontation between the local government and the successful applicant before the APUC that existing law seeks to preclude.

With respect to AS 29.48.100(a), for example, the Commission presently is adjudicating a longstanding dispute between the City of Fairbanks d/b/a Municipal Utilities System (FMUS), an unregulated municipal utility, and College Utilities Corp. (CUC), a regulated utility, as to the interconnection of the two entities' sewer systems and the establishment of a fair, just and reasonable sewer service user charge (interconnection fee) for the interconnection of the two systems and the use by CUC of the FMUS sewage treatment plant. This unusual proceeding was brought before the Commission by the U.S. Environmental Protection Agency, unable to resolve the dispute under federal law, under AS 42.05.311 and 42.05.321. Initial cost-of-service studies to support the applied-for rates just now are being filed by CUC and FMUS. Although the basic Commission authority in this matter derives from the interconnection sections of its statute, cited above, AS 29.48.100(a) undergirds the APUC's authority particularly with respect to rate-making by a non-regulated municipal utility. Deletion of AS 29.48.100(a) would just make much more difficult the resolution of this now three-year old proceeding.

Memorandum to:

~~Hon. Jay E. Hammond and~~

Arthur H. Peterson, Esq.

From: ~~Alaska PUC~~ *Stuart C. Hall*

Re: Municipal Code Revision

10 June 1982, pg 4

It is true that AS 42.05.251 and 42.05.641, respectively, contain language somewhat parallel to AS 29.48.050(c) and 29.48.100(a). However, if the cited Municipal Code subsections are deleted there is no cross reference replacing them directing the attention of the reader or user of the Code to the fact that there is an interrelationship between the Municipal Code (AS 29) and the Alaska Public Utilities Commission Act (AS 42.05). Thus, the deletion of these two subsections merely increases the potential for dispute, confrontation and litigation between a state agency and a local entity. In the ~~Commission's~~ <sup>my</sup> judgment, that should be avoided.

4. It is also noteworthy that at no point during the Legislature's deliberations on Senate Bill 180 was the Commission's view on these proposals sought. Absent an index to this voluminous legislation, it was virtually impossible to track or locate changes being proposed. Only a detailed examination of the entire text of the bill revealed the changes described above. The draftsman had neglected, for example, to repeal AS 29.48 (which would have signaled the relocation of its substance) until one of the later versions of the bill thus suggesting that no changes were contemplated in the public utility-related sections of the Code.

Accordingly, for the reasons set out above, ~~the Commission~~ <sup>I</sup> believed that HRS CSSB 180 (Jud) am H should be disapproved.

cc: Senator Arliss Sturgulewski  
Ms. Catherine Wallen, Department of  
Commerce & Economic Development

# Alaska MUNICIPAL League

TELEPHONES  
907) 586-1325  
586-6526

204 N. FRANKLIN ST.  
JUNEAU, ALASKA 99801

June 2, 1982

to: Alaska State Senate  
from: Ginny Chitwood, AML Executive Director *Ginny*  
re: SB 180 - Municipal Code

Until the House added several amendments on the floor, SB 180 was a basic clean-up and reorganization of existing law. Although there were some minor policy changes, the major thrust of the bill was to put the Municipal Code in language and format that was understandable to non-attorneys.

The House, however, adopted three amendments that are opposed by municipal officials:

1. Forest Land Exemption. Quoting a section in the AML Policy Statement, "The League opposes the imposition of state-mandated exemptions of certain classes of property, individuals, organizations, or commodities from the application of taxes unless adequate compensation is made by the state to reimburse local governments for revenues lost due to these exemptions." If the state is going to force the exemption, then it should pick up the cost, instead of requiring the rest of the local residents to pay the share of the exempted class. For example, the state reimburses the municipalities for the revenues lost by state-mandated senior citizen exemptions.

2. Population Determinations. "In those cases where legislation is approved increasing the state revenue sharing entitlement for specific recipients or for a specific purpose, the League advocates that the total funding for state revenue sharing be increased accordingly in order to preclude the dilution of funding to other recipients." (AML Policy Statement) The League opposes the change in population determination methodology unless the total funding for revenue sharing and municipal assistance is increased at least by \$1.5 million to cover the additional funding that will be received by the North Slope Borough and possibly other communities at the expense of all the others.

3. Gun Control. "The League opposes any legislation which unduly restricts local government operations." (AML Policy Statement) The prohibition of gun possession regulation has the potential for infringing on the ability of municipalities to respond to the wishes of their constituents and clearly is counter to the "maximum local self-government" directive in the Alaska Constitution.

STATE OF ALASKA  
THE LEGISLATURE

POUCHY - STATE CAPITOL  
JUNEAU ALASKA 99801  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

June 1, 1982

SUBJECT: Amendment to municipal code revision  
(HCS CSSB 180 (Judiciary) am H)

TO: Senator Donald E. Gilman

FROM: Tamara Brandt Cook  
Legislative Counsel

TBC

You have asked for an interpretation of Amendment No. 17 to HCS CSSB 180 (Judiciary) am H adopted by the House. In particular, you have asked whether the reference to AS 41.-17.950(6) can be construed to incorporate other provisions of AS 41.17.

Sec. 29.45.030(a) of the bill lists the types of property that are exempt from municipal taxation. Amendment No. 17 adds to that list "(7) forest land as defined in AS 41.-17.950(6)". AS 41.17.950(6) provides the following definition:

"forest land" means land stocked or having been stocked with forest trees of any size and not currently developed for nonforest use, regardless of whether presently available or accessible for commercial purposes, and includes any such land under state, municipal, or private ownership;

Under the terms of Amendment No. 17, a municipality would not be able to tax any property that meets this broad definition of forest land. Note that the definition is not limited to tracts of a certain size or to tracts with commercial potential. Any land stocked with forest trees that is not developed for a nonforest use qualifies for the tax exemption.

None of the other provisions of AS 41.17 are applicable to the determination of whether land is "forest land" for the purpose of municipal taxation. In particular, AS 41.17.050(c)

Senator Donald E. Gilman

Page 2

June 1, 1982

authorizes the commissioner of natural resources to exempt certain forest lands "from the provisions of AS 41.17.010 - 41.17.950". The commissioner is not authorized to exempt any land from provisions contained in AS 29. Nor under Amendment No. 17 would he have the authority to provide that certain forest lands are subject to municipal taxation.

TBC:ljb

A poll of local assessors around the state resulted in the following estimates of value and revenue losses that would result from proposed AS 29.45.030(7).

Municipality.	Value Loss	Revenue Loss	% of tax base loss
Anchorage	\$458,415,224	\$4,056,975	7%
Fairbanks	303,825,000	2,278,688	22%
Juneau	69,170,160	342,422	10%
Kenai	474,041,744	1,597,561	27%
Mat-Su	469,397,469	3,670,688	53%
Ketchikan.	55,798,245	97,647	13%
Sitka	45,168,945	135,506	14%
Haines	20,995,620	88,811	36%
Total	<u>\$1,896,818,407</u>	<u>\$12,268,298</u>	

These figures are based on a strict interpretation of what appears to be very liberal language. Therefore, the total local revenue loss could be substantially higher.

Prepared at the request of Senator Gilman by the State Assessor's office, Department of Community and Regional Affairs. Poll of Assessors conducted by telephone.

TE/J1/00'90

*Does not include Federal in-lieu of property tax payments which would also be lost.*

Proposed population definition

Includes:

- 1 permanent residents
- 2 military
- 3 all workers at remote sites

Does not include:

non-permanent residents that are in-town.

AS 29.60.010 - 29.60.080, the population of a taxing unit shall include permanent residents and military personnel or employees of a military reservation located in the taxing unit. Population shall also include all persons working at isolated job sites in a taxing unit. The commissioner of community and regional affairs shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employers. *Ensures double count*

Sec. 29.60.030. DETERMINATION OF MILLAGE RATE EQUIVALENT. (a)

The department may require a municipality to return a certification, signed by the municipal treasurer or manager and the mayor, that provides an estimate of the locally generated revenue received by the municipality during the preceding fiscal year.

(b) By October 15 of each year, the department shall make an initial determination of the millage rate equivalent of each taxing unit to be used for computing and distributing equalization entitlements for the current fiscal year under AS 29.60.010 - 29.60.080. The department shall base the initial determination on the estimates in the certification returned by a municipality under (a) of this section.

(c) As early as possible, but not later than December 15 of each year, the department shall make a final determination of the millage rate equivalent of each taxing unit to use to compute and distribute equalization entitlements under AS 29.60.010 - 29.60.080. The department shall base the determination on audits, financial statements and other financial reports prepared and submitted by a municipality. The department shall adjust the locally generated revenue reported by a municipality to exclude the municipal revenue claimed that does not qualify for inclusion in or recognition as locally generated revenue for



UNITED STATES DEPARTMENT OF COMMERCE  
Bureau of the Census  
Regional Census Center  
New Federal Bldg., Room 312  
915 North 2nd Ave.  
Seattle, Washington 98174

P-531

March 26, 1980

1980  
Fed Census  
Background

Governor Jay A. Hammond  
State of Alaska  
Pouch A  
Juneau, AK 99811

Attention: Jessie Dodson

Dear Governor Hammond:

In response to the telephone conversation I had with Jessie Dodson, Palmer McCarter, and Doug Griffin today, this letter is intended to alleviate the concerns that have been expressed about the procedure the Bureau will be using to enumerate the "on-site" workers in Alaska.

Historically, the Bureau has enumerated construction and maintenance workers at the location where they spent most of the week which included census day. For example, this would mean that the workers at the drilling sites on the North Slope on April 1, 1980 would be enumerated there, and be included in the population counts for the North Slope Borough. However, because of several requests, the Bureau has re-evaluated its traditional residency rules in respect to the current situation in Alaska.

It has been decided that all persons at remote drilling sites, pump stations, and maintenance facilities associated with the North Slope petroleum operations, the pipeline, and the off-shore drilling sites in Cook Inlet would be enumerated at their normal place of residence. In order to accomplish this, every employee at these facilities will be given an Individual Census Report (D-20). An additional information sheet is being attached to the front of each ICR. This sheet, shown on the attachment to this letter with the front of a D-20 form, instructs the respondent to provide his/her complete home address on the ICR after they check box "F." They are then to complete the entire ICR.



The ICR's for these individuals would be compared with the regular census questionnaire from their "usual" residence. If the individual is not also included on the questionnaire from that address, he/she would be added to the questionnaire and the ICR will be discarded. If they are shown, the ICR and questionnaire will be compared, and the questionnaire will be corrected as required. The individual will, in all cases, be enumerated at the location he/she has shown in box "E."

As you can see from the above, there is no decision to be made by yourself as the most recent letter from the Mayor of Anchorage suggested. Likewise, no alternative is being provided to the employees at the remote sites as to whether they wish to be counted at the camp or at their "usual residence," wherever that may be.

Hopefully this clears up the confusion on the Census Bureau will be counting the workers who are located at these sites on April 1, 1980. If I can be of any further assistance, please feel free to contact me at any time.

Sincerely,



Richard H. Schweitzer, Jr.  
Acting Regional Census Manager

Attachment

cc. Jacqueline Russell

**IMPORTANT NOTICE TO ALL**

**ON-SITE WORKERS**

In order to be counted in your home town and to insure that your home town receives its proper share of federal funds for highways, schools, representation in Congress, and apportionment in your state legislature:

You must follow these special instructions when filling out the first page of the attached form. Disregard the instructions on the Individual Census Report (Form D-20).

**SPECIAL INSTRUCTIONS**

1. Check box "E" and fill in your complete home address, phone, etc.....as required.
2. In the box marked "For" on the brown envelope (D-40) write the name of the camp or platform or rig where you are located at the time you complete this form. Also write in the same box your room # and wing #.
3. After you have completed the entire form, seal the brown envelope and return it to the person who handed you the packet. This must be done within 24 hours.

Thank you for making the Census work.



**U.S. DEPARTMENT OF COMMERCE  
BUREAU OF THE CENSUS**

**1980 CENSUS OF THE UNITED STATES  
INDIVIDUAL CENSUS REPORT**

1. What is your name? (Please print)

-----  
(Last name) (First name) (Middle initial)

2. Are you - (Mark the first box that applies)

- a.  A person who usually lives here or who stays here most of the week while working?
- b.  A college student living here while attending college?
- c.  A patient or resident of an institution such as a home for the aged or mental hospital?
- d.  A person with no usual place of residence?
- e.  A person for whom there is no one at your home address to report you to a census taker? - Give the address at which you usually live.

Please continue on page 2

HOUSE NO.		STREET		APT. NO.	
RURAL ROUTE NO.			BOX NO.		
CITY					
COUNTY					
STATE			ZIP CODE		
TELEPHONE NUMBER					

If you did not mark any of the boxes above, please mark this box  and return the form without answering the remaining questions.

FOR CENSUS OFFICE USE		
ED. NO.	IND. FILE NO.	BLOCK NO.
SERIAL NO.	SEARCHED	PO
	ED. INDEX NO.	OB

FORM D-20

Form Approved OMB No. 41570-04

DEPARTMENT OF LABOR

BOX 1149  
JUNEAU, ALASKA 99811

July 13, 1981

Mr. Earle J. Gerson,  
Assistant Director For Demographic Censuses  
Bureau of the Census  
U.S. Department of Commerce  
Washington, D. C. 20233

Dear Mr. Gerson:

In a letter dated March 26, 1980 from Richard H. Schweitzer, Acting Regional Census Manager, Seattle office, to Alaska Governor Jay Hammond, Mr. Schweitzer stated that:

"It has been decided that all persons at remote drilling sites, pump stations, and maintenance facilities associated with the North Slope petroleum operations, the pipeline, and off-shore drilling sites in Cook Inlet would be enumerated at their normal place of residence."

This decision apparently changed the traditional residency rule whereby persons at construction and maintenance camps would be residents of the place in which they slept four or more nights a week or lived the greater part of the calendar year.

In relation to this decision, I am requesting clarification of the following issues:

Background

Could you provide information on the thinking and analysis on which this decision was based? In particular, the relationship to the census definition of "resident."

Geographical Scope

Was this decision applied only to Alaska? That is, were oil workers, say, at sites on or off-shore from California, Texas, and Louisiana counted according to traditional residence rules or according to the rules applied to Alaska?

Definitional Scope

Was this decision applied strictly to people at sites associated with oil production activities? For example, in coal development activities in the Mid-Western United States, were workers counted in a manner similar to those at Alaska's oil sites?

## Effects

Is it possible to provide an idea of the impact of this procedure on Alaska? How many people filled out ICR's, how many were allocated within the state and outside the state? If this procedure was used elsewhere, could you provide an indication of its national impact?

### Form D-20

Form D-20, The Individual Census Report, was apparently used to re-allocate oil workers to their usual place of residence. In relation to the procedures associated with form D-20:

1. Its use for visitors temporarily away from home and during M-night and T-night is understood, has it, however, been used at construction or work sites prior to The 1980 Census? If so could you provide examples of its use in this context?
2. Could you describe the quality control procedures associated with allocating: (A) an Alaska oil site worker marking "2(c)" to an address; and (B) a T-night or M-night respondent or "visitor temporarily away" marking "2(c)" to an address.

As an example, what would happen to an oil worker's D-20 in which "2(a)" was checked and, in addition, an address under "2(e)" was given? What would happen to a "T-night" respondent's D-20 if it were similarly marked?

I realize that these questions may require substantial staff time to resolve. I am requesting this information in regard to a legal opinion regarding the definition of population for state revenue sharing purposes. The information requested of the Bureau is needed and your assistance is greatly appreciated.

Sincerely,

David A. Swanson

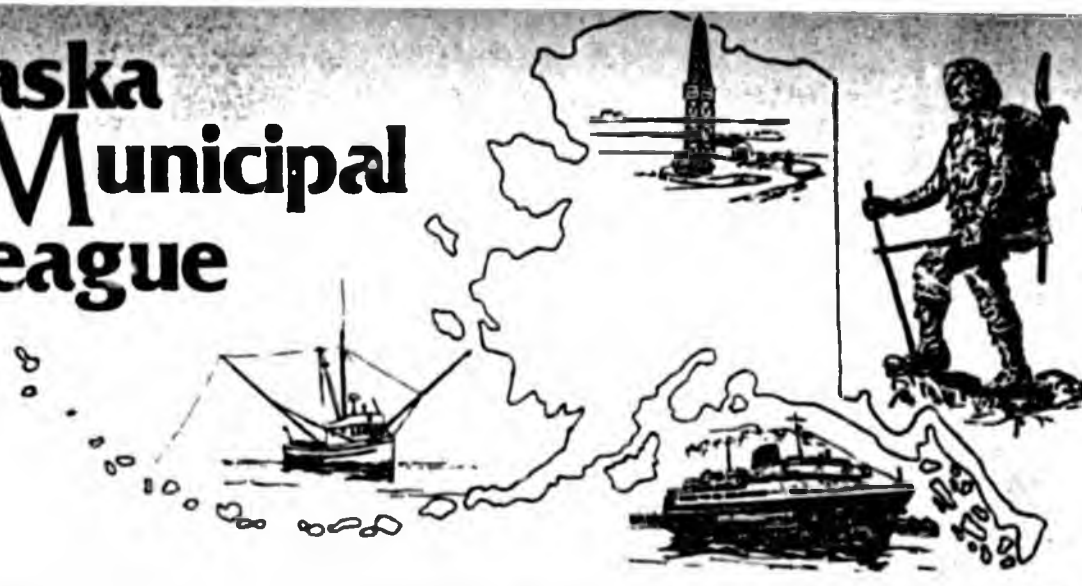
David A. Swanson  
State Demographer

DAS/lc



# Alaska Municipal League

204 N. Franklin  
Juneau, Alaska 99801  
(907) 586-1325



## LEGISLATIVE BULLETIN

#45

June 4, 1982

### SPECIAL ISSUE - MUNICIPAL CODE

This bulletin contains information only on HCS CSSB 180 (Jud) am H, the bill revising Title 29, the Municipal Code. Next week we will send out a wrap-up of the Second Session of the Twelfth Legislature.

What started out as a clean-up of Title 29 has turned into a very controversial bill. Although the House adopted several amendments on the floor that had not had the benefit of committee scrutiny, we urged passage in order to get the bill to a conference committee and avoid losing 3 years worth of work. We had been assured that the Senate would not accept the House version, but commitments evaporated and the Senate voted to concur with the House version.

The two most controversial amendments relate to forest land exemption from property taxes, and to changes in the method of determining population for purposes of revenue sharing and tax limits. The forest land exemption was part of an amendment to define "developed" for purposes of defining when ANCSA lands would go on the tax rolls. The intent of the forest land exemption was for it to apply to the ANCSA lands, but the definition of "forest lands" is so broad that it could apply to any vacant land that has a tree on it.

The population amendment allows the counting of remote site workers, instead of the current practice of using U.S. Bureau of Census standards for determining population. Prior to the 1980 Census, the Department of Community and Regional Affairs used information supplied by each community to determine population. The population determination has a major impact on the tax limitation section of the law and a minor impact on revenue sharing.

Following is a list of several sections of the AML 1982 Policy Statement and how HCS CSSB 180 (Jud) am H relates to them.

PART I - TAXATION AND FINANCE

B. STATE ASSISTANCE IN FINANCING LOCAL GOVERNMENT

13. Increase in State Revenue Sharing for Specific Recipients: "In those cases where legislation is approved increasing the state revenue sharing entitlement for specific recipients or for a specific purpose, the League advocates that the total funding for state revenue sharing be increased." The House floor amendment requiring the inclusion of remote site workers in population counts, whether or not they qualify as "residents", will entitle the North Slope Borough and possibly some other communities to about \$1.5 million more in revenue sharing/municipal assistance monies. Since the Legislature did not increase the total appropriations, other municipalities' allocations will be cut by about 1%.

C. LOCAL TAXES

1. State-Mandated Exemptions: "The League opposes the imposition of state-mandated exemption of certain classes of property, individuals, organizations, or commodities from the application of taxes unless adequate compensation is made by the state to reimburse local government for revenues lost due to these exemptions." In addition to defining "developed" for purposes of determining when ANCSA lands would go on the tax rolls, a House floor amendment added "forest lands" to the list of types of property that are exempt from municipal taxation. Forest land is broadly defined in AS 41.17.950(6) to mean "land stocked or having been stocked with forest trees of any size and not currently developed for nonforest use, regardless of whether presently available or accessible for commercial purposes, and includes any such land under state, municipal or private ownership". Various estimates by municipal assessors range from a 7% tax base loss in Anchorage to a 22% loss in Fairbanks to a 53% loss in the Matanuska-Susitna Borough. There is no provision in the law to reimburse the municipalities for lost revenues. Another floor amendment added firearms to the list of mandatory exemptions.

4. Business Inventories: "The League supports legislation which would provide for the optional exemption of business inventories from property tax." SB 180 provides for the optional exemption of all personal property including business inventories, but not just business inventories.

5. Interest Rate Limit: "The League supports legislation to remove the limits established by AS 29.53.180 and AS 29.53.415(d) on the penalty and interest rate for delinquent property and sales tax payments." Although SB 180 does not remove the limits, it does raise the limit on penalties from 10% to 20% and the limit on interest rate for delinquent taxes from 8% to 15%.

PART VIII - MUNICIPAL ELECTIONS

A. PLURALITY

1. "The League strongly supports legislation which would permit a municipality to opt out of the 40% plurality requirement for election to office, and which would clarify the 40% rule for municipalities that continue to use it." This is provided in SB 180.

F. VOTER QUALIFICATIONS

1. "The League supports legislation that would allow a municipality, by ordinance, to require persons to be state registered voters in, and residents of, the precinct, district or service area in which they seek to vote." Provided in SB 180.

H. TITLE 29 REVISIONS

1. Signature Requirements: "The League supports legislation which would clarify AS 29.28.070(b) to specify that signature requirements for petitions be based upon the last regular municipal election held just preceding the date of first circulation of the petition." SB 180 provides for "last regular election" instead of "last regular municipal election" (emphasis added), but does eliminate the term, "last general election" which usually refers to state elections.

2. Recall Signatures: "The League supports legislation amending AS 29.-28.070 to provide that the number of signatures required to initiate a petition for recall be 35% of the number of voters voting in the last regular municipal election regardless of population of the municipality." SB 180 establishes the signature requirement at 25%, regardless of population. This represents an increase from 15% for municipalities over 7500 and no change for the others.

3. Recall Procedures: "The League supports legislation which would make recall procedures clearer, including provisions to make the grounds more specific." SB 180 does not change the grounds for recall, but does clarify the procedures.

PART VIII - LOCAL GOVERNMENT POWERS

I. LOCAL AUTONOMY

1. Effective Local Government: "The League . . . opposes any legislation which unduly restricts local government." The prohibition of gun ownership and possession regulation has the potential for infringing on the ability of municipalities to respond to the wishes of their constituents.

2. Enforcement of Municipal Ordinances: "The League opposes state restriction on enforcement of municipal ordinances and supports legislation clearly establishing local autonomy in the creation of mandatory sentences and other remedies for violation of local ordinances." Although in the early versions of SB 180, the authority to establish mandatory sentences was deleted in the one that passed.

## ... Rural Affairs/Local Gov't ...

### **Muni Code Amended, Passed**

Intense lobbying in the Senate brought concurrence with a House-passed municipal code rewrite (SB-180). The bill was heavily amended by the House from the original concept of a non-controversial revision of the laws relating to Alaska's local governments.

When the bill reached the House floor last week, though, it became a grab-bag as over a dozen amendments were attached ranging from prohibiting municipalities from regulating firearms to new population counting rules for revenue sharing.

The population count would include workers at remote jobsites and is particularly helpful to the North Slope Borough, whose lobbyists were instrumental in reviving the bill after it had failed once on the House floor.

Most local governments had wanted the bill to go to a conference committee, but the Senate went along with the changes. There is some question now whether the governor will veto the measure, leaving the issue for a new legislature in January.

Other amendments adopted on the House floor expand initiative powers, set rules for state contracts with Native village councils, allow a \$25,000 residential exemption from property taxes, allow taxation of boats and vessels not to exceed \$75 annually, establish the definition of "developed" land under ANCSA, and exempt forest lands from municipal taxation.

• **SCHOOL DEBT BILL SENT TO GOVERNOR**: A bill increasing state payments for local school debt to 90 percent, eliminating the two-year wait for reimbursement, and transferring school construction management to the Dept. of Education has been sent to the governor. HB-279 had been languishing in Senate Finance for a year, but moved swiftly to the floor last week for passage, then House concurrence. The measure disallows state funding for single-purpose recreation uses and covers only new facilities. It will add \$13.5-million to school district coffers this year.

### **Binding Arbitration Falls**

A bill giving teachers a limited right to strike or binding arbitration failed by one vote on the House floor in the waning hours of this session. The House failed to concur in SCSHB-174 after leaving another version (SB-668) in committee upon adjournment.

The bills would have left the decision to local voters on whether teachers would be able to strike or would be prohibited from striking and thus subject to binding arbitration. It was a top priority for teachers, but was opposed by school districts. A similar measure failed on the House floor last year.

• **FOUNDATION FUNDING SUSPENSION KILLED**: A bill replacing the public school foundation formula with payments to school districts based on average daily membership failed to reach the House floor before adjournment, with a five percent escalator in FY 84. The question of changes in the formula is thus guaranteed to be an early-session priority for the next legislature, with action necessary by early April to allow school boards to set FY 84 budgets.

• **FORT YUKON FLOOD DISASTER BILL SIGNED**: The governor signed HB-216, allowing more than \$1-million in disaster relief to be spent to alleviate the effects of flooding in Ft. Yukon. Damage estimates have reached nearly \$2-million.

• **WATER AND SEWER GRANTS INCREASED**: The Senate concurred in House amendments to SB-252, increasing state matching funds for water, sewer and solid waste projects to 70 percent.

• **MUNICIPAL BILLS PASSED**: The House retreated from amendments to bills extending the time for local governments to claim state funding under last year's SB-169; SB-830 and 836 now go to the governor.

• **NPR-A BILL ADOPTED**: SB-835 will share 50 percent of federal receipts from oil development on federal lands with local governments.

loud round of applause.  
Live both in West Germany  
an viewers there was a  
conference in London with  
page 2



President Reagan meets with German Chancellor Helmut Schmidt.

AP Wirephoto

into the Bekaa from the south.  
The Syrian command said  
casualties, knocked out 23  
in several clashes. The Israeli  
Syrians but gave few details.  
The Israeli military comm

Cont'd

## CRIME OF THE WEEK



586-4243

community. Its goal is helping the Juneau Police Department and the Alaska State Troopers solve crimes.

# New code could cost city-borough \$410,000

By ANNABEL LUND  
Empire Staff Reporter

Juneau may lose at least \$410,000 in taxes this year because of revisions in the state's municipal code.

The loss is the result of two amendments to the 187-page bill reorganizing Alaska's jumbled medley of laws regulating municipalities.

One amendment, sponsored by Rep. Jim Duncan, D-Juneau, would exempt forest lands from property taxes — a boon to local Native corporations but a \$340,000 drain on city coffers. Another amendment, promoted aggressively by the North Slope Borough, would change the method of determining population for revenue-sharing, lopping off at least 1 percent of the city's revenue sharing funds, a cut of \$70,400.

Under the new legislation, Alaska boroughs would count remote site workers as residents instead of using U.S. Bureau of Census standards for determining population figures as the state does now. Under this law, the North Slope Borough could count 4,000 oil field workers as residents, entitling the state's wealthiest borough to \$1.5 million in additional revenues, thereby reducing other municipalities' slice of the revenue sharing pie by one percent.

In addition, state revenues on oil and gas properties on the North Slope may be as much as \$18 million less because oil companies are allowed, by state law, to subtract the borough's property taxes from the state taxes they are required to pay.

The Alaska Municipal League distributed bulletins Tuesday advocating an increase in state revenue sharing funds to offset the squeeze on cities' finances caused by the new tax sharing plan.

The League also opposed the new tax exemptions, unless the state was willing to compensate local governments for the loss in tax revenues.

"We feel that since it was a state decision to exempt certain property from taxes, the state should reimburse local governments for the loss," Ginny Chitwood of the Alaska Municipal League explained.

Juneau City-Borough Attorney Lee Sharp, who helped construct the original legislation two years ago, told the Empire the forest land exemption provision "bristles with interpretation problems." The broad language of the bill may have to be defined in court, he said.

"The way it stands now, someone with an undeveloped lot with two trees on it may be able to file for a tax exemption. A whole bunch of problems that will probably end up in court could have been avoided by careful thought in the drafting stages of the legislation," Sharp said. "If these amendments had popped up in the committee process, instead of at the end of the session when there was so much else going on, we could have clarified them."

The Alaska Municipal League also opposes an amendment, sponsored by National Rifle Association Board of Director Rep. Ken Fanning, L-Fairbanks, prohibiting cities from passing laws governing firearms. The amendment, Chitwood said, would "unduly restrict local government."

Sections of the new municipal code endorsed by the league include regulations governing optional tax exemption for personal property, an increase in penalties and interest rates for delinquent tax payments, changes in voter qualifications and simplified

Continued on Page 2

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JUNEAU Empire - Wed, June 9 1971

# Planes...

Continued from Page 1

troops had captured the coastal town of Damour, just 10 miles south of Beirut.

Syrian reinforcements were pouring into Lebanon. Informed sources in Damascus said the number of Syrian troops in Lebanon had been more than doubled, to 65,000. Reports on the number of Israeli troops in Lebanon range from 20,000 to 60,000.

The Syrians said they had stopped the northernmost units of Israel's invasion force as they tried to cut the Beirut-Damascus highway in the hills 12 miles east of the Lebanese capital.

Israeli armored units were airlifted into the area Tuesday in a lightning thrust aimed at closing the Israeli vise on the Lebanese capital and other Palestinian strongholds.

Twenty-five miles to the south, the Israelis launched a two-pronged push northward toward eastern Lebanon's Syrian-controlled Bekaa Valley, behind massive air and artillery bombardment, the Syrian command said. Palestinian guerrillas had reportedly moved into the Bekaa after fleeing the Israeli invasion earlier this week.

The Syrians claimed to have halted the two-pronged southern offensive, mounted from the Israeli-captured town of Hasbaya, 10 miles north of the Israeli border.

The private "Voice of Lebanon" radio said Israeli jets attacked Syrian SAM-6 anti-aircraft missile sites in the Bekaa Valley. This report was not otherwise verified.

Informed sources in the Syrian capital of Damascus, who asked not to be identified, claimed Syrian troops at Beirut's international airport foiled an Israeli attempt to land airborne troops in the airport area, on the capital's southern approaches.

Four Israeli warships, meanwhile, shelled the beaches of southern Beirut's Quzai neighborhood, Lebanon's state radio said. The 10-minute bombardment caused no casualties or damage, it said.

Police were preparing for a large demonstration against Reagan's arms policies.

Palestine Liberation Organization chief Yasse Arafat appealed from his secret command bunker in west Beirut for collective Arab intervention to keep Israel from invading the Lebanese capital.

Despite Prime Minister Menachem Begin's declaration that the Israelis "don't want war with Syria," the mounting clashes threatened to turn Israel's campaign against Palestinian guerrillas in southern Lebanon into a major confrontation with the large Syrian force based around Beirut and in eastern Lebanon's Bekaa Valley.

An estimated 30,000 Syrian troops are in Lebanon to police a truce that ended the 1975-76 civil war in Lebanon.

AP Correspondent Michael Goldsmith, on the way from Damascus to Beirut, saw convoys of Syrian reinforcements rolling into Lebanon Tuesday night.

The Israeli military command said today that Israel had reinforced its troops on the disputed Golan Heights, which it captured from Syria in 1967 and annexed earlier this year.

The state radio said Israel's ground forces were in control of about 25 percent of Lebanon's territory.

Israel said it shot down six Syrian jets on Tuesday, two of them in Israeli airspace, and Syria said its artillery and helicopter gunships attacked an Israeli armored column near the Lebanese village of Ain Dara, five miles west of the Bekaa Valley and 12 miles east of Beirut. One Syrian jet was shot down Monday.

# Code...

Continued from Page 1

procedures for voter recalls.

The law is currently undergoing review by the state departments of Law, Labor, and Community and Regional Affairs and is not expected to reach the governor's desk for signature for several weeks. During a press conference Monday, Hammond said he was concerned about the forest land exemption and population redistribution amendments to the legislation. He would not say whether he favored it.

U.S. Navy aircraft carrier's 30-ton anchor as it was being dropped went too far, says a Vancouver provincial court judge.

Judge Jack McGivern gave Michael Manolson a choice of a \$350 (Canadian) fine or seven days in jail on Tuesday after finding him guilty of operating his rubber boat in a manner dangerous to navigation.

Manolson, a 27-year-old Greenpeace director from Montreal, was charged after taking part in a sea-going demonstration against the USS Ranger, which arrived for a visit to Vancouver last Oct. 30.

Greenpeace, an environmental group, claimed the Ranger was carrying nuclear

Manolson dodged police authority to craft away, boat under being lower.

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# Briefly Alaska

## Two die in plane crash

DILLINGHAM (AP) — A Piper Super Cub flying from Dillingham to Nunavarchak Beach has crashed about 60 miles west of Dillingham, killing both persons aboard, the Alaska State Trooper reported Tuesday.

Trooper Lewis Rieth said the single-engine plane, which crashed at Dillingham at about 10 p.m. on Monday, went down southeast of Togiak on Bristol Bay.

He identified those aboard the aircraft as 28-year-old Craig Olm of Dillingham, the pilot, and 25-year-old Timothy J. McClellan, Hibbing, Minn.

Rieth said the plane was reported overdue late Monday and search plane spotted the wreckage early Tuesday. He said he was unsure when the plane crashed.

Federal Aviation Administration spokesman Cliff Cernick said his agency will begin investigating the cause of the crash.

## Anchorage man crushed on dump truck

ANCHORAGE (AP) — Police report that a 27-year-old Al...

The average dishwasher uses 14 gallons of hot water per load.

# Alaska RUSH

# Police

Assault: Juneau City Police are at

20TH CENTURY  
586-4035

## NOTICE OF MEETING ALASKA PERMANENT FUND CORPORATION BOARD OF TRUSTEES

DATE: Friday, June 18, 1982  
TIME: 9:00 a.m.  
PLACE: Governor's Conference Room  
Third Floor, Capitol Building

# Report shows 170 lobbyists paid \$1.3 million

By DAVID RAMSEUR  
News-Miner Bureau

JUNEAU—More than \$1.3 million has been spent by about 200 companies on lobbyists to convince legislators the merits of everything from raises for state employees to more money for dramatic productions.

That's according to the latest Alaska Public Offices Commission report on lobbyist spending. The report covers spending through March and by about 170 lobbyists, some 30 more than were listed in the February spending report.

Spending between February and March increased about 60 percent, from \$800,000 to \$1.3 million, compared to a more than 100 percent increase between January and February. Lobbyists collected \$326,500 in January for salaries and expenses including entertainment,

liquor, meals and travel.

The latest report again shows oil companies among the organizations paying the most money to have lobbyists push for their interests. For example, Chevron paid one lobbyist nearly \$47,500 and Mobil paid its chief lobbyist more than \$20,000 for the first three months of the year.

Once again, the highest paid lobbying firm is Trust Consultants, Inc., comprised of Lew Dischner and Kim Hutchinson. Their chief client, the North Slope Borough, paid the duo nearly \$54,000 during the period.

Other Dischner-Hutchinson clients included Alascom, the Blood Bank of Alaska, the city of Valdez, Rainier Bancorporation and the Central Council of Tlingit-Haida Indians of Alaska.

Bumping out the lobbying firm headed by Gov. Jay Hammond's

former chief aide is former legislator Bill Miles as runner-up to Trust Consultants for highest paid lobbyist.

Miles, a former Anchorage representative, was paid more than \$74,300 from eight clients including the Anchorage School District, the city of Nome, Dow Chemical Co., U.S. Borax and Chemical Co., and the White Pass and Yukon Railroad.

Fairbanks North Star Borough lobbyist Don Berry was paid \$3,000 for the three months and Fairbanks city lobbyist Candace Mangnusson received more than \$4,300.

Here's the rest of the top 10 best paid legislative lobbyists through March:

- Dawson and Associates, headed up by Gov. Jay Hammond former executive assistant Kent Dawson, was paid more than \$73,600 from four clients including Alascom, the

Association of Regional Aquaculture Associations, the city of Seward and Duty Free Shoppers, Ltd.

- Sam Kito, former Fairbanksan and current member of the University of Alaska Board of Regents, received more than \$46,000 from seven clients including the Cook Inlet Region, Inc., Alaska Dental Society, Alascom, city of Fort Yukon and the Sealaska Corp.

- Gene Wiles, long-time Chevron lobbyist, received more than \$32,700 from Chevron and Alyeska Pipeline Service Co.

- Mitch Gravo, former lobbyist for the city of Anchorage and the son-in-law of House Speaker Joe Hayes, was paid more than \$31,000 from 10 clients including the Alaska Repertory Theatre, Consulting Engineers Council of Alaska, Cook Inlet Region Inc., and the city of Unalaska.

- The Juneau law firm of Ely, Guess and Rudd, which includes former state Attorney General Norman Gorsuch, was paid more than \$30,000 by 11 clients including Alaska California Liquid Natural Gas Co., Pacific LNG Co., Shell Oil, and Tolem Ocean Trailer Express.

- Rick Lauber was paid more than \$23,000 from three firms including the Alaska League of Insured Savings and Loan Associations, Pacific Seafood Processors and U.S. Brewers Association.

- Wes Coyner was paid more than \$22,000 by two firms, the Alaska Bankers Association and the Alaska National Insurance Co.

- The consulting firm of Carlson and Associates was paid more than \$20,000 by two firms, Alaska Electric Light and Power and the Alaska Committee, the Juneau-based anti-capital move group.

## City code rewrite OK'd with bonus to NSB

JUNEAU (AP)—Despite warnings that the bill would slash the incomes of communities statewide, the Alaska Senate voted final legislative approval and sent to Gov. Jay Hammond Wednesday a bill revamping the state's city code.

The bill also would funnel more than \$18 million into the North Slope Borough's coffers this year at the expense of the state and local governments.

The 187-page measure that reorganizes Alaska's chaotic laws

regulating cities was approved 13-6.

Sen. Don Gilman, R-Kenai, said municipalities would suffer huge revenue losses if Hammond signs the bill because local officials would be barred from laying taxes on forest lands.

He said a poll of local assessors around Alaska yielded some sobering statistics. For example, Gilman said under a worst case scenario the tax base of the Matanuska-Susitna Borough would be cut in half, Anchorage would lose more than \$4 million next year and

Haines' income would be reduced by more than a third.

Gilman and Sen. Artias Sturgulewski, R-Anchorage, had hoped to convince the House to back off certain amendments it made to the city code bill.

They wanted to delete the provisions that would hand a huge bonus to the North Slope Borough and exempt forest lands from municipal taxation. Their efforts were stymied by powerful North Slope Borough lobbyists who insisted that the Senate accept the bill without making any changes.

The final blow to Gilman and Sturgulewski came when the House adjourned Wednesday for the session, which meant the legislation had to be accepted or rejected and could not be amended.

Lobbyist Lewis Dischner said he is

confident the governor will sign the bill.

The North Slope Borough would benefit from the bill because it would allow the borough to count an extra 4,000 pipeline workers as part of its population. That would boost the community's take of a state tax levied on the pipeline and divert about \$1.5 million in municipal assistance and revenue sharing money from communities across Alaska to the borough.

The bill also would:

- Bar local governments from regulating ownership or possession of guns.

- Allow cities to grant franchises to corporations or utilities not yet certified by the Alaska Public Utilities Commission.

- Increase the penalty rate on delinquent taxes to 15 percent on in-

terest and 20 percent on taxes.

- Require a community to have 600 permanent residents to become a first-class city or a home rule city. A resident population of 400 is now required.

- Prohibit any new third class boroughs from being formed.

- Strengthen requirements that cities adopt conflict-of-interest ordinances that require members of government bodies to disclose financial interests in official actions.

## House version of ARR bill fails to satisfy sponsor

JUNEAU (AP)—Against the wishes of Senate President Jalmar Kerttula,

Congress is considering legislation to give the state ownership of the railroad.

**TOPSOIL & PEAT**  
Great Northwest Landscaping  
479-3121

# MEMORANDUM

State of Alaska

RECEIVED

TO: Edmund N. Orbeck  
Commissioner  
Department of Labor

JUN 16 1982

DATE: June 16, 1982

OFFICE OF THE COMMISSIONER

FILE NO

TELEPHONE NO: 465-2700

FROM: David Swanson  
State Demographer

SUBJECT: Senate Bill 180

BUDGET/AUDIT  
COMMITTEE

The provisions for changing the definition of population that are contained in Senate Bill 180 will create the following problems:

### Effects on Federal Funds

The State and its municipalities could lose millions of dollars because:

1. State-assisted census results will no longer be accepted by the U.S. Census Bureau for updating its estimates.
2. State-produced estimates will not be averaged in with Census Bureau estimates.
3. The Census Bureau is going to update its estimates only every other year. Without corrections provided by the State, inaccurate estimates will remain in effect over a longer period of time.

### Effects on State Revenue-Sharing

Over one million dollars every year will be taken from the municipalities without isolated worksites because:

1. No city with canneries will be able to count the seasonal workers that meet the definition of a census resident. For example, Unalaska will lose over 890 persons for State revenue sharing purposes.
2. About 2 percent of the State's population will be doublecounted. This will further reduce State revenue sharing dollars to the areas that have residents who spend time away from home at isolated worksites.

## MEMORANDUM

State of Alaska

TO: Richard Aks, Deputy Commissioner  
Community & Regional Affairs

DATE: April 20, 1982

FILE NO:

TELEPHONE NO: 465-2784

FROM: David Swanson, State Demographer  
Department of Labor

SUBJECT: Critique of Proposed  
Research & Analysis  
Amendment to CSSB180

In response to your request, I am providing a critical review of the proposed amendment to CSSB180 (a copy of the amendment is attached) that would provide for a revised definition of population in AS 29.45.080.1/

The amendment uses the term "permanent resident," which is neither tied to a census definition of resident nor clearly defined. By departing from the definition used by the U. S. Bureau of the Census, the amendment introduces a number of problems that have already been resolved during the 200 years of experience acquired by the U. S. Bureau of the Census. For example, the following types of persons can be clearly classified into a "resident" and "nonresident" status under the rules of residency used by the state and the U. S. Bureau of the Census; where would these types of persons be placed under the amendment's "permanent resident?"

1. A person with no usual place of residence.
2. A dependent who is living with a member of the military.
3. A person attending a boarding school.
4. A person attending college, who is living:
  - a. at home
  - b. away at school
5. A citizen of a foreign country who is studying or working temporarily in the United States.
5. An officer or crew member of an American Merchant vessel engaged in:
  - a. coastal transportation
  - b. foreign transportation
7. A person who has more than one home and divides his time between them.

8. A person who routinely spends extended periods of time away from home at a work site.
9. A person who lives in Household "A" during the day (a housekeeper or babysitter) but sleeps in Household "B" at night and on days off.
10. An American citizen abroad for a short time in connection with:
  - a. private work
  - b. government employment
11. A person who usually resides in Household "A" but is currently in:
  - a. a general hospital
  - b. jail
  - c. a TB ward
  - d. psychiatric institute
  - e. VA hospital
12. A newborn baby who has not yet been brought home from the hospital.
13. A member of the Armed Forces who:
  - a. lives on the installation
  - b. is stationed at a nearby installation but lives off post
  - c. is assigned to a military vessel and is:
    1. living on board
    2. living on shore

By introducing the possibility of defining a different "population" than the "population" defined by the U. S. Bureau of the Census, the amendment would lead to the following problems.

1. It will seriously weaken the state's position in acting as an advocate for local governments in dealing with the U. S. Bureau of the Census in regard to its estimates for federal revenue sharing and other programs. Currently, the U. S. Bureau of the Census will accept any census in Alaska that is certified. By changing the definition of residency, no census can be certified and thus will not be used by the U. S. Bureau of Census for federal revenue sharing. In addition, by changing the definition of residency, the state will not be able to evaluate and correct the federal estimates. Over the course of a decade, this could mean a substantial loss of federal funds for Alaska.

2. Comparability, trend evaluation and other forms of analysis will be severely restricted. For example, many health related programs are initiated on the basis of information concerning the levels of a particular "rate" for a population. If the definition of a "death" remains constant but the definition of the population at risk is changed, comparison and trends are impossible to determine. Similar problems will be found in measures of rates of employment and unemployment.

In order to maintain comparability within Alaska and outside of Alaska, two sets of population figures would have to be produced, one using the census definition and one using the amendment's "definition." This would be a clear case of inefficiency and, further, would create confusion among many data users.

By forcing the production of two sets of numbers, the amendment will have a fiscal impact both on the state agencies responsible for population determinations and the local governments providing the data needed for the determinations. Current funding levels are not sufficient.

Other problems with the amendment include:

1. The provision to include military personnel is one that is already covered by the definition of a "census resident."
2. The provision to include "the number of persons working at isolated job sites in a municipality" is vague. For example, would an "isolated job site" include: a temporary Fish Camp; a survey team that has a one day job in the bush; a cannery; a fishing boat; a processing ship; an abused women's shelter; and a jail?
3. Many of the "...persons working at isolated job sites in a municipality" may qualify as "permanent residents" of the same municipality. In this case, should they be counted twice, once as a worker at an isolated job site and once as a permanent resident or only in one of the two categories?

If they are to be counted only once, how will they be sorted out each year?

In summary, the proposed amendment will encourage duplication, inefficiency, and confusion. The state of Alaska already receives sufficient criticism in these areas. Why provide a legislative mandate that encourages the state to regress in a program where significant gains toward nonduplication, efficiency, and clarity have just been made?

Footnote

- 1/ This memo assumes that the amendment will only apply to AS 29.45.080. If it is applied to the state revenue-sharing program (AS 29.88.015 & AS 29.89.060), its unequal definitions will lead to inequalities in the revenue-sharing program where the few municipalities with "isolated job sites" will be taking funds away from municipalities without "isolated job sites." Virtually every municipality in the state is impacted by some type of special population - workers at isolated job sites, seasonal workers, tourists, and commuters, why should the impact of "workers at isolated job sites" be more important than the impact of the other types of population?

cc: John Post  
Chuck Caldwell

DS:bb

Proposed Amendment

Page 107, line 21 after "and" insert:

Page 148, Line 8 after "is reliable" insert:

"shall include permanent residents and military personnel or employees of a military reservation located in the municipality. Population shall also include the number of persons working at isolated job sites in a municipality. The Commissioner of Community and Regional Affairs shall determine the number of persons working at isolated sites from information supplied by employers which show the number of persons employed on the sites as of July 31 of each year.

29,45,080?

# STATE OF ALASKA

JAY S. HAMMOND, Governor

## DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH 8  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

March 10, 1982

*By Gilman*

The Honorable Al Adams  
Chairman, House Finance Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99801

Dear Representative Adams:

As you know, the Department of Community and Regional Affairs is responsible for certifying population counts for the purpose of the State Revenue Sharing program.

One purpose of the program is to provide financial assistance to municipalities for service provision to total population throughout the year. However, the U.S. Census, which forms the basis of the population determination, only counts actual year-round residents and does not capture other population that may require municipal services. For this reason, the Department has experienced significant difficulty in defining population for the purpose of this program.

*Not true - others are counted under the term "resident". Census does include some seasonal workers*

In order to solve this problem, the Department is supportive of statutory language that defines population to include total number of persons served by a municipality. The attached language accomplishes that purpose.

If I may be of further assistance, please feel free to contact me.

Sincerely,

*Lee*

Lee McAnaney  
Commissioner

Attachment

Proposed Amendment

Page 107, line 21 after "and" insert:

"shall include permanent residents and military personnel or employees of a military reservation located in the municipality.

Population shall also include the average number of persons working at isolated job sites in a municipality as determined  
by the Commissioner of Community and Regional Affairs based on information supplied by employers of persons at isolated job sites." (T)

HOUSE CS FOR CS FOR SENATE BILL NO. 180 (Judiciary) am H

Under Uniform Rule 43 (b), engrossment has been waived and certified amendments are attached.

Original sponsor: Rules/Legislative Council

Offered: 5/5/82  
Referred: Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 180 (Judiciary) am H

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal government,

7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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

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

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

14 CHAPTER 04. CLASSIFICATION OF MUNICIPALITIES.

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

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

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

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

CERTIFIED AMENDMENTS

HOUSE CS FOR CS FOR SENATE BILL NO. 180 (Judiciary)

PAGE: 149 LINE: 22  
through page 150 line 6

Delete Sec. 29.60.140 and replace with  
the following

AMENDMENT NO. 3

Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. (a) The Department of Community and Regional Affairs shall pay an entitlement of \$25,000 each fiscal year to each unincorporated community. The Department of Community and Regional Affairs with advice from the Department of Law shall determine whether there is in each unincorporated community an incorporated nonprofit entity or a Native village council that will agree to receive and spend the entitlement. If there is more than one qualified entity in an unincorporated community, the Department of Community and Regional Affairs shall pay the money under the entitlement to the entity that the department finds most qualified to receive and spend the money. The Department of Community and Regional Affairs may not pay money under an entitlement to a Native village council unless the council waives immunity from suit for contract claims arising out of activities of the council related to the entitlement. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council. If there is no qualified incorporated nonprofit entity or Native village council in an unincorporated community that is willing to receive money under an entitlement, the entitlement for that unincorporated community may not be paid.

(b) In this section "unincorporated community" means a place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit.

AMENDMENT TO AMENDMENT No. 3

Line 4: After "community" insert "to be used for a public purpose."

Line 14: Delete "contract"

AMENDMENT No. 5

OFFERED IN THE HOUSE:

By: \_\_\_\_\_

To: HCS CSSB 180 (Jud) HOUSE BILL No. \_\_\_\_\_

SENATE BILL No. \_\_\_\_\_

PAGE:s 31, 73, 94, 187

LINES As marked

Page 31, Line 3

Add a new paragraph to read:

(46, AS 29.35.120 (regulation of firearms prohibited)

Page 73, Line 7

Add a new section to read:

Sec. 29.35.120. REGULATION OF FIREARMS PROHIBITED. (a) A municipality may not regulate the ownership and possession of firearms.

(b) This section applies to home rule and general law municipalities.

Page 94, Line 8

Add a new paragraph to read:

(7) firearms.

Page 187, line 17

Insert a new section to read:

Sec. 43. The tax exemption provided in AS 29.45.030(j)(7) of this Act begins January 1, 1983.

Renumber following section

AMENDMENT NO. 6

Page 55, line 4 Delete "a municipality" and add "the legislative body of a municipality"

AMENDMENT NO. 7

Page 59, lines 6 and 24: Delete "60" add "90"

## AMENDMENT NO. 8

Page 169:  
On line 25: After "(23)" add "(A)"

After line 28 add: "(B) Does not include cadastral plats, cadastral control plats, open-to-entry plats, or remote parcel plats created by or on behalf of the State regardless of whether these plats include easements or other public dedications."

## AMENDMENT NO. 9

Page 97, Line 22: Delete "\$10,000" and insert "\$25,000"

## AMENDMENT NO. 10

page 103, line 4 through line 6. Delete text after "shall" through "year".

insert:

"include permanent residents and military personnel or employees of a military reservation located in the municipality. Population shall also include all persons working at isolated job sites in a municipality. The commissioner of community and regional affairs shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employees".

page 104, delete lines 3 through 7.

insert.

"include permanent residents and military personnel or employees of a military reservation located in the municipality. Population shall also include all persons working at isolated job sites in a municipality. The commissioner of community and regional affairs shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employees".

page 103, line 3, delete text after "shall" through line 5 "reliable".

insert:

"include permanent residents and military personnel or employees of a military reservation located in the taxing unit. Population shall also include all persons working at isolated job sites

AMENDMENT NO. 10 Cont'd.

in a taxing unit. The commissioner of community and regional affairs shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employees".

page 149, line 15, insert following "marshal"..

"For purposes of this subsection, population shall include permanent residents and military personnel or employees of a military reservation served by the fire department. Population shall also include all persons working at isolated job sites served by the fire department. The state fire marshal shall determine the number of persons working at isolated sites from information supplied by employers which shows the number of persons employed on the sites as of July 1 of each year, notwithstanding the place of permanent residence of those employees".

AMENDMENT NO. 11

Page 97, Lines 24 - 26: Delete paragraph (1) and add new (1)

(1) classify boats and vessels for the purpose of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or documented net tonnage; a tax based upon a tonnage valuation shall not exceed \$25 a year for a boat or vessel of less than five net tons and shall not exceed \$75 a year for a boat or vessel of more than five net tons.

AMENDMENT NO. 12

Page 100, Line 18 After the word "tax" delete "at the current mill levy"

AMENDMENT NO. 13

Page 58, Lines 21 & 22 are amended to read as follows (3) relates to a legislative or administrative matter, and

AMENDMENT NO. 16

Page 86, Line 13 Delete paragraph (1) and renumber following paragraphs.

page 94, line 7. After subsection (5), insert new subsection (7):

(7) forest land as defined in AS 41.17.950(6).

page 94, line 8, insert new subsection:

(3) real property or interests in real property that are exempt from taxation under 43 U.S.C. 1620(d), as amended, as more fully provided in (k) and (l) of this section.

page 96, line 22, add new subsections:

(k) The tax exemption required by 43 U.S.C. 1620(d), as amended, shall be implemented according to the following conditions and interpretations.

(1) "developed" means a purposeful modification of the property from its original state that effectuates a condition of gainful or productive present use without further substantiation modification, surveying, construction of roads, providing utilities or other similar actions normally considered to be component parts of the development process, but which do not create the above conditions, do not constitute a developed state within the meaning of this paragraph; developed property, in order to remove the exemption, must be developed for purposes other than exploration, and be limited to the smallest practicable tract of the property actually used in the developed state.

(2) "exploration" means the examination and investigation of undeveloped land to determine the existence of subsurface nonrenewable resources.

(3) "lease" means a grant of primary possession severed into for gainful purposes with a determinable fee remaining in the hands of the grantor, with respect to a lease that conveys rights of exploration and development, this exemption shall continue with respect to that portion of the leased tract that is used solely for the purpose of exploration.

(l) If the property or interest in the property reverts to an undeveloped state, or if the lease is terminated, the exemption shall be reinstated, subject to the provisions of (k) of this section.

page 137, add new sections:

Sec. 33. AS 29.45.010(a)(3), (k) and (l) as enacted in sec. 11 of this Act are retroactive to December 31, 1980.

Sec. 34. AS 29.45.010(a)(5), (k) and (l) as enacted in sec. 11 of this Act and sec. 33 of this Act take effect immediately in accordance with AS 01.10.070(c).

Sec. 35. Except for AS 29.45.010(a)(5), (k) and (l) as enacted in sec. 11 of this Act, and sec. 33 of this Act, this Act takes effect July 1, 1981.

Page 137, line 17, delete sec. 33.

	<u>1980</u>	1981
JUNEAU	24,211	21,080
ANCA	204,328	180,740
KODIAK B.	11,978	8,358
MAT. SU	23,177	19,123
FAIRBANKS B.	60,227	51,659
FAIRBANKS CITY	36,457	25,568
STATE TOTAL	457,201	422,187

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

LETTER OF INTENT

It is the intent of the Senate that SENATE BILL NO. 180 shall not be interpreted to authorize the carrying of a concealed weapon, or other actions contrary to State law. Alaska's municipalities shall retain the right to regulate the use of firearms.

# STATE OF ALASKA

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

## **PRESS RELEASE**

Contact:

Richard Aks  
Deputy Commissioner  
Community and  
Regional Affairs

### DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS CERTIFIES 1981 STATE AND LOCAL POPULATION DATA

Alaska's population increased by nearly 18,000 persons since the 1980 U.S. Census was completed, according to Statewide population estimates prepared by the State Department of Labor. This increase was certified today by the Department of Community and Regional Affairs, which is responsible for verifying municipal population estimates.

The increase from 401,851 in April 1980 to 419,593 in July 1981 was attributed to the time of year in which the Federal Census was conducted, continuing migration to Alaska and improved census counts prepared by municipalities in Alaska. Fifty-four (54) municipalities challenged the 1980 census figures compiled by the Federal Government and conducted censuses or prepared statistical estimates to verify local population.

-MORE-

The major portion of the increase occurred in the Municipality of Anchorage which gained 6,300 residents. Other communities experiencing significant increases included Fairbanks-North Star Borough with 3,000 additional residents, Kenai Peninsula Borough with 1,200 additional residents, the City and Borough of Juneau with 1500 additional residents, and Matanuska-Susitna Borough with 1,300 residents.

The revised data indicates that 389,755 Alaskans live in incorporated communities and 29,838 live in unincorporated areas.

The Department of Community and Regional Affairs is required by law to determine local population for the purpose of computing revenue sharing payments to local communities. The law requires the Department to determine population based on the latest U.S. Census figures or other population data which, in the judgement of the Department, is reliable. Working with the State Demographer in the Department of Labor, revised statewide and local population estimates were prepared based on statistical analysis of available data.

On October 15, the Department of Community and Regional Affairs notified municipalities of initial population determinations using 1980 Federal Census data or local censuses and estimates completed to date. Three communities

appealed those initial determinations based on a review of available data. In the final determinations every municipality that conducted a full census received a population determination based on actual count. In those instances where the municipality statistically estimated population, the estimate was factored into the revised figure.

The Department pointed to determinations for the Municipality of Anchorage and the North Slope Borough as examples of the process utilized to make final population judgements. The Municipality of Anchorage utilized a housing unit estimate method and proposed a new population of 187,761 as compared to 174,431 in the federal count. The State Demographer prepared further statistical refinements of the estimate and the figures released today show an Anchorage population of 180,740.

The North Slope Borough received a population of 4,199 in the 1980 federal census. The Borough claimed that this figure underestimates true population since oil company employees were counted in their original place of residence rather than Prudhoe Bay. The Borough conducted a census of village residents and acquired oil company counts of employees and requested a revised population of 9,940. The Department today delayed final certification of the North Slope Borough population based on the determination that

data supplied by the oil companies did not constitute reliable population data under the terms of the law. The North Slope Borough has been given the opportunity to conduct a census of individual camps to determine actual population and submit a revised count by January 15.

The revised figures will be used to distribute over \$143 million in revenue sharing and municipal assistance payments to localities during fiscal year 1982. The Department of Community and Regional Affairs and the Department of Revenue are currently preparing estimates of the impact of these population changes on the distribution of those State funds.

Attached is a listing of each municipality, the 1980 Census population count and the revised 1981 population. A final report on the revised count will be released by the Department of Labor in February 1982.

OLD REGS

43.18.010 - 43.18.045 shall be returned to the department mailed no later than November 1 of the entitlement period. Based on information certified by the municipal officials and contained in the application submitted, the commissioner will prepare an initial determination of entitlement no later than December 15 and will mail notice of the amount of entitlement to each applicant determined eligible. However, if the commissioner determines that an applicant has failed to comply substantially with AS 43.18.010 - 43.18.045 and the regulations of this chapter or failed to provide the category of service or failed to exercise the power funded during a previous entitlement year, the commissioner will reduce the current entitlement of the applicant by the difference between the sum of the prior year payments and the proper entitlements, or demand the sum of payment and prepayment amount be repaid to the department if the current entitlement is insufficient. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.010  
AS 44.47.050(14)  
AS 44.47.160

19 AAC 30.050. APPEAL. (a) Within 10 days after receipt of the notice of entitlement from the department, an applicant may appeal the determination of initial entitlement to the commissioner. The appeal shall be in writing and shall identify the particular category or categories to which the applicant takes exception, the determination of entitlement to which the applicant takes exception, and the reasons for its exception. The appeal shall include all relevant supporting evidence.

(b) The commissioner shall review the record of appeal and enter the final determination of entitlement. The commissioner may affirm or modify the determination of entitlement previously entered, and shall notify the applicant of the decision.

(c) If the applicant fails to appeal an initial determination within the time set forth in subsection (a) of this section, the determination of entitlement entered pursuant to sec. 4(b)(c) of this chapter constitutes the final determination of the department.

(1) The manner of computation of population

may not be made the subject of an appeal. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.040  
AS 44.47.050(14)  
AS 44.47.160

19 AAC 30.060. POPULATION DATA. (a) The date for determination of population of an applicant is July 1 of the entitlement year.

(b) The population data used in determination of allocations of state aid and adjustments to those allocations will be the official report of the United States Bureau of the Census. However, an applicant may substitute for the official report of the United States Bureau of the Census

(1) an enumeration, certified as true and correct by the governing body of the municipality or chief administrative officer of a volunteer fire department located outside a municipality, specifying the names of residents of the municipality, service area, or area served by a fire department, prepared according to the criteria established by the department; or

(2) an estimate of population based upon other reliable data such as public school enrollment figures, public utility connections, registered voters, and certified employment payrolls; or

(3) the latest military population supplied by the adjutant general for the military population residing on a military reserve; or

(4) the latest available population estimate prepared by the Division of Employment Security, Alaska Department of Labor.

(c) The commissioner may require each applicant which offers an estimate of its population to submit such evidence as may be necessary to verify computation of the population estimate. The commissioner may require the applicant to provide further information within 10 days of the date of receipt of notification, or the estimate will be rejected and allocations made on the basis of the best data available to the department. (Eff. 9/5/76, Reg. 59)

Authority: AS 43.18.010(c) AS 44.47.050(14)  
AS 43.18.040 AS 44.47.160

COMMUNITY AND REGIONAL AFFAIRS

**DRAFT**

McKie Campbell

May 27, 1982

Legislative Aide

Senator Don Gilman

Richard Aks

Impact of

Deputy Commissioner

"Population"

Amendments to SB 180

These amendments must be considered in light of the history of the Department's population estimation procedure. Prior to the 1980 census the Department estimated population using the 1970 U.S. Census figures plus other reliable data as submitted by a municipality. Other reliable data usually included school enrollments and water/sewer hookups. Because the Department and the municipalities lacked the resources to conduct a census each year, the numbers were rarely verified by actual counts. As a result, the Statewide population in 1980 was estimated by the Department to be 464,295 which was well in excess of the 1980 U.S. Census Bureau count of 401,851.

In 1981, the Department modified its regulations to require

DRAFT

"other reliable data" that was of census quality, i.e. counted only those residents that spent 51% of their time in a given location or have no other usual place of residence. This change excludes use of data that may not reflect an accurate population count. During the 1982 legislative session the Governor has submitted legislation, KB 660, that would change the law to require census quality data to be used in population counts conducted by the Department.

One particular area of concern is the North Slope Borough. On December 31, 1980, the Attorney General advised the Department to count persons employed at Prudhoe Bay and at the Petroleum Reserve based on other reliable data. In the absence of an actual census, the Department utilized data provided by the Borough that indicated a population of 9,234. In figures released the U.S. Census Bureau excluded all industrial workers from the Borough population count and counted 4199 residents in 1980. In order to preserve the integrity of the Census, the Department sought the Borough's cooperation in conducting a census of industrial workers. The Borough agreed to conduct a census and use census definitions to determine population. Based on that census, the Borough's population climbed to 7098.

The 11,252 figure utilized in a recent letter from Commissioner McAnerney to Mayor Brower reflects the total