

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2
3214.31 HCRA HB 521



RECORDS CERTIFICATION



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James O. Smith
Signature of Camera Operator

7/25/89
Date

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3670 LAKE STREET
HOMER, ALASKA 99603-7647
March 26, 1986



(F) in HB 521 file
This is in the CTR
(take this letter down & put it w/ my bill file please)

- REPLY TO:
- City Hall
Ph. (907) 235-8121
 - Port of Homer
Ph. (907) 235-8597
 - Harbor Master
Ph. (907) 235-9959
 - Public Works Dept.
Ph. (907) 235-8120
 - City Engineer
Ph. (907) 235-6368

Max Gruenberg, Jr.
Community and Regional Affairs
Pouch V (MS 3100)
Juneau, AK 99811

Re: Opposition to House Bill 521

Dear Mr. Gruenberg:

Enclosed please find a copy of Resolution 86-20 entitled "A Resolution Opposing the Debt Ceiling Provision of House Bill 521" as unanimously adopted by the Homer City Council at their regular meeting on March 24, 1986.

The primary basis of our opposition stems from the fact that the Kenai Borough with the bonded debt for schools utilizes the entire seven percent capacity. According to the present bill the overlapping taxing jurisdiction limits are cumulative. Enclosed is a copy of page 17 from the 1985 Alaska Taxable that indicates the City of Homer debt is \$553 per capita while the Borough's is \$5,345. The table indicates that the Borough has currently sold some \$119 million worth of GO Bonds. The table is outdated in that the Borough has since this publication sold an additional \$83.5 million worth of school bonds with another \$65 million issue planned for consideration this fall. Results of this activity utilizes the entire seven percent capacity thereby leaving nothing for the City of Homer and/or the South Peninsula Hospital Service District.

The Homer City Council supports an amendment to House Bill 521 to provide for a debt ceiling or limitation of seven percent of the total assessed property value on a city by city basis thereby eliminating the problem of one overlapping tax jurisdiction utilizing the entire debt capacity of all jurisdictions.

I would appreciate your consideration of the enclosed material and hope that you will work to either defeat House Bill 521 as drafted and/or amend it in accordance with the above suggestion.

Sincerely,

CITY OF HOMER

Philip G. Shealy
Philip G. Shealy
City Manager

Enclosures (2)

RESOLUTION 86-20

A RESOLUTION OPPOSING THE DEBT CEILING PROVISION
OF HOUSE BILL NO. 521.

WHEREAS, House Bill No. 521, in the Legislature of the State of Alaska, provides for a Municipal General Obligation Debt Ceiling of seven percent of the average full value of taxable property for the last two years; and

WHEREAS, the proposed debt ceiling would be established on a borough-wide basis; and

WHEREAS, the Kenai Peninsula Borough currently has an outstanding general obligation debt over five percent of taxable property value; and

WHEREAS, the Kenai Peninsula Borough plans debt issuance in the future which could substantially use the total Borough debt capacity under the House Bill No. 521 limitation; and

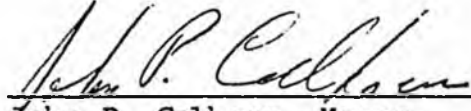
WHEREAS, the City of Homer may need to issue debt to fund essential City services.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council opposes enactment of House Bill No. 521 as written.

BE IT FURTHER RESOLVED that the Homer City Council supports amendment of House Bill No. 521 to provide for a debt ceiling or limitation of seven percent of the total assessed property value on a city by city basis.

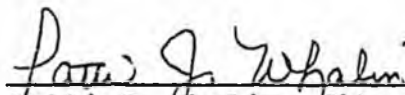
DATED at Homer, Alaska this 25th day of March, 1986.

CITY OF HOMER



John P. Calhoun, Mayor

ATTEST:



Patti J. Whalin, City Clerk

TABLE I

BOROUGH	R/P TOTAL FULL VALUE	STATE ASSESSED	TOTAL FULL VALUE	G.O. DEBT	POPULATION	PER CAP/DEBT	PER CAP. VALUE
ANCHORAGE	\$15,675,303,800	\$80,107,200	\$15,755,411,000	\$358,799,900	248,263	\$1,445	\$63,462
BRISTOL BAY	\$101,798,800	\$0	\$101,798,800	\$3,535,000	1,271	\$2,781	\$80,086
FAIRBANKS (CITY)	\$1,458,574,300	\$0		\$9,010,000	27,099	\$332	\$53,823
North Pole	\$187,457,100	\$0		\$1,218,500	1,640	\$742	\$114,303
Other	\$1,934,409,900	\$0		\$80,700,000	46,340	\$1,741	\$41,743
TOTAL	\$3,580,441,300	\$630,556,400	\$4,210,997,700	\$90,928,500	75,079	\$1,211	\$56,087
HAINES (CITY)	\$44,916,300	\$0		\$745,000	1,079	\$690	\$41,627
Other	\$49,029,200	\$0		\$555,000	768	\$722	63,840
TOTAL	\$93,945,500	\$0	\$93,945,500	\$1,300,000	1,847	\$703	\$50,863
JUNEAU (CITY)	\$436,658,900	\$0		\$0			
Douglas	\$76,111,100	\$0		\$0			
Other	\$1,100,618,900	\$0		\$47,651,000			
TOTAL	\$1,613,388,900	\$0	\$1,613,388,900	\$47,651,000	29,370	\$1,622	\$54,933
KENAI (HOMER)	\$215,845,000	\$0		\$2,113,000	3,817	\$553	\$56,548
Kenai	\$282,950,800	\$0		\$5,835,000	6,434	\$906	\$43,977
Selkovia	\$16,451,300	\$0		\$378,000	678	\$557	\$24,264
Seward	\$142,170,600	\$0		\$7,479,000	2,072	\$3,609	\$68,615
Soldotna	\$215,473,400	\$0		\$2,800,000	3,597	\$778	\$59,890
Other	\$1,871,875,200	\$0		\$119,324,000	22,321	\$5,345	\$83,861
TOTAL	\$2,744,718,300	\$545,500,900	\$3,290,219,200	\$137,929,000	38,919	\$3,544	\$84,540
KETCHIKAN (CITY)	\$391,440,000	\$0		\$10,840,000	8,414	\$1,288	\$46,522
Other	\$284,545,100	\$0		\$21,090,000	5,900	\$3,574	\$48,227
TOTAL	\$675,985,100	\$0	\$675,985,100	\$31,930,000	14,314	\$2,230	\$47,225
KODIAK (CITY)	\$391,834,100	\$0		\$2,455,000	6,602	\$371	59,350
Other	\$180,536,600	\$0		\$25,815,000	7,146	\$3,612	\$25,264
TOTAL	\$572,370,700	\$0	\$572,370,700	\$28,270,000	13,748	\$2,056	\$41,633
MAT-SU (PALMER)	\$141,412,400	\$0		\$2,048,000	3,016	\$679	\$46,887
Huston	\$50,971,300	\$0		\$0	725	\$0	\$70,300
Wasilla	\$309,314,700	\$0		\$0	3,665	\$0	\$84,373
Other	\$1,864,081,300	\$0		\$110,160,000	33,686	\$3,270	\$55,336
TOTAL	\$2,365,779,700	\$1,626,500	\$2,367,406,200	\$112,208,000	41,093	\$2,730	\$57,571
NORTH SLOPE	\$511,643,200	\$12,365,143,700	\$12,876,786,900	\$1,155,680,000	12,342	\$93,637	\$1,043,330
SITKA	\$396,227,900	\$0	\$396,227,900	\$12,400,000	8,221	\$1,508	\$48,197



AVIATION MAINTENANCE TECHNOLOGY

ANCHORAGE COMMUNITY COLLEGE

2811 MERRILL FIELD DRIVE • ANCHORAGE, ALASKA 99501-4193 • (907) 279-0641

March 21, 1986

Representative Max Gruenberg, Jr.
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

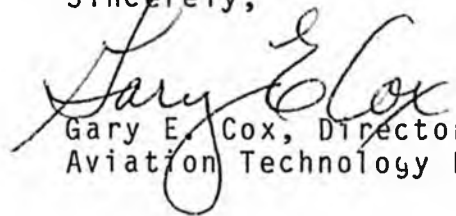
Dear Representative Gruenberg,

Thank you so much for requesting the Alaska Legislature recognize and honor the Anchorage Community College Aviation Maintenance Program for being named as one of the nation's top ten vocational programs. The scroll, complete with both the State seal and the seal of the Alaska State Legislature, is beautiful and will be displayed in the Aviation Complex with the Secretary's Award.

We appreciate your interest and support and don't envy the tough issues and hard decisions being forced upon you this year. Regardless of the outcomes, we will continue our efforts to provide the best programs in preparing Alaskans for Alaskan jobs.

We'd be honored to have you drop by when you're in town. Thank you again for your support, service and leadership.

Sincerely,



Gary E. Cox, Director
Aviation Technology Division

tkb/GEC

Cook
4/7/86

Original sponsor: Rules/Governor

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IN THE HOUSEBY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 521 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to municipal debt and the issuance of municipal general obligation bonds; and providing for an effective date."

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

* Section 1. AS 29.10.200 is amended by adding a new paragraph to read:

(47) AS 29.47.190 - 29.47.195 (notice of and limitation on debt).

* Sec. 2. AS 29.20.640(a) is amended to read:

(a) A municipality shall file with the department

(1) maps and descriptions of all annexed or detached territory;

(2) a copy of the annual audit, or, for a second class city, an audit or statement of annual income and expenditures;

(3) tax assessment and tax levy figures as requested;

(4) a copy of the current annual budget of the municipality;

(5) a summary of the optional property tax exemptions authorized together with the estimate of the revenues lost to the municipality by operation of each of the exemptions;

(6) a summary of amounts and types of debts of the municipality if requested by the department.

* Sec. 3. AS 29.47.190(b) is amended to read:

(b) Before a general obligation bond issue election, the governing body shall have published a notice of the total existing bond

1 indebtedness at least once a week for three consecutive weeks. The
2 first notice shall be published at least 20 days before the date of
3 the election. A notice must [SHALL] include

4 (1) the current total general obligation bonded indebted-
5 ness, including authorized but unsold bonds, of the municipality;

6 (2) the cost of the debt service on the current indebted-
7 ness;

8 (3) the total assessed value of taxable property in the
9 municipality;

10 (4) the full value of taxable property in the municipality
11 as determined by the department; and

12 (5) for a city in a borough, the current total general
13 obligation bonded indebtedness of the borough, including authorized but
14 unsold bonds.

15 * Sec. 4. AS 29.47.190 is amended by adding a new subsection to read:

16 (c) This section applies to home rule and general law municipal-
17 ities.

18 * Sec. 5. AS 29.47 is amended by adding a new section to read:

19 Sec. 29.47.195. LIMITATION ON MUNICIPAL DEBT. (a) A governing
20 body may authorize issuance of general obligation bonds only

21 (1) for a city outside a borough, if

22 (A) the general obligation bonded indebtedness of the
23 city outstanding at the time of the authorization does not exceed
24 five percent of the average full value of taxable property in the
25 city for the last two years as determined by the department; and

26 (B) upon issuance of the authorized bonds, the total
27 general obligation bonded indebtedness of the city will not
28 exceed five percent of the average full value of taxable property
29 in the city for the last two years as determined by the

1 department;

2 (2) for a borough containing a city and for a city within a
3 borough, if

4 (A) the combined general obligation bonded indebted-
5 ness of the borough and of all cities in it does not exceed six
6 percent of the average full value of all taxable property in
7 those municipalities for the last two years as determined by the
8 department; and

9 (B) upon issuance of the authorized bonds, the total
10 general obligation bonded indebtedness of the borough and of all
11 cities in it will not exceed six percent of the average full
12 value of all taxable property in those municipalities for the
13 last two years as determined by the department;

14 (3) for a borough that does not contain a city, if

15 (A) the total general obligation bonded indebtedness
16 of the borough does not exceed five percent of the average full
17 value of all taxable property in the borough for the last two
18 years as determined by the department; and

19 (B) upon issuance of the authorized bonds the total
20 general obligation bonded indebtedness of the borough will not
21 exceed five percent of the average full value of all taxable
22 property in the borough for the last two years as determined by
23 the department.

24 (4) for a unified municipality, if

25 (A) the total general obligation bonded indebtedness
26 of the unified municipality does not exceed six percent of the
27 average full value of all taxable property in the unified munic-
28 ipality for the last two years as determined by the department;
29 and

1 (B) upon issuance of the authorized bonds the total
2 general obligation bonded indebtedness will not exceed six
3 percent of the average full value of all taxable property in the
4 unified municipality for the last two years as determined by the
5 department.

6 (b) Except as provided under (c) of this section, if general
7 obligation bonds are authorized by a borough containing a city or by a
8 city in a borough, the level of indebtedness shall be apportioned as
9 follows:

10 (1) the general obligation bonded indebtedness of the
11 borough may not exceed one percent of the average full value of tax-
12 able property in the borough, including property inside cities and
13 outside cities;

14 (2) the general obligation bonded indebtedness of the city
15 may not exceed five percent of the average full value of taxable
16 property in the city.

17 (c) The general obligation bonded indebtedness allocated to
18 boroughs under (b) of this section may be increased if the increase is
19 approved by a resolution adopted by the assembly and by a resolution
20 adopted by the council of each city in the borough. However, the com-
21 bined general obligation indebtedness of all the municipalities may
22 not exceed the limit under (a)(2) of this section.

23 (d) The limitation under (a) of this section does not apply to

24 (1) general obligation bonds necessary because of a natural
25 disaster;

26 (2) general obligation bonds necessary ^{for the} ~~to protect the~~
27 public health; *facilities*

28 (3) general obligation bonds for which, without expenditure
29 of tax revenue, cash receipts from fees, rents, or other charges

1 pledged to pay the debt have been sufficient each fiscal year after
 2 issuance of the bonds to meet interest and redemption payments on the
 3 bonds and costs of operating and maintaining the capital project
 4 financed with the bonds;

5 (4) bond anticipation notes;

6 (5) revenue anticipation notes issued in accordance with
 7 art. IX, sec. 10, Constitution of the State of Alaska;

8 (6) debt for which there are sinking funds or other funds
 9 on hand pledged to the payment of the debt, including the proceeds of
 10 refunding bonds or refunding notes; or

11 (7) general obligation bonds necessary for the construc-
 12 tion, rehabilitation, or improvement of public schools or education
 13 related facilities.

14 (e) This section applies to home rule and general law municipal-
 15 ities.

16 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
 17 10.070(c).

Cook ✓
4/5/86

Original sponsor: Rules/Governor

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IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 293 (C&RA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
FOURTEENTH LEGISLATURE - SECOND SESSION
A BILL

For an Act entitled: "An Act relating to municipal default on bonded indebtedness; establishing the Municipal Financial Emergency Commission; and providing for an effective date."

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

* Section 1. LEGISLATIVE FINDINGS. The legislature finds that

(1) while the power of municipalities to contract debt for capital improvements is granted by the Alaska Constitution, revenue that may be raised to repay the debt are limited by the extent to which the state has delegated taxing authority to the municipalities under art. X, sec. 2 of the Alaska Constitution;

(2) the state has a strong interest in debt issuance by municipalities because of the impact on state revenue as a result of municipal assessment to repay debt and because of the effect on the marketability of bonds issued by the state and its agencies, by public corporations of the state, by other municipalities, and by the Alaska Municipal Bond Bank Authority;

(3) bonds issued by municipalities are not legal obligations of the state, nor are the bonds supported by the moral obligation of the state; and

(4) it is in the public interest, and is declared to be a public purpose, to promote the prosperity and general welfare of all the people of the state by assisting in the development and implementation of refinancing

1 (3) determine whether a proposed plan is fair and equitable
2 and within the ability of the defaulting municipality to meet, and, if
3 so, enter an order finding that it is fair, equitable, and within the
4 ability of the municipality to meet;

5 (4) advise the defaulting municipality to take the neces-
6 sary steps to implement the plan;

7 (5) order the defaulting municipality to take the necessary
8 steps to implement the plan if the municipality fails to implement the
9 plan within 30 days after receiving the advice of the commission to
10 implement the plan;

11 (6) require periodic reports on the defaulting municipali-
12 ty's financial affairs during the period in which the plan is imple-
13 mented;

14 (7) approve or reject the defaulting municipality's annual
15 budget ordinance during the period in which the plan is implemented;

16 (8) approve or reject the issuance of additional bonds,
17 notes, or other debt, whether short- or long-term, during the period
18 in which the plan is implemented;

19 (9) impound the books and records of a defaulting munici-
20 pality and assume full control of its financial affairs, including the
21 levying of taxes, expenditure of money, and adoption of budgets, if
22 the municipality fails to implement a plan, or if, in the opinion of
23 the commission, the defaulting municipality will default on a future
24 debt service payment under the plan if the financial policies and
25 practices of the municipality are not improved; and

26 (10) order a defaulting municipality to pay for the cost of
27 developing and implementing a plan.

28 (b) The authority granted to the commission continues, with
29 respect to a defaulting municipality, until the commission is sat-

1 based upon the outstanding debt until 90 days after the first meeting
2 of the commission convened under AS 29.47.530 to consider the matter.

Amend #3

3 *sec.* 29.47.550. PENALTY. A municipal official, employee, or
4 agent who ~~knowingly~~ violates a provision of a plan developed under

5 AS 29.47.510 is guilty of a class C felony.

Amend #2

6 *is subject to a civil penalty not to exceed 5000*
7 Sec. 29.47.560. BANKRUPTCY PETITION. Nothing in AS 29.47.500 -

8 29.47.590 limits or otherwise affects the authority of a municipality
9 to file a petition in bankruptcy under 11 U.S.C. 901 - 946.

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10 [Sec. 29.47.565. NO STATE OBLIGATION FOR MUNICIPAL DEBTS. (a)

11 Bonds issued by municipalities are not legal obligations or moral
12 obligations of the state.

13 (b) Nothing in AS 29.47.500 - 29.47.590 may be construed to
14 create liability on the part of the state for outstanding debts of a
15 municipality. An action taken by the commission may not be construed
16 as an assumption of liability or responsibility by the state for
17 outstanding debts of a municipality.

18 *4* [

17 Sec. 29.47.570. APPLICATION. AS 29.47.500 - 29.47.590 applies
18 to home rule and general law municipalities.

19 Sec. 29.47.590. DEFINITIONS. In AS 29.47.500 - 29.47.590

20 (1) "commission" means the Municipal Financial Emergency
21 Commission;

22 (2) "creditor" means a person who has standing to bring an
23 action for default on outstanding debt against the defaulting munic-
24 ipality;

25 (3) "default" means the failure by a municipality to pay an
26 installment of principal or interest on its outstanding debt, on or
27 before the due date;

28 (4) "defaulting municipality" means a municipality that has
29 defaulted, or that continues to be subject to the jurisdiction of the

Cook ✓
4/4/86

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 521 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal debt and the issuance
7 of municipal general obligation bonds; and providing
8 for an effective date."

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

10 * Section 1. AS 29.10.200 is amended by adding a new paragraph to read:

11 (47) AS 29.47.190 - 29.47.195 (notice of and limitation on
12 debt).

13 * Sec. 2. AS 29.20.640(a) is amended to read:

14 (a) A municipality shall file with the department

15 (1) maps and descriptions of all annexed or detached terri-
16 tory;

17 (2) a copy of the annual audit, or, for a second class
18 city, an audit or statement of annual income and expenditures;

19 (3) tax assessment and tax levy figures as requested;

20 (4) a copy of the current annual budget of the municipal-
21 ity;

22 (5) a summary of the optional property tax exemptions
23 authorized together with the estimate of the revenues lost to the
24 municipality by operation of each of the exemptions;

25 (6) a summary of amounts and types of debts of the munic-
26 ipality as requested by the department.

27 * Sec. 3. AS 29.47.190(b) is amended to read:

28 (b) Before a general obligation bond issue election, the govern-
29 ing body shall have published a notice of the total existing bond

1 indebtedness at least once a week for three consecutive weeks. The
2 first notice shall be published at least 20 days before the date of
3 the election. A notice must [SHALL] include

4 (1) the current total general obligation bonded indebted-
5 ness, including authorized but unsold bonds, of the municipality;

6 (2) the cost of the debt service on the current indebted-
7 ness;

8 (3) the total assessed value of taxable property in the
9 municipality;

10 (4) the full value of taxable property in the municipality
11 as determined by the department; and

12 (5) for a city in a borough, the current total general
13 obligation bonded indebtedness of the borough, including authorized but
14 unsold bonds.

15 * Sec. 4. AS 29.47.190 is amended by adding a new subsection to read:

16 (c) This section applies to home rule and general law municipal-
17 ities.

18 * Sec. 5. AS 29.47 is amended by adding a new section to read:

19 Sec. 29.47.195. LIMITATION ON MUNICIPAL DEBT. (a) A governing
20 body ^{ONLY} ~~may not~~ authorize issuance of general obligation bonds ^{IF} ~~unless~~

21 (1) the general obligation bonded indebtedness of the
22 municipality, ^{ON COMBINATION OF MUNIC. OBLIGATIONS THE SAME AS PER MEA} outstanding at the time of the authorization by the
23 governing body ~~does not~~ exceed five percent of the average full value
24 of taxable property of the municipality for the last two years as
25 determined by the department; and

26 (2) upon issuance of the authorized bonds the total general
27 obligation bonded indebtedness of the municipality ~~will not~~ exceed
28 five percent of the average full value of taxable property of the
29 municipality for the last two years as determined by the department.

1 (b) If two or more municipalities occupy the same geographical
 2 area, the limit on issuance of general obligation bonds under (a) of
 3 this section shall be based upon the average full value of taxable
 4 property of all the municipalities and shall be apportioned as
 5 follows:

6 (1) the general obligation bonded indebtedness of the
 7 borough may not exceed two percent of the average full value of tax-
 8 able property of the borough and all cities within it, unless a
 9 greater level of borough bonded indebtedness is approved by resolution
 10 adopted by the council of each city in the borough;

11 (2) the combined general obligation bonded indebtedness of
 12 all cities in the borough may not exceed three percent of the average
 13 full value of taxable property of the borough and all cities within
 14 it, unless a greater level of combined city bonded indebtedness is
 15 approved by resolution adopted by the assembly and by the council of
 16 each city in the borough;

17 (3) the proportional share of the permitted level of debt
 18 calculated under (2) of this subsection for a city shall be equal to
 19 the ratio of the average full value of taxable property of the city to
 20 the average full value of taxable property of all cities in the bor-
 21 ough multiplied by the permitted level of debt calculated under (2) of
 22 this subsection.

23 (c) The limitation under (a) of this section does not apply to

24 (1) general obligation bonds necessary because of a natural
 25 disaster;

26 (2) general obligation bonds necessary to ~~protect~~ ^{CONSTRUCT OR} the
 27 public health; ^{ENLARGE FACILITIES}

28 (3) general obligation bonds for which, without expenditure
 29 of tax revenue, cash receipts from fees, rents, or other charges

Handwritten notes on the left margin:
 - A bracket groups paragraphs (2) and (3) with the note "DELETE? TO GENERAL" and "ANYTHING GIVEN NEEDED PUBLIC HEALTH".
 - A bracket groups paragraph (2) with the note "ENLARGE FACILITIES".
 - A bracket groups paragraph (2) with the note "CONSTRUCT OR" above "protect".

1 pledged to pay the debt have been sufficient each fiscal year after
 2 issuance of the bonds to meet interest and redemption payments on the
 3 bonds and costs of operating and maintaining the capital project
 4 financed with the bonds;

5 *WHM IS THIS?*

(4) bond anticipation notes;

6 (5) revenue anticipation notes issued in accordance with
 7 article IX, sec. 10, Constitution of the State of Alaska;

8 (6) debt for which there are sinking funds or other funds
 9 on hand pledged to the payment of the debt, including the proceeds of
 10 refunding bonds or refunding notes; or

11 (7) general obligation bonds necessary for the construc-
 12 tion, rehabilitation, or improvement of public schools or education
 13 related facilities. *FOOTBALL STADIUM?*

*EXCLUDE
 ONLY STATE-
 REVENUE-
 SCHOOL DEBT?*

14 (d) This section applies to home rule and general law
 15 municipalities.

*OR EXCLUDE
 ONLY SCHOOL
 DEBT
 REVENUE-
 DEBT?*

16 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
 17 10.070(c).

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 27, 1986

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will establish a reasonable limit on the authority of a municipality or borough to issue general obligation bond debt.

At present, there is no limit as to the amount of general obligation debt that municipalities may incur. And, while taxing limits are generally prescribed by statute, current law specifically exempts from the taxing limitation any assessments necessary to satisfy debt service obligations. The potential for excessive municipal debt burdens -- a burden that both directly and indirectly affects the state and other municipalities -- is one which simply must be controlled.

I believe that reasonable general obligation bond debt limitations are essential to preserve the financial stability of Alaska municipalities. We are all aware that the level of per capita municipal debt in Alaska far exceeds the national average. To be sure, the lack of basic public services in many areas of the state contributes to the current level of debt. While I am certainly sensitive to the extreme, and at times costly, needs of rural communities, I am equally concerned that excessive municipal debt will only undermine the substantial economic progress enjoyed by all Alaska communities in the last several years.

The problems associated with excessive debt requirements will increase in the future. As state revenues decline,

HB 520
521

municipalities will increasingly be responsible for the cost of governmental services, and this inevitable burden will only be further compounded if municipalities are saddled with excessive debt service obligations.

The bill proposes that a municipality may not incur additional general obligation debt if, upon issuance, the municipality's general obligation debt would exceed seven percent of the market value of property which is taxable under state law. The Department of Community and Regional Affairs is currently required by statute to ascertain annually the property value necessary for this limit. That only three communities -- the North Slope Borough, the cities of Nenana and Wrangell -- exceed the seven percent standard is indicative that the limit is reasonable, and will not unfairly limit the prerogatives of local governments.

It is equally important to note what the bill does not do. The bill does not limit in any manner a municipality's authority to levy taxes in order to satisfy debt service obligations. The bill does not limit a municipality's authority to issue revenue or refunding bonds. And finally, the bill does not penalize those municipalities that have issued debt in excess of the seven percent standard.

I believe that the bill provides a needed assurance that municipalities will not incur an unsupportable debt burden. Establishment of a debt ceiling greatly diminishes the prospect of a municipal default. It also prevents a decline in state revenues as municipal assessments are increased to support an ever-increasing debt burden. I urge your prompt passage of this legislation.

Sincerely,



Bill Sheffield
Governor

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Page 1 of 2
HB 521 #1

Revision Date: _____

REQUEST

Bill/Resolution No.: _____
 Title: An Act Relating to the Issuance of
Municipal General Obligation Bonds

 Sponsor: _____
 Requestor: Governor
 Date of Request: _____

FISCAL DETAIL

Agency Affected: C and RA
 BRU: _____

 Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE	0	0	0	0	0	0

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary
 See attached:

Prepared by: John Larson *OK* Phone: 465-2173
 Division: Research Date: 1/2/86
 Approved by Commissioner: Sharon H. Sturdale Date: 1/6/86
 Agency: _____

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 520# 1

page 2 of 2

The proposed legislation would limit the amount of general obligation (G.O.) bond debt a municipality could have outstanding to seven percent of the full value of taxable property in that municipality. If a municipality's G.O. bond debt exceeded the limit then that municipality could not issue additional G.O. debt until its outstanding G.O. debt was below the limit and the issuance of the additional G.O. debt would not cause it to exceed the limit. It should be noted that the proposed limitation applies only to G.O. bond debt and would not limit a municipality's authority to issue revenue bonds or refunding bonds. Also the proposal would not limit a municipality's authority to levy unlimited property taxes in order to pay outstanding debt service obligations.

Government Finance Associates (GFA), the State's financial advisor, performed a review of debt limits in other states. In general, most municipal debt limits appear to be a fixed percentage of the value of taxable property in the municipality. GFA recommends that Alaska's debt limit be related directly and simply to a portion of a municipality's assessed value. In this way, the amount of debt issued by any municipality would be directly related to its ability to pay its general obligation debt through its tax base.

Based on data compiled by the Department of Community and Regional Affairs in the soon to be released publication Alaska Taxable 1985 only three municipalities currently exceed the proposed seven percent G.O. bond debt limitation. These municipalities are Nenana, Wrangell and the North Slope Borough.

Because the proposed legislation would not limit the municipality's authority to levy property taxes to satisfy existing debt service obligations, there would be no immediate impact on net revenue accruing to the State under AS 43.56.

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST HB 520 # 2
 Bill/Resolution No. : _____
 Title : "An Act relating to issuance of
 general obligation funds..."
 Sponsor : Governor
 Requestor : Governor
 Date of Request : 12/10/85

Revision Date : _____

FISCAL DETAIL
 Agency Affected : Community & Regional Affairs
 BRU : Local Government Assistance
 Components : State Assessor

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-			

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-			

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Full Value figures and the methodology for their determination may be challenged by the three municipalities presently over the 7% cap. This may create the need for additional travel for the State Assessor. However, this need is speculative and is, therefore, not reflected in the fiscal note.

Prepared by : Doug Griffin
 Division : Municipal and Regional Assistance

Phone : 465-4750
 Date : 12-18-85

Approved by Commissioner : [Signature]
 Agency : Community and Regional Affairs

Date : 12/18/85

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST HB 520 #3 FISCAL DETAIL _____
 Bill/Resolution No.: _____ Agency Affected: Administration
 Title: Issuance of Municipal General BRU: _____
Obligation Bonds

Sponsor: Governor Components: _____
 Requestor: _____
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

This bill has no fiscal impact on the Department of Administration.

Prepared By: Michael P. McMillan Phone: 465-2200
 Division: Commissioner's Office Date: 12/17/85

Approved by Commissioner: Eleanor Andrews Date: 12/17/85
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget

Offered: 2/26/86
Referred: Community & Regional
Affairs and Finance

Original sponsor: Rules/governor

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 521 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the issuance of municipal general
7 obligation bonds; and providing for an effective
8 date."

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

10 * Section 1. AS 29.10.200 is amended by adding a new paragraph to read:
11 (47) AS 29.47.190 - 29.47.195 (notice of and limitation on
12 debt).

13 * Sec. 2. AS 29.47.190(b) is amended to read:

14 (b) Before a general obligation bond issue election, the govern-
15 ing body shall have published a notice of the total existing bond
16 indebtedness at least once a week for three consecutive weeks. The
17 first notice shall be published at least 20 days before the date of
18 the election. A notice must [SHALL] include

19 (1) the current total general obligation bonded indebted-
20 ness, including authorized but unsold bonds, of the municipality;

21 (2) the cost of the debt service on the current indebted-
22 ness;

23 (3) the total assessed value of taxable property in the
24 municipality;

25 (4) the full value of taxable property in the municipality
26 as determined by the department; and

27 (5) for a city in a borough, the current total general
28 obligation bonded indebtedness of the borough, including authorized but
29 unsold bonds.

add(6)

1 of tax revenue, cash receipts from fees, rents, or other charges
2 pledged to pay the debt have been sufficient each fiscal year after
3 issuance of the bonds to meet interest and redemption payments on the
4 bonds and costs of operating and maintaining the capital project
5 financed with the bonds;

6 (4) bond anticipation notes;

7 (5) revenue anticipation notes issued in accordance with
8 article IX, sec. 10, Constitution of the State of Alaska; or

9 (6) debt for which there are sinking funds or other funds
10 on hand pledged to the payment of the debt, including the proceeds of
11 refunding bonds or refunding notes.

12 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
13 10.070(c).

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Offered: 2/26/86
Referred: Community & Regional
Affairs and Finance

Original sponsor: Rules/governor

1 IN THE HOUSE

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

2

CS FOR HOUSE BILL NO. 521 (Loans)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the issuance of municipal general
7 obligation bonds; and providing for an effective
8 date."

9

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

10

* Section 1. AS 29.10.200 is amended by adding a new paragraph to read:

11

(47) AS 29.47.190 - 29.47.195 (notice of and limitation on
12 debt).

13

* Sec. 2. AS 29.47.190(b) is amended to read:

14

(b) Before a general obligation bond issue election, the govern-

15

ing body shall have published a notice of the total existing bond

16

indebtedness at least once a week for three consecutive weeks. The

17

first notice shall be published at least 20 days before the date of

18

the election. A notice must [SHALL] include

19

(1) the current total general obligation bonded indebted-

20

ness, including authorized but unsold bonds, of the municipality;

21

(2) the cost of the debt service on the current indebted-

22

ness;

23

(3) the total assessed value of taxable property in the

24

municipality;

25

(4) the full value of taxable property in the municipality

26

as determined by the department; and

27

(5) for a city in a borough, the current total general

28

obligation bonded indebtedness of the borough, including authorized but

29

unsold bonds.

add(6)

1 * Sec. 3. AS 29.47.190 is amended by adding a new subsection to read:

2 (c) This section applies to home rule and general law municipal-
3 ities.

4 * Sec. 4. AS 29.47 is amended by adding a new section to read:

5 Sec. 29.47.195. LIMITATION ON MUNICIPAL DEBT. (a) A governing
6 body may not authorize issuance of general obligation bonds unless

7 (1) the general obligation bonded indebtedness of the
8 municipality outstanding at the time of the authorization by the
9 governing body does not exceed ^{5%} seven percent of the average full value
10 of taxable property of the municipality for the last two years as
11 determined by the department; and

12 (2) upon issuance of the authorized bonds the total general
13 obligation bonded indebtedness of the municipality will not exceed
14 ^{5%} seven percent of the average full value of taxable property of the
15 municipality for the last two years as determined by the department.

16 (b) For purposes of calculating current general obligation
17 bonded indebtedness under (a) of this section for a borough, the
18 general obligation bonded indebtedness of each city in the borough
19 shall be included. For purposes of determining the current general
20 obligation bonded indebtedness for a city in a borough, a proportional
21 share of the borough's general obligation bonded indebtedness shall be
22 included based on the value of taxable property in the city compared
23 to the total value of taxable property in the borough.

*delete
add
new section*

24 (c) The limitation under (a) of this section does not apply to

25 (1) general obligation bonds necessary because of a natural
26 disaster;

27 (2) general obligation bonds necessary to protect the
28 public health;

29 (3) general obligation bonds for which, without expenditure

1 of tax revenue, cash receipts from fees, rents, or other charges
2 pledged to pay the debt have been sufficient each fiscal year after
3 issuance of the bonds to meet interest and redemption payments on the
4 bonds and costs of operating and maintaining the capital project
5 financed with the bonds;

6 (4) bond anticipation notes;

7 (5) revenue anticipation notes issued in accordance with
8 article IX, sec. 10, Constitution of the State of Alaska; or

9 (6) debt for which there are sinking funds or other funds
10 on hand pledged to the payment of the debt, including the proceeds of
11 refunding bonds or refunding notes.

12 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
13 10.070(c).

**HOUSE
COMMITTEE REPORT**

(7)

Date referred: 2/26/86

FURTHER REFERRALS: FINANCE

DATE: 4-14-86

The COMMUNITY AND REGIONAL AFFAIRS Committee has considered HB 521

"An Act relating to the issuance of municipal general obligation bonds; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HB 521 (CKA) same title
- new title

and recommends _____

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

RO. CO. E. (P. 00)
W. B. Kapanen
F. Kay (Wash.)
W. J. Shumsky
Peter Joell

W. Furnace no rec
A. V. M. Marrou No Rec

Peter Joell
Chairman

HOUSE
COMMITTEE REPORT

2/26
C & RA

(7)
Date referred: 1/27/86

FURTHER REFERRALS: FINANCE

DATE: 2/25/86

HOUSE SPECIAL COMMITTEE
The ON STATE LOANS Committee has considered HB 521

"An Act relating to the issuance of municipal general obligation bonds; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation

replace with CS HB 521 (Loans) same title

reports it without recommendation
and ~~recommends~~

new title

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

COTTEN Jan Ort Do pass

[Signature] SUND

[Signature] DUNCA

John Fuller FULLER

[Signature] UEBEL

[Signature]
Chairman

(FROM DCRA)

Changes to CSHB 521

1. Add Sec. 2 amending AS 29.20.640 (a) to include municipal requirement to supply

Am #1

(6) a summary of municipal debt figures as requested

Sec. 2 will become Sec. 3, etc.

2. Sec. 4 (new Sec. 5), lines 9 and 14 change "seven percent" to "five percent"

#2

Delete subsection (b) (lines 16 through 23) and replace with:

(b) If two or more municipalities occupy the same geographical area, the five percent allowable debt limit described under (a) of this section shall include the taxable full value of all the municipalities and shall be apportioned as follows:

#3

Portion = 5% allocated to

(1) The debt limit of a borough may not exceed two percent without the approval, by resolution, of the governing bodies of all cities located within the borough; and

(2) The combined debt limit of all cities located within the borough may not exceed three percent. For each city, the proportional share of the three percent debt limit allowance shall be equal to the ratio of the taxable full value for each city to the taxable full value of all cities, multiplied by the amount of the three percent limit.

Add to subsection (c) number (7) to read:

(7) General obligation bonds necessary for the construction, rehabilitation or improvement of public school or education related facilities.

CITYCAF

BOROUGH	FULL/VALUE	2% BORO = LIMIT	3% CITY = LIMIT	CURRENT G.O. DEBT.	CURRENT SCHOOL/DEBT	CURRENT OTHER/DEBT

FAIRBANKS (CITY)	\$1,458,574,300		\$111,942,938	\$9,010,000		
NORTH POLE	\$187,457,100		\$14,386,993	\$1,218,500		
**BORO	\$4,210,997,700	\$84,219,954		\$80,700,000	\$77,740,000	\$2,960,000

HAINES (CITY)	\$44,916,300		\$2,818,365	\$745,000		
BORO	\$93,945,500	\$1,878,910		\$555,000	\$440,000	\$115,000

KENAI (HOMER)	\$215,845,000		\$24,409,107	\$2,113,000		
KENAI	\$282,950,800		\$31,997,852	\$5,835,000		
SELDOVIA	\$16,451,300		\$1,860,416	\$378,000		
SEWARD	\$142,170,600		\$16,077,544	\$7,479,000		
SOLDOTNA	\$215,425,400		\$24,361,656	\$2,800,000		
**BORO	\$3,290,219,200	\$65,804,384		\$119,324,000	\$118,100,000	\$1,194,000

KETCHIKAN (CITY)	\$391,440,000		\$19,927,097	\$10,840,000		
SAXMAN	\$6,923,500		\$352,456	\$0		
BORO	\$675,985,100	\$13,519,702		\$21,090,000	\$19,175,000	\$1,915,000

KODIAK (CITY)	\$391,834,100		\$15,550,733	\$2,455,000		
AKHIOK	\$2,799,721		\$111,113	\$0		
LARSEN BAY	\$6,784,700		\$269,265	\$0		
OLD HARBOR	\$8,215,328		\$326,042	\$0		
OUZINKIE	\$8,568,176		\$340,045	\$0		
PORT LIONS	\$14,461,230		\$573,923	\$0		
BORO	\$572,370,700	\$11,447,414		\$25,815,000	\$25,515,000	\$300,000

MAT-SU (PALMER)	\$141,412,400		\$11,240,126	\$2,048,000		
HUSTON	\$50,971,300		\$4,051,440	\$0		
WASILLA	\$309,314,700		\$24,585,794	\$0		
**BORO	\$2,367,406,200	\$47,348,124		\$110,160,000	\$109,812,000	\$348,000

*NORTH SLOPE	\$12,874,786,900	\$643,839,345	\$772,607,214	\$1,155,680,000	UNKNOWN	UNKNOWN

* = 5% LIMIT
 ** = + STATE ASSESSED O&G

BOROUGH WITH CITIES

CITYCAP

BORO = 1 % OF TOTAL FULL VALUE
CITY = 5 % OF FULL VALUE OF CITY

BOROUGH	FULL VALUE	1% BORO = LIMIT	5% CITY = LIMIT	CURRENT G.O. DEBT.	CURRENT SCHOOL/DEBT	CURRENT OTHER/DEBT

FAIRBANKS (CITY)	\$1,458,574,300		\$72,928,715	\$9,010,000		\$9,010,000
NORTH POLE	\$187,457,100		\$9,372,855	\$1,218,500		\$1,218,500
**BORO	\$4,210,997,700	\$42,109,977		\$80,700,000	\$77,740,000	\$2,960,000

HAINES (CITY)	\$44,916,300		\$2,245,815	\$745,000		\$745,000
BORO	\$93,945,500	\$939,455		\$555,000	\$440,000	\$115,000

KENAI (HOMER)	\$215,845,000		\$10,792,250	\$2,113,000		\$2,113,000
KENAI	\$282,950,800		\$14,147,540	\$5,835,000		\$5,835,000
SELDOVIA	\$16,451,300		\$822,565	\$378,000		\$378,000
SEWARD	\$142,170,600		\$7,108,530	\$10,000		\$10,000
SOLDOTNA	\$215,425,400		\$10,771,270	\$2,800,000		\$2,800,000
KACHEMAK	\$16,674,800		\$833,740	\$0		\$0
**BORO	\$3,290,219,200	\$32,902,192		\$119,324,000	\$118,130,000	\$1,194,000

KETCHIKAN (CITY)	\$391,440,000		\$19,572,000	\$10,840,000		\$10,840,000
SAXMAN	\$6,923,500		\$345,175	\$0		\$0
BORO	\$675,985,100	\$6,759,851		\$21,090,000	\$19,175,000	\$1,915,000

KODIAK (CITY)	\$391,834,100		\$19,597,705	\$2,455,000		\$2,455,000
AKHIOK	\$2,799,721		\$137,986	\$0		\$0
LARSEN BAY	\$6,784,700		\$339,235	\$0		\$0
OLD HARBOR	\$8,215,328		\$410,766	\$0		\$0
DUZINKIE	\$8,568,176		\$428,409	\$0		\$0
PORT LIONS	\$14,461,230		\$723,062	\$0		\$0
BORO	\$572,370,700	\$5,723,707		\$25,815,000	\$25,515,000	\$300,000

MAT-SU (PALMER)	\$141,412,400		\$7,070,620	\$2,048,000		\$2,048,000
HUSTON	\$50,971,300		\$2,548,565	\$0		\$0
WASILLA	\$309,314,700		\$15,465,735	\$0		\$0
**BORO	\$2,367,406,200	\$23,674,062		\$110,160,000	\$109,812,000	\$348,000

ANAKTUVUK	\$985,967		\$49,298	\$0		\$0
ATQASUK	\$3,543,028		\$177,151	\$0		\$0
KAKTOVIK	\$2,807,169		\$140,358	\$0		\$0
NUIQSUT	\$55,453,421		\$2,772,671	\$0		\$0
POINT HOPE	\$9,621,136		\$481,057	\$0		\$0
WAINWRIGHT	\$4,189,409		\$209,470	\$0		\$0
BARROW	\$74,871,962		\$3,743,598	\$0		\$0
NORTH SLOPE BORO	\$12,876,786,900	\$128,767,869		\$1,155,680,000	\$207,220,000	\$948,460,000

** = + STATE ASSESSED O&G

CITIES

<u>CITIES</u>	<u>TOTAL FULL VALUE</u>	<u>5% PROPOSED DEBT LIMIT</u>	<u>G.O. DEBT</u>	<u>SCHOOL DEBT</u>	<u>OTHER DEBT</u>
Bethel	\$182,296,900	\$ 9,114,845	556,500	\$ -0-	\$ 556,500
Cordova	120,673,000	6,033,650	-0-	-0-	-0-
Craig	34,707,400	1,735,370	-0-	-0-	-0-
Delta Junction	30,870,500	1,543,525	-0-	-0-	-0-
Dillingham	94,669,900	4,733,495	-0-	-0-	-0-
Eagle	9,104,500	455,225	-0-	-0-	-0-
Galena	19,149,500	957,455	900,000 *	-0-	900,000 *
Hoonah	27,845,200	1,392,260	-0-	-0-	-0-
Hydaburg	12,688,900	634,445	-0-	-0-	-0-
Kake	11,608,000	580,400	-0-	-0-	-0-
King Cove	23,230,800	611,540	-0-	-0-	-0-
Klawock	5,563,000	278,150	-0-	-0-	-0-
Kotzebue	93,245,100	4,662,255	-0-	-0-	-0-
Nenana	12,881,500	644,075	2,717,300 *	190,000	2,527,300 *
Nome	116,712,900	5,835,645	2,161,200	-0-	2,161,200
Pelican	10,155,400	507,770	-0-	-0-	-0-
Petersburg	161,219,300	8,060,965	6,195,000	4,826,500	1,368,500
St. Mary's	4,239,400	211,970	-0-	-0-	-0-
Sand Point	71,086,800	3,554,340	-0-	-0-	-0-
Sitka	58,447,100	2,922,355	820,000	-0-	820,000
Tanana	11,195,400	599,770	-0-	-0-	-0-
Unalaska	105,309,400	5,265,470	3,299,000	925,000	2,374,000
Unalakleet	19,714,500	985,725	-0-	-0-	-0-
Valdez	1,740,431,900	87,021,595	75,833,000	22,585,000	53,248,000
Whittier	19,419,200	970,960	-0-	-0-	-0-
Wrangell	111,757,000	5,587,850	10,750,000	9,385,777	1,364,223
Yakutat	17,679,400	883,970	235,200	-0-	235,200

* Self-supporting debt backed by G.O. bonds

UNIFIED MUNICIPALITIES

<u>MUNICIPALITY</u>	<u>TOTAL FULL VALUE</u>	<u>6% PROPOSED DEBT LIMIT</u>	<u>G.O. DEBT</u>	<u>SCHOOL DEBT</u>	<u>OTHER DEBT</u>
Anchorage	\$15,755,411,000	\$945,324,660	\$358,799,900	\$139,965,000	\$218,834,900
Juneau	1,613,388,900	96,803,334	47,651,000	30,209,018	17,441,982
Sitka	396,227,900	23,773,674	12,400,000	2,052,258	10,347,742

BOROUGHES WITHOUT CITIES

<u>MUNICIPALITY</u>	<u>TOTAL FULL VALUE</u>	<u>5% PROPOSED DEBT LIMIT</u>	<u>G.O. DEBT</u>	<u>SCHOOL DEBT</u>	<u>OTHER DEBT</u>
Bristol Bay	\$101,798,800	\$5,089,940	\$3,535,000	\$3,535,000	-0-

(FROM DCRA)

page 1 June 29

Changes to CSHB 521

1. Add Sec. 2 amending AS 29.20.640 (a) to include municipal requirement to supply

(6) a summary of municipal debt figures as requested

Sec. 2 will become Sec. 3, etc.

2. Sec. 4 (new Sec. 5), lines 9 and 14 change "seven percent" to "five percent"

Delete subsection (b) (lines 16 through 23) and replace with:

- (b) If two or more municipalities occupy the same geographical area, the five percent allowable debt limit described under (a) of this section shall include the taxable full value of all the municipalities and shall be apportioned as follows:

portion of the 5% allocated
(1) The debt limit ~~of a~~ borough may not exceed two percent without the approval, by resolution, of the governing bodies of all cities located within the borough; and

(2) The combined debt limit of all cities located within the borough may not exceed three percent. For each city, the proportional share of the three percent debt limit allowance shall be equal to the ratio of the taxable full value for each city to the taxable full value of all cities, multiplied by the amount of the three percent limit.

Add to subsection (c) number (7) to read:

at [(7) General obligation bonds necessary for the construction, rehabilitation or improvement of public school or education related facilities.

Offered: 2/26/86
Referred: Community & Regional
Affairs and Finance

Original sponsor: Rules/governor

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 521 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the issuance of municipal general
7 obligation bonds; and providing for an effective
8 date."

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

10 * Section 1. AS 29.10.200 is amended by adding a new paragraph to read:
11 (47) AS 29.47.190 - 29.47.195 (notice of and limitation on
12 debt).

13 * Sec. 2. AS 29.47.190(b) is amended to read:

14 (b) Before a general obligation bond issue election, the govern-
15 ing body shall have published a notice of the total existing bond
16 indebtedness at least once a week for three consecutive weeks. The
17 first notice shall be published at least 20 days before the date of
18 the election. A notice must [SHALL] include

19 (1) the current total general obligation bonded indebted-
20 ness, including authorized but unsold bonds, of the municipality;

21 (2) the cost of the debt service on the current indebted-
22 ness;

23 (3) the total assessed value of taxable property in the
24 municipality;

25 (4) the full value of taxable property in the municipality
26 as determined by the department; and

27 (5) for a city in a borough, the current total general
28 obligation bonded indebtness of the borough, including authorized but
29 unsold bonds.

AI
adopted (X) new Sec 2

1 * Sec. 3. AS 29.47.190 is amended by adding a new subsection to read:

2 (c) This section applies to home rule and general law municipal-
3 ities.

4 * Sec. 4. AS 29.47 is amended by adding a new section to read:

5 Sec. 29.47.195. LIMITATION ON MUNICIPAL DEBT. (a) A governing
6 body may not authorize issuance of general obligation bonds unless

7 (1) the general obligation bonded indebtedness of the
8 municipality outstanding at the time of the authorization by the
9 governing body does not exceed ^{five} ~~seven~~ percent of the average full value
10 of taxable property of the municipality for the last two years as
11 determined by the department; and

12 (2) upon issuance of the authorized bonds the total general
13 obligation bonded indebtedness of the municipality will not exceed
14 seven percent of the average full value of taxable property of the
15 municipality for the last two years as determined by the department.

16 ~~(b) For purposes of calculating current general obligation~~
17 ~~bonded indebtedness under (a) of this section for a borough, the~~
18 ~~general obligation bonded indebtedness of each city in the borough~~
19 ~~shall be included. For purposes of determining the current general~~
20 ~~obligation bonded indebtedness for a city in a borough, a proportional~~
21 ~~share of the borough's general obligation bonded indebtedness shall be~~
22 ~~included based on the value of taxable property in the city compared~~
23 ~~to the total value of taxable property in the borough.~~

*replace
with
new B.*

24 (c) The limitation under (a) of this section does not apply to

25 (1) general obligation bonds necessary because of a natural
26 disaster;

27 (2) general obligation bonds necessary to protect the
28 public health;

29 (3) general obligation bonds for which, without expenditure

1 of tax revenue, cash receipts from fees, rents, or other charges
2 pledged to pay the debt have been sufficient each fiscal year after
3 issuance of the bonds to meet interest and redemption payments on the
4 bonds and costs of operating and maintaining the capital project
5 financed with the bonds;

6 (4) bond anticipation notes;

7 (5) revenue anticipation notes issued in accordance with
8 article IX, sec. 10, Constitution of the State of Alaska; or

9 (6) debt for which there are sinking funds or other funds
10 on hand pledged to the payment of the debt, including the proceeds of
11 refunding bonds or refunding notes.

a4
12 * Sec. 5. ^{new sub. 1} This Act takes effect immediately in accordance with AS 01.-
13 10.070(c).

TELECOPY COVER SHEET

REPRESENTATIVE GOLL - 465-4925

with copy to Jeff Smith, Deputy Commissioner, Dept. C & RA - 465-4700

TO: _____ PHONE _____

FROM: Borough Mayor Ralph C. Gregory _____ PHONE 225-6151

INSTRUCTIONS: Please call Rep Goll & Mr. Smith for pickup (info for 4/4 meeting)

RECEIVED: DATE: 4/4/86 _____ TIME: 11:45 am _____

SENT: DATE: 4/4/86 _____ TIME: 11:55 am _____

BY: (YOUR OFFICE & PHONE NUMBER) Kotaliken Legislative Info Office 225-9675

DISPOSAL OF ORIGINAL: THROW AWAY: _____

HOLD FOR PICK UP: _____

NUMBER OF PAGES 1 (one) _____ (NOT COUNTING THIS COVER SHEET)



KETCHIKAN GATEWAY BOROUGH

344 Front Street
Ketchikan, Alaska 99801

MEMORANDUM:

April 4, 1986

TO:

Representative Peter Goll, Chair-
man House Affairs Committee

CC: Jeff Smith, Deputy
Commissioner Department of
Community and Regional Af-
fairs

FROM:

Ralph C. Gregory, Mayor

RE:

House Bill 521 regarding Debt
Limits of Municipalities

Please accept this as testimony in support of House Bill 521 and the amendments proposed. After conferring with our Finance Director Al Learned, I would also like to support his position that the bill as amended would be more effective with the following two additions:

- (1) **DEFINE SELF-SUPPORTING DEBT.** Self supporting debt is defined as debt for which an adequate funding source other than property taxes has been established for the payment of principal and interest on said debt.
- (2) **ADD SUBSECTION (3) to AS 29.20.640(a)** which would enable boroughs, upon obtaining the consent of the governing body within their boundaries, to share a portion of their debt limit under the bill with cities located within their jurisdiction.

The first amendment would clearly indicate which debt would be excluded from the proposed limit and would eliminate the interpretation problem that would otherwise result. It would also enable municipalities to have more debt flexibility and increased certainty about the types of debt service funding sources that would enable debt to be properly excluded from the limit.

The second amendment gives the bill a desirable flexibility from the borough standpoint.

TELECOPY COVER SHEET

TO: Representative Goll PHONE 465-4925
 with copy to Mike Worley, Local Affairs, State ~~Assessor~~ PHONE 465-4750
 FROM: Allan B. Learned, Finance Director, City of Ketchikan PHONE 225-3111

INSTRUCTIONS: Please call for pickup (Rep. Goll needs info for meeting this afternoon)

RECEIVED: DATE: April 4, 1986 TIME: 10:45 am

SENT: DATE: April 4, 1986 TIME: 11:00 am

BY: (YOUR OFFICE & PHONE NUMBER) Ketchikan Legislative Information Office 225-9675

DISPOSAL OF ORIGINAL: THROW AWAY: _____

HOLD FOR PICK UP: _____

NUMBER OF PAGES 1 (one) (NOT COUNTING THIS COVER SHEET)

MEMORANDUM

To: Representative Peter Goll, Chairman
House Regional Affairs Committee

From: *AL* Allan B. Learned, Finance Director
City of Ketchikan

Subject: H B 521 re Debt Limits of Municipalities

Date: April 4, 1986

I would like to take this means to inform you that I have reviewed both the original version of HB 521 and the amendments to this bill that were recently proposed by the Local Affairs Office. It is my position that this bill as amended would be acceptable if the following two additional amendments are added. The first amendment is, in my view, the most important and would define self supporting debt as follows:

SUGGESTED DEFINITION OF SELF SUPPORTING DEBT

Self supporting debt is defined as debt for which an adequate funding source other than property taxes has been established for the payment of principal and interest on said debt.

This would clearly indicate which debt would be excluded from the proposed limit and would eliminate the interpretation problems that would otherwise result. It would also enable municipalities to have more debt flexibility in addition to increased certainty as to the types of debt service funding sources that would enable debt to be properly excluded from the limit.

The second is the amendment that I understand will be presented to the Committee this afternoon. It is my understanding that this proposal would add subsection (3) to AS 29.20.640 (a) and that this subsection would enable Boroughs, upon obtaining the consent of all governing bodies within their boundaries, to share a portion of their debt limit under the bill with cities located within their jurisdiction.

I concur that this amendment enhances the bill and results in the additional flexibility that I feel is necessary.

Please let me know if you have any questions about my position of this bill.

copy: Mike Worley

3670 LAKE STREET
HOMER, ALASKA 99603-7647

March 26, 1986



REPLY TO:

- City Hall
Ph. (907) 235-8121
- Port of Homer
Ph. (907) 235-8597
- Harbor Master
Ph. (907) 235-8959
- Public Works Dept.
Ph. (907) 235-8120
- City Engineer
Ph. (907) 235-6368

Emil Notti, Commissioner
Department of Community and Regional Affairs
Pouch B (MS 2100)
Juneau, AK 99811

Re: Opposition to House Bill 521

Dear Commissioner Notti:

Enclosed please find a copy of Resolution 86-20 entitled "A Resolution Opposing the Debt Ceiling Provision of House Bill 521" as unanimously adopted by the Homer City Council at their regular meeting on March 24, 1986.

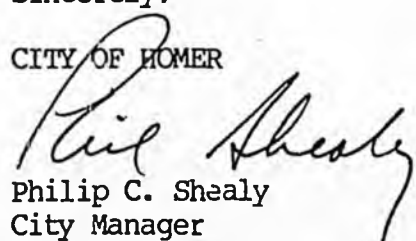
The primary basis of our opposition stems from the fact that the Kenai Borough with the bonded debt for schools utilizes the entire seven percent capacity. According to the present bill the overlapping taxing jurisdiction limits are cumulative. Enclosed is a copy of page 17 from the 1985 Alaska Taxable that indicates the City of Homer debt is \$553 per capita while the Borough's is \$5,345. The table indicates that the Borough has currently sold some \$119 million worth of GO Bonds. The table is outdated in that the Borough has since this publication sold an additional \$83.5 million worth of school bonds with another \$65 million issue planned for consideration this fall. Results of this activity utilizes the entire seven percent capacity thereby leaving nothing for the City of Homer and/or the South Peninsula Hospital Service District.

The Homer City Council supports an amendment to House Bill 521 to provide for a debt ceiling or limitation of seven percent of the total assessed property value on a city by city basis thereby eliminating the problem of one overlapping tax jurisdiction utilizing the entire debt capacity of all jurisdictions.

I would appreciate your consideration of the enclosed material and hope that you will work to either defeat House Bill 521 as drafted and/or amend it in accordance with the above suggestion.

Sincerely,

CITY OF HOMER


Philip C. Shealy
City Manager

Enclosures (2)

RECEIVED

APR 03 1986

COMMISSIONER'S OFFICE
COMMUNITY & REGIONAL AFFAIRS

RESOLUTION 86-20

A RESOLUTION OPPOSING THE DEBT CEILING PROVISION
OF HOUSE BILL NO. 521.

WHEREAS, House Bill No. 521, in the Legislature of the State of Alaska, provides for a Municipal General Obligation Debt Ceiling of seven percent of the average full value of taxable property for the last two years; and

WHEREAS, the proposed debt ceiling would be established on a borough-wide basis; and

WHEREAS, the Kenai Peninsula Borough currently has an outstanding general obligation debt over five percent of taxable property value; and

WHEREAS, the Kenai Peninsula Borough plans debt issuance in the future which could substantially use the total Borough debt capacity under the House Bill No. 521 limitation; and

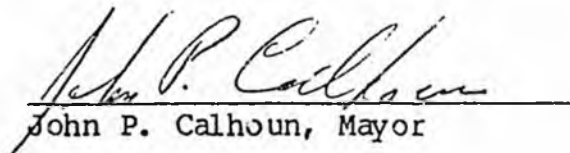
WHEREAS, the City of Homer may need to issue debt to fund essential City services.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council opposes enactment of House Bill No. 521 as written.

BE IT FURTHER RESOLVED that the Homer City Council supports amendment of House Bill No. 521 to provide for a debt ceiling or limitation of seven percent of the total assessed property value on a city by city basis.

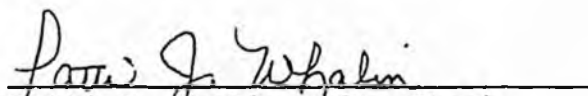
DATED at Homer, Alaska this 25th day of March, 1986.

CITY OF HOMER



John P. Calhoun, Mayor

ATTEST:



Patti J. Whalin, City Clerk

TABLE I

BOROUGH	R/P TOTAL FULL VALUE	STATE ASSESSED	TOTAL FULL VALUE	G.O. DEBT	POPULATION	PER CAP/DEBT	PER CAP/VALUE
ANCHORAGE	\$15,675,303,800	\$80,107,200	\$15,755,411,000	\$358,799,900	248,263	\$1,445	\$63,462
BRISTOL BAY	\$101,798,800	\$0	\$101,798,800	\$3,535,000	1,271	\$2,781	\$80,086
FAIRBANKS (CITY)	\$1,458,574,300	\$0		\$9,010,000	27,099	\$332	\$53,823
North Pole	\$187,457,100	\$0		\$1,218,500	1,640	\$742	\$114,303
Other	<u>\$1,934,409,900</u>	\$0		<u>\$80,700,000</u>	<u>46,340</u>	<u>\$1,741</u>	<u>\$41,743</u>
TOTAL	\$3,580,441,300	\$630,556,400	\$4,210,997,700	\$90,928,500	75,079	\$1,211	\$56,087
HAINES (CITY)	\$44,916,300	\$0		\$745,000	1,079	\$690	\$41,627
Other	<u>\$49,029,200</u>	\$0		<u>\$555,000</u>	<u>768</u>	<u>\$722</u>	<u>63,840</u>
TOTAL	\$93,945,500	\$0	\$93,945,500	\$1,300,000	1,847	\$703	\$50,863
JUNEAU (CITY)	\$436,658,900	\$0		\$0			
Douglas	\$76,111,100	\$0		\$0			
Other	<u>\$1,100,618,900</u>	\$0		<u>\$47,651,000</u>			
TOTAL	\$1,613,388,900	\$0	\$1,613,388,900	\$47,651,000	29,370	\$1,622	\$54,933
KENAI (HOMER)	\$215,845,000	\$0		\$2,113,000	3,817	\$553	\$56,548
Kenai	\$282,950,800	\$0		\$5,435,000	6,434	\$906	\$43,977
Seldovia	\$16,451,300	\$0		\$378,000	678	\$557	\$24,264
Seward	\$142,170,600	\$0		\$7,479,000	2,072	\$3,509	\$68,615
Soldotna	\$215,425,400	\$0		\$2,800,000	3,597	\$778	\$59,890
Other	<u>\$1,871,875,200</u>	\$0		<u>\$119,324,000</u>	<u>22,321</u>	<u>\$5,345</u>	<u>\$83,861</u>
TOTAL	\$2,744,718,300	\$545,500,900	\$3,290,219,200	\$137,929,000	38,919	\$3,544	\$84,540
KETCHIKAN (CITY)	\$391,440,000	\$0		\$10,840,000	8,414	\$1,288	\$46,522
Other	<u>\$284,545,100</u>	\$0		<u>\$21,090,000</u>	<u>5,900</u>	<u>\$3,574</u>	<u>\$48,227</u>
TOTAL	\$675,985,100	\$0	\$675,985,100	\$31,930,000	14,314	\$2,230	\$47,225
KODIAK (CITY)	\$391,834,100	\$0		\$2,455,000	6,602	\$371	\$9,350
Other	<u>\$180,536,600</u>	\$0		<u>\$25,815,000</u>	<u>7,146</u>	<u>\$3,612</u>	<u>\$25,264</u>
TOTAL	\$572,370,700	\$0	\$572,370,700	\$28,270,000	13,748	\$2,056	\$41,633
MAT-SU (PALMER)	\$141,412,400	\$0		\$2,048,000	3,016	\$679	\$46,887
Huston	\$50,971,300	\$0		\$0	725	\$0	\$70,305
Wasilla	\$309,314,700	\$0		\$0	3,666	\$0	\$84,373
Other	<u>\$1,064,081,300</u>	\$0		<u>\$110,160,000</u>	<u>33,686</u>	<u>\$3,270</u>	<u>\$55,336</u>
TOTAL	\$2,365,779,700	\$1,626,500	\$2,367,406,200	\$112,208,000	41,093	\$2,730	\$57,571
NORTH SLOPE	\$511,643,200	\$12,365,143,700	\$12,876,786,900	\$1,155,680,000	12,342	\$93,637	\$1,043,330
SITKA	\$396,227,900	\$0	\$396,227,900	\$12,400,000	8,221	\$1,508	\$48,197

April 3, 1986

Honorable Peter Goll, Chairman
House C&RA Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Re: HB 293, Municipal Financial
Emergency Commission; scope of
or its legal effect
Our file: 663-86-0405

Dear Representative Goll:

At the March 21, 1986 meeting of the Community & Regional Affairs Committee, several members of the committee raised questions concerning the uncertain scope or legal effect of proposed sec. 29.58.440 in HB 293. I discussed legal aspects of these concerns in my letter to you of March 21, 1986.

Following the committee hearing, Commissioner Nordale and I have discussed alternative approaches to assure, to the extent practicable, that creditors do not initiate state legal proceedings which would compromise the ability of the Municipal Financial Emergency Commission to identify responsible management plans. The intent, of course, is to afford the commission a fair opportunity to devise "work out" arrangements before other, typically more onerous solutions are imposed by judicial order.

With this objective in mind, Commissioner Nordale asked that I draft language to amend proposed sec. 29.58.440 to restrict a creditor's access to court. The following language is suggested in preliminary form as a proposed alternative:

Sec. 29.58.440. LIMITATION ON ACTIONS. If a notice of default or a request for assistance has been provided under AS 29.58.420, a creditor of a municipality may not file an action in superior court until 90 days after the first meeting of the commission convened under AS 29.58.430.

Stated as a limitation on a creditor's ability to seek judicial relief, the committee's difficult questions regarding any possible impact on Civil Rule 62 are avoided.

Please feel free to contact me if you have any questions.

Sincerely yours,

HAROLD M. BROWN
ATTORNEY GENERAL

By: Jonathan B. Rubini
Assistant Attorney General

JBR/pjg
cc: Hon. Mary Nordale, Commissioner
Department of Revenue

Arthur Peterson, Esq.
Department of Law

JOHN SUND, REPRESENTATIVE

2505 2nd Avenue
Ketchikan, Alaska 99901
(907) 225-5552

While in Juneau
P. O. Box V
Juneau, Alaska 99811
(907) 465-4919

3/19/86

MEMORANDUM

TO: Rep. Peter Goll, Chair,
Community & Regional Affairs

FROM: Rep. John Sund, Chair
House Loans Committee *JS*

RE: HB 521 - Municipal Debt limit

The loans Committee considered the attached amendment to House Bill 521 and came to no decision on it. We decided to forward it without recommendation to the House Community and Regional Affairs Committee for your consideration.

The Amendment addresses the issue of School construction debt which is reimbursed by the state to the school districts. We have been led to understand, by the Department of Revenue, that this reimbursement debt is "counted against" the state as an obligation of the state by bond rating agencies in determining Alaska's bond rating.

The Committee members' concern is that if this debt is being "counted against" the state and paid by the state, then perhaps it should not be "counted against" the municipalities under the 7% debt to full value ratio for municipalities as proposed in House Bill 521.

Taking out school debt to be repaid by the state would reduce significantly the debt level of municipalities as measured against the 7% cap. The proposed amendment compensates for that by moving the ceiling down to 5% from 7%.

We appreciate your considering the amendment.

A M E N D M E N T

Offered in the HOUSE

By Sund

TO: CSHB 521(Loans)

Page 2, line ⁹~~8~~:

Delete "seven" and insert "five"

Page 3, line ~~8~~¹¹ 11:

Delete "." and insert ";

Page 3, after line ~~11~~¹¹ insert the following new paragraph to read:

⁷~~(8)~~ school construction debt for which reimbursement by
the state is authorized under AS 14.11.100."

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Page 1 of 2
HB 521 #1

Revision Date : _____

REQUEST
 Bill/Resolution No. : _____
 Title : An Act Relating to the Issuance of
Municipal General Obligation Bonds

 Sponsor : _____
 Requestor : Governor
 Date of Request : _____

FISCAL DETAIL
 Agency Affected : C and RA
 BRU : _____

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary
 See attached:

Prepared by : John Larson *OL* Phone : 465-2173
 Division : Research Date : 1/2/86
 Approved by Commissioner : Shirley A. Sturdale Date : 1/6/86
 Agency : _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 520# 1

page 2 of 2

The proposed legislation would limit the amount of general obligation (G.O.) bond debt a municipality could have outstanding to seven percent of the full value of taxable property in that municipality. If a municipality's G.O. bond debt exceeded the limit then that municipality could not issue additional G.O. debt until its outstanding G.O. debt was below the limit and the issuance of the additional G.O. debt would not cause it to exceed the limit. It should be noted that the proposed limitation applies only to G.O. bond debt and would not limit a municipality's authority to issue revenue bonds or refunding bonds. Also the proposal would not limit a municipality's authority to levy unlimited property taxes in order to pay outstanding debt service obligations.

Government Finance Associates (GFA), the State's financial advisor, performed a review of debt limits in other states. In general, most municipal debt limits appear to be a fixed percentage of the value of taxable property in the municipality. GFA recommends that Alaska's debt limit be related directly and simply to a portion of a municipality's assessed value. In this way, the amount of debt issued by any municipality would be directly related to its ability to pay its general obligation debt through its tax base.

Based on data compiled by the Department of Community and Regional Affairs in the soon to be released publication Alaska Taxable 1985 only three municipalities currently exceed the proposed seven percent G.O. bond debt limitation. These municipalities are Nenana, Wrangell and the North Slope Borough.

Because the proposed legislation would not limit the municipality's authority to levy property taxes to satisfy existing debt service obligations, there would be no immediate impact on net revenue accruing to the State under AS 43.56.

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST HB 520 # 2
 Bill/Resolution No. : _____
 Title: "An Act relating to issuance of
 general obligation funds..."
 Sponsor : Governor
 Requestor : Governor
 Date of Request : 12/10/85

Revision Date : _____

FISCAL DETAIL
 Agency Affected: Community & Regional Affairs
 BRU: Local Government Assistance
 Components : State Assessor

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-			
CAPITAL						
REVENUE						

FUNDING : (Thousands of Dollars)

GENERAL FUND					
FEDERAL FUNDS					
OTHER					
TOTAL	-0-	-0-	-0-		

POSITIONS :

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS : Attach a separate page if necessary

Full Value figures and the methodology for their determination may be challenged by the three municipalities presently over the 7% cap. This may create the need for additional travel for the State Assessor. However, this need is speculative and is, therefore, not reflected in the fiscal note.

Prepared by : Doug Griffin Phone : 465-4750
 Division : Municipal and Regional Assistance Date : 12-18-85
 Approved by Commissioner : [Signature] Date : 12/18/85
 Agency : Community and Regional Affairs

Distribution (by Agency page of fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST HB 520 # 3
 Bill/Resolution No.: _____
 Title: Issuance of Municipal General
Obligation Bonds

Revision Date: _____
 FISCAL DETAIL
 Agency Affected: Administration
 BRU: _____

Sponsor: Governor
 Requestor: _____
 Date of Request: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

This bill has no fiscal impact on the Department of Administration.

Prepared By: Michael P. McMillin *Michael P. McMillin* Phone: 455-2200
 Division: Commissioner's Office Date: 12/17/85

Approved by Commissioner: Eleanor Andrews *Eleanor Andrews* Date: 12/17/85
 Agency: Department of Administration


Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget

Alaska MUNICIPAL League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

TO: Representative Peter Goll, CHairman
Members of the House Community and Regional Affairs

FROM: Scott A. Burgess, Executive Director 

DATE: March 22, 1986

SUBJECT: HB 521 - Limiting Municipal Debt

The Alaska Municipal League has not taken a position in support of, or in opposition to, HB 521. While the AML supports the concept of debt management, it also supports local control. I have attached copies of several letters from representatives of individual member municipalities indicating their views on HB 521 for your information. In addition, I have outlined several concerns below.

The primary point is that municipalities, on the whole, are managing their debt. Municipalities have proposed bond measures and had them approved by a vote of the taxpayers for needed capital projects. Leaving school construction aside because it is addressed in other legislation (HB 520), municipalities have built needed projects with their own funds. Not only does this not require state expenditure but makes the State's capital dollars go further. The elected officials, voters and the bond market have "managed" municipalities debt, as evidence by the predominant number of municipalities which are currently below the proposed 7% level (see data run provided by the Administration).

A major concern, which is also expressed in the correspondence attached, is the boroughs and cities within those boroughs limited to the same 7% cap. The needs and responsibilities to provide services are different for the cities and the boroughs. Such a single cap would severely restrict each municipality and/or create an unfortunate rush by each to get in under the cap. In talking to bond counsel, other states such as Washington put caps on each taking authority individually, i.e. the sum of the parts is greater than the whole.

The 7% limit is admittedly arbitrary, but perhaps sufficient in most circumstances; again, the AML has not taken an official position. However, while the limit seems sufficient now, as available capital dollars decline in the future, bonding for capital improvements will become even more necessary. In fact, if the Committee would look back to earlier years or before our oil wealth several other communities exceeded the 7%. The 7% may just not be enough in any given year to meet the needs of individual municipalities.

Finally, it would appear reasonable to exclude school debt from HB 521 because that is addressed under the state school construction debt reimbursement program, and is now being addressed by HB 520. This was suggested by the House Special Committee on Loans to your committee for review.

The AML and our members are as concerned as the State that the state bond rating is threatened by bad debt management by the State or an individual municipality. The State should take steps to manage its debt as proposed in HB 519, and we are willing to work with the State to develop a way to encourage municipalities to manage theirs, and, to the degree necessary, regulate any individual municipalities to the point their potential actions may be detrimental to the rest of the State; however, the expertise of elected officials, municipal managers and finance officers, and the financial community was not sought in developing this and the other debt management legislation. The result is misunderstanding, resistance, and, potentially, the loss of a good concept, or the passage of legislation which infringes on local control and ties the hands of municipalities to provide local services for the lowest cost to the citizens of our State.

The AML will continue to review the potential debt management problem, and seek to work with the Administration and the Legislature to address it to provide the needed safeguards to financial stability, while providing for local control and flexibility to address the needs of our communities through the methods proposed HB 521 or others. Thank you.

CITY OF PALMER



231 W. EVERGREEN AVE.
PALMER, ALASKA 99645



Phone (907) 745-3271

A HOME RULE CITY

March 4, 1986

The Honorable Katie Hurley
Alaska State Legislature
Parcel V (MS 3100)
Juneau, Alaska 99811

RE: HB 521 Municipal Debt Limit

Dear Representative Hurley:

While the amount of debt is a concern to all whether it is our personal finances, state government, or federal government, prudent debt management is the only real cure.

As I peruse the list of those communities in the state who have any debt at all, the number is few in comparison to those total number of incorporated municipalities.

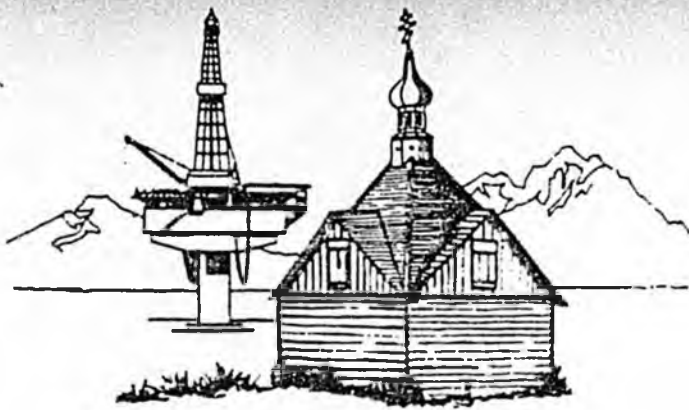
Further, those who have chosen to build themselves have sought to provide a better quality of life for their citizens. The debt incurred in most instances was for sewer, water and schools.

With the money tree becoming a vanishing species, we, as municipalities, have to have the tools available to us to continue to provide our residents with the services they want. If the state would fund one hundred percent of all sewer, water and school construction, I would have no objection to HB 521, but this is not the case.

The City of Palmer currently has a debt of just over \$2,000,000 for sewer, water, streets, and an industrial park. Using the seven percent (7%) rule, we could go to \$9,170,000 with an assessed value of \$131,000,000. This actually says I potentially have \$7,170,000 of debt capacity. Wrong. The Matanuska-Susitna Borough has used up every penny of bond debt capacity leaving all the cities in the Mat-Su Borough unable to further bond themselves under HB 521 as proposed.

This year alone, the City of Palmer is thinking of possibly floating in the neighborhood of \$10 - \$12 million dollars in both general obligations and special assessment bond issues. This would put us at nearly a ten (10) percent debt/assessed value level.

Even though the State of Alaska has been overly generous in recent years, the City of Palmer is not about to rest on past deeds. We want to and are going to move forward.



CITY OF KENAI

"Oil Capital of Alaska"

210 FIDALGO KENAI, ALASKA 99611
 TELEPHONE 283 - 7535

March 13, 1986

Honorable Andre Marrou
 Representative, State of Alaska
 Pouch V (Mail Stop 3100)
 Juneau, Alaska 99811

Dear Representative Marrou:

I understand that the H.B. 521 is currently in the House Community and Regional Affairs Committee. This bill would limit municipal G.O. debt to 7% of the average full value of taxable property of the municipality for the last two years.

Further, for purposes of determining the G.O. debt for a city within a borough, the overlapping debt from the borough is included. Net debt is allowed in the computation in both cases.

The figures below are estimates, taken from the City of Kenai financial statements and budgets, and updated through discussions with the Kenai Peninsula Borough.

Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable to City of Kenai	City of Kenai's Share of Debt
City of Kenai, Alaska	\$ 2,800,000	100.00%	\$ 2,800,000
Kenai Peninsula Borough	180,000,000	8.80%	15,840,000
Central Hospital Service Area	15,000,000	11.27%	1,690,500
Total Direct and Overlapping Debt			<u>\$ 20,330,500</u>

City of Kenai Assessed Value, 1986	\$ 313,500,000
City of Kenai Assessed Value, 1985	266,378,000
	<u>579,878,000</u>
	÷ 2
Average Assessed Value	<u>289,939,000</u>
	x 7%
Maximum Debt Allowance	<u>\$ 20,295,730</u>

CITY OF PALMER



231 W. EVERGREEN AVE.
PALMER, ALASKA 99645



Phone (907) 745-3271

A HOME RULE CITY

March 4, 1986

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Alaska State Legislature
Parcel V (MS 3100)
Juneau, Alaska 99811

RE: HB 521 Municipal Debt Limit

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While the amount of debt is a concern to all whether it is our personal finances, state government, or federal government, prudent debt management is the only real cure.

As I peruse the list of those communities in the state who have any debt at all, the number is few in comparison to those total number of incorporated municipalities.

Further, those who have chosen to build themselves have sought to provide a better quality of life for their citizens. The debt incurred in most instances was for sewer, water and schools.

With the money tree becoming a vanishing species, we, as municipalities, have to have the tools available to us to continue to provide our residents with the services they want. If the state would fund one hundred percent of all sewer, water and school construction, I would have no objection to HB 521, but this is not the case.

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March 4, 1986
The Honorable Katie Hurley
Page 2

What have I said? Basically, the seven percent (7%) debt limit does not take into consideration the type of bonds, that is: revenue, general obligation, special assessment and the like but instead has thrown them all into one pot. Secondly, the Borough, in our case, can use the entire debt limit and not leave anything for the municipalities. The Boroughs who have municipalities within their boundaries should not impair a municipality's ability to bond. Thus bonds which are city initiated and obligate the entire city should be included in the debt limit. A special assessment bond issue is for a specific purpose and usually a specific area. Fourth, the issue of Industrial Revenue Bonds (IRB's) and the use of AIDA is not addressed.

Finally, it is not the municipalities who have created this problem but the state itself with all the programs that were instituted when times were good. Fiscal management is long overdue but let's do it on a wholesale effort and not a piecemeal basis. HB 521 needs to address the particular issues I have raised as we are not the lone ranger in our concerns.

I will gladly avail my time to you or your staff should you need further assistance.

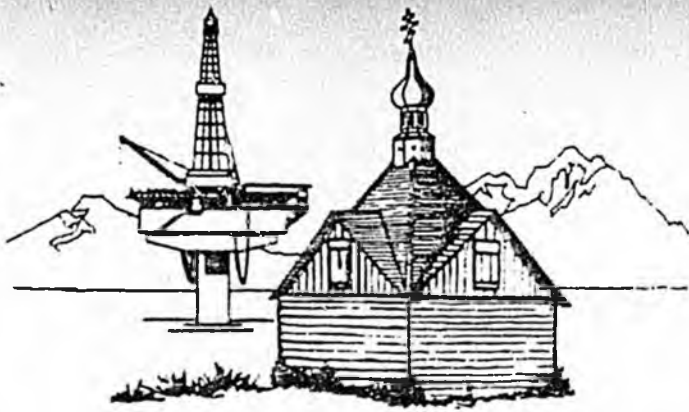
Should you have any questions please contact me.

Yours truly,

David L. Soulak
City Manager
City of Palmer

DLS/tls

cc: Scott Burgess



CITY OF KENAI

"Oil Capital of Alaska"

210 FIDALGO KENAI, ALASKA 99611
 TELEPHONE 283 - 7535

March 13, 1986

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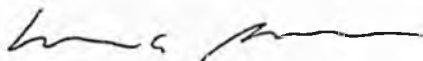
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Average Assessed Value			÷ 2 289,939,000
Maximum Debt Allowance			x 7% <u>\$ 20,295,730</u>

Page 2

Therefore, under the provisions of the bill, the City of Kenai will have already surpassed its maximum allowable debt and will be prohibited from issuing new debt. The ironic part of this is that this situation was caused by Borough debt, not City debt. City net debt is less than 1% of our averaged assessed value. However, because the Borough has a much larger tax base than the City, its debt limit under the bill would not be reached. The result is that Borough debt is more of a burden on the City of Kenai than it is on the Borough as a whole.

Speaking for myself, and not necessarily for the City of Kenai, I am not opposed to reasonable debt limitations. However, I ask that overlapping debt be excluded from the calculation.

Sincerely,



Charles A. Brown
Finance Director

CAB/vyj



Office of the City Clerk
832-5441
Incorporated November 17, 1921

City of Nenana

State of Alaska

March 3, 1986

Scott Burgess, Executive Director
Alaska Municipal League
105 Municipal Way, Suite 301
Juneau, Alaska 99801

Dear Scott,

RE: HB521

Attached please find a copy of correspondence to Senator Coghill dated February 3, 1986 and a copy of a POM to Representative John Sund dated February 14, 1986 (aimed at providing input to the House Special Committee on Loans).

I have had no response regarding the HB521, but I have been able to re-classify the Port Authority Bonds as revenue bonds. Hopefully, our corresponding debt figure and percent of full value figure are being adjusted by all concerned.

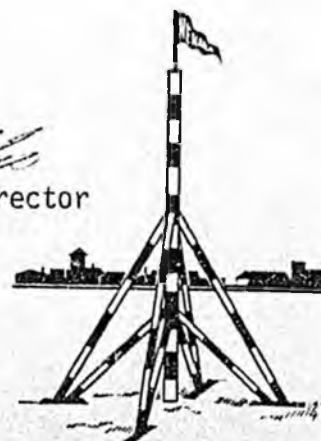
The definition of self-supporting debt needs to be clarified. In particular, will a designated sales tax revenue qualify a bond to be self-supporting? Further, would this determination be on-going year-by-year or, would the determination be done once based on one year's data, two year's data, etc.?

Maybe I am making too much of this, but given a future of diminishing state revenues, I see the local bond issue as a way for municipalities to leverage other funding. The consequences of this bill must be carefully considered.

Sincerely,

Steve Bainbridge, Port Director
City of Nenana

SB/t.li
attachments





Office of the City Clerk
832-5441
Incorporated November 17, 1923

City of Nenana

State of Alaska

February 3, 1986

Senator John B. Coghill
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Senator Coghill,

RE: HB521 - An Act relating to the issuance of municipal general obligation bonds

HB521 would place a limit of 7 percent of a municipality's full property value on its general obligation bonded indebtedness.

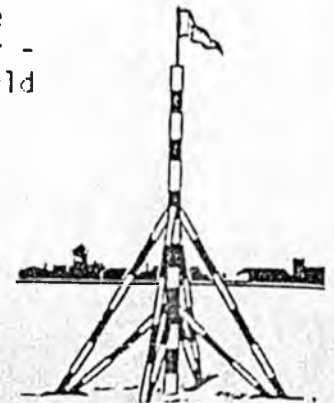
Nenana's full property value as of January 1985 (C&RA) is \$12.9 million. Seven percent of this figure is \$903,000.

Nenana's current bonded indebtedness is as follows:

School Bond	\$ 180,000.00
Water & Sewer Bond	\$ 197,296.51
Port Authority Bond	<u>\$2,250,000.00</u>
TOTAL	<u>\$2,627,296.51</u>

Obviously, we are far above the proposed allowable limit. While old bonds would be grandfathered, what this bill would do is prevent us from issuing any more G.O. bonds.

While the intent in paragraph (c) on page 2 of the bill appears to be helpful, I see problems in arriving at the determination of what is "self-supporting debt". Who would make this determination? - the Department of Revenue? Would this determination be made on a year - to - year basis or just once? If you had one bad revenue year would



Page 2
February 3, 1986
City of Nenana
RE: HB521

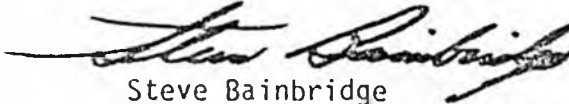
the bond debt be adjudicated as non - self supporting? THESE QUESTIONS MUST BE ANSWERED AND SPECIFICALLY SPELLED OUT IN THE BILL (STATUTES) OR WE WILL FIND SOME STATE EMPLOYEE DRAFTING THE ANSWERS IN THE FORM OF REGULATIONS (THAT THE LEGISLATURE WILL HAVE LITTLE CONTROL OVER).

Another question I would want answered, specific to Nenana, concerns itself with the designated sales tax fund. Are G.O. Bonds that are to be repaid from a designated sales tax fund considered to be self-supporting debt?

Finally, should the question of converting G.O. Bond debt to revenue bond debt be posed, I DO NOT foresee any investor agreeing to substitute his G.O. BONDS FOR REVENUE BONDS - this would not be a workable solution.

As I see three committee referrals on this bill, I am assuming that this bill will not pass this session. Please advise if this assumption is erroneous, and when the first committee hearing is scheduled.

Sincerely,


Steve Bainbridge
City of Nenana

SB/tli

cc: Mayor Joe B. Cooper
Jim Coghill, Assemblymember
Dave Stone, Assemblymember
Terry Forness, Assemblymember
Rob Chambers, Assemblymember
Bob Knight, Assemblymember
Dean Ojala, Assemblymember



Office of the City Clerk
832-5441
Incorporated November 17, 1921

City of Nenana

State of Alaska

February 14, 1986

Public Opinion Message

TO: REPRESENTATIVE JOHN SUND, ATTN: SHARI
FROM: STEVE BAINBRIDGE, CITY ENGINEER,
CITY OF NENANA
RE: HB 521

I have the following concerns:

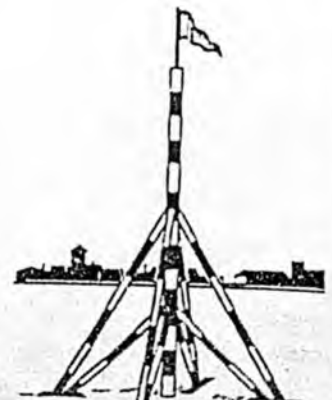
Regarding "Self-Supporting Debt", it is not clear as to WHO WOULD MAKE THIS DETERMINATION AND THE PARAMETERS THAT WOULD BE UTILIZED. For instance would G.O. bonds repaid from designated Sales Tax be considered self supporting?

I have other concerns, but P.O.M. limit is 50 words.

Sincerely,



Steve Bainbridge





THE CITY OF HAINES, ALASKA

P.O. BOX 576
HAINES, ALASKA 99827
(907) 766-2231

In Reply
Refer To

March 6, 1986

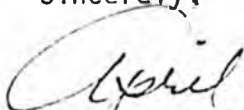
Rep. Peter Goll
Alaska State Legislature
Pouch V (MS3100)
Juneau, AK 99811

Dear Representative Goll:

The City Council, at their 3/5/86 regular meeting, reviewed the proposed legislation entitled HB 521 affecting municipal debt. The Council decided to oppose the legislation, specifically citing proposed section 29.47.195 on the limitation of municipal debt as a concern. The Council feels that sufficient local government procedures are available to control debt. There are further market conditions exercised by bond ratings and interest costs, which refrain municipalities from excess debt obligations.

I respectfully request that you consider our position when the measure comes before you for a decision.

Sincerely,


April S. Lapham
Mayor
CITY OF HAINES

ASL/srh

APR 11 1986 BURGESS ✓

TABLE I

VALUATION, POPULATION AND G.O. BONDED DEBT

CITIES	FULL VALUE DETERMINATION 1-1-83	POPULATION 7-1-83	G.O. BONDED DEBT 7-1-83	PER CAPITA DEBT	PER CAPITA VALUATION	DEBT % TO VALUATION
BETHEL	161,303,600	3,681	1,225,000	333	43,821	.76
CORDOVA	127,490,900	2,307	1,557,000	675	55,263	1.22
CRAIG	24,451,600	907	37,498	41	26,959	.15
DILLINGHAM	101,306,800	1,896	66,723	35	53,432	.07
GALENA	15,213,500	876	-0-	-0-	17,367	-0-
HOONAH	23,534,900	865	-0-	-0-	27,208	-0-
HYDABURG	10,652,500	429	-0-	-0-	24,831	-0-
KAKE	9,622,950	631	-0-	-0-	15,250	-0-
KING COVE	19,563,700	586	-0-	-0-	33,385	-0-
KLAWOCK	4,619,800	508	128,000	252	9,094	2.77
KOTZEBUE	77,496,800	2,981	-0-	-0-	31,452	-0-
NENANA	10,987,670	586	2,869,000	4,896	18,750	26.11
HOME	113,099,900	3,620	390,000	108	31,243	.35
PELICAN	9,444,600	213	-0-	-0-	44,341	-0-
PETERSBURG	142,322,700	3,046	5,570,000	1,829	46,725	3.91
ST. MARY'S	3,512,600	563	-0-	-0-	6,239	-0-
SAND POINT	59,691,200	889	-0-	-0-	67,144	-0-
SKAGWAY	61,462,250	790	1,753,325	2,219	77,800	2.85
TAHANA	5,870,800	485	-0-	-0-	12,105	-0-
UNALASKA	86,393,240	1,922	5,522,375	2,873	44,950	6.40
VALDEZ	1,696,828,300	3,687	84,460,000	22,864	459,347	4.99
WRANGELL	97,857,600	2,376	2,484,000	1,045	41,190	2.54
YAKUTAT	25,788,660	462	133,800	290	55,820	.52
TOTAL CITIES	2,649,726,170	34,306	106,196,721	3,142	78,404	4.01
STATE	39,009,681,680	516,324	842,413,000	1,614	75,844	.08
MUNICIPAL	35,266,417,380	446,414	1,316,204,221	2,948	70,284	4.19
STATEWIDE TOTAL	39,009,681,680	516,324	1,620,507,450	4,648	75,844	3.75

Note: All population figures include military personnel.

TABLE I
VALUATION, POPULATION AND G.O. BONDED DEBT

BOROUGHES	FULL VALUE DETERMINATION 1-1-82	POPULATION 7-1-82	G.O. BONDED DEBT 7-1-82	PER CAPITA DEBT	PER CAPITA VALUATION	DEBT % TO VALUATION
ANCHORAGE, MUNICIPALITY OF TOTAL	10,611,784,259	204,216	261,010,000	1,278	51,963	2.46
BRISTOL BAY TOTAL	87,477,900	1,271	3,895,000	3,064	68,826	4.45
FAIRBANKS NORTH STAR	2,996,031,060	58,721	83,158,350	1,416	51,021	2.78
Fairbanks City	1,067,847,224	25,747	11,915,000	463	41,474	1.12
North Pole	99,724,738	934	-0-	-0-	106,772	-0-
TOTAL	2,996,031,060	58,721	95,073,350	1,619	51,021	3.17
HAINES	70,950,672	1,847	923,310	499	38,414	1.30
Haines City	34,791,413	1,079	805,000	746	32,244	.23
TOTAL	70,950,672	1,847	1,728,310	935	38,414	2.44
JUNEAU, CITY & BOROUGH TOTAL	1,037,772,068	22,023	27,904,000	1,267	47,122	2.69
KENAI PENINSULA	2,978,040,060	32,303	98,999,603	3,064	92,191	3.32
Homer City	155,219,629	2,897	2,877,000	993	53,579	1.85
Kenai City	205,513,739	5,231	3,695,000	706	39,288	1.80
Seldovia City	19,029,142	729	430,000	590	26,103	2.26
Seward City	63,650,774	1,828	-0-	-0-	34,820	-0-
Soldotna City	124,949,463	3,008	-0-	-0-	41,539	-0-
TOTAL	2,978,040,060	32,303	106,001,603	3,279	92,191	3.56
KETCHIKAN GATEWAY	666,802,500	12,431	14,495,000	1,166	53,640	2.17
Ketchikan City	314,484,068	7,777	8,110,000	1,043	40,438	2.58
TOTAL	666,802,500	12,431	22,605,000	18189	53,640	3.39
KODIAK ISLAND	438,045,500	12,714	20,042,372	1,576	34,454	4.58
Kodiak City	323,844,006	5,873	3,250,000	553	55,141	1.00
TOTAL	438,045,500	12,714	23,292,372	1,832	34,454	5.32
MATANUSKA-SUSITNA	1,203,078,576	26,002	65,218,090	2,508	46,269	5.42
Palmer City	92,287,313	2,524	3,629,401	1,438	36,568	3.93
TOTAL	1,203,078,576	26,002	68,847,491	1,488	46,269	5.72
NORTH SLOPE BOROUGH TOTAL	8,268,630,720	7,552	587,400,000	77,781	1,094,893	7.10
SITKA, CITY & BOROUGH TOTAL	421,405,430	8,221	17,486,200	2,127	51,259	4.15
TOTAL BOROUGHES	28,780,018,745	387,307	1,215,243,326	3,138	74,309	4.22

TABLE I
VALUATION, POPULATION AND G.O. BONDED DEBT

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BETHEL	** 142,746,500	3,681	585,000	159	38,779	.41
CORDOVA	116,365,600	2,241	1,673,200	747	51,921	1.44
CRAIG	21,638,600	604	37,498	62	35,825	.17
DILLINGHAM	69,193,500	1,841	73,000	40	37,585	.11
GALENA	6,229,700	844	-0-	-0-	7,382	-0-
HOONAH	16,659,050	863	-0-	-0-	19,304	-0-
HYDABURG	8,976,800	412	-0-	-0-	21,883	-0-
KAKE	7,371,700	631	-0-	-0-	11,683	-0-
KING COVE	28,256,300	523	-0-	-0-	54,027	-0-
KLAWOCK	3,711,300	433	-0-	-0-	8,571	-0-
KOTZEBUE	** 89,072,800	2,464	-0-	-0-	36,150	-0-
NENANA	8,966,600	549	2,725,000	5,046	16,605	30.39
NOME	158,666,727	3,430	507,372	148	46,259	.32
PELICAN	13,368,755	185	-0-	-0-	72,264	-0-
PETERSBURG	129,351,000	3,040	2,995,000	985	42,550	2.32
ST. MARY'S	3,108,500	442	-0-	-0-	7,033	-0-
SAND POINT	55,240,000	797	-0-	-0-	69,310	-0-
SKAGWAY	56,933,200	790	1,826,325	2,312	72,067	3.21
TANANA	5,195,300	485	-0-	-0-	10,712	-0-
UNALASKA	73,520,942	1,922	3,500,000	1,821	38,252	4.76
VALDEZ	1,701,661,400	3,694	84,460,000	22,864	460,493	4.97
WRANGELL	87,754,617	2,376	2,578,000	1,085	36,934	2.94
YAKUTAT	24,526,680	462	-0-	-0-	53,088	-0-
TOTAL CITIES	2,827,916,371	32,700	100,960,895	3,087	86,481	3.57
STATE MUNICIPAL	35,226,938,816 31,376,115,816	464,460 446,414	842,413,000 1,316,204,221	1,814 2,948	75,844 70,234	.08 4.19
STATEWIDE TOTAL	35,226,938,816	464,460	2,158,617,221	4,648	75,844	3.75

*TOTAL POPULATION LISTED IN THIS TABLE

Note: All population figures include military personnel.

TABLE VII

VALUATION, POPULATION AND G.O. BONDED DEBT

BOROUGH	FULL VALUE DETERMINATION 1-1-81	POPULATION 7-1-81	G.O. BONDED DEBT 7-1-81	PER CAPITA DEBT	PER CAPITA VALUATION	DEBT % TO VALUATION
ANCHORAGE, MUNICIPALITY OF TOTAL	8,003,075,180	180,740	266,216,000	1,473	44,280	3.33
BRISTOL BAY TOTAL	85,017,500	1,182	4,000,000	3,384	71,927	4.71
FAIRBANKS NORTH STAR	2,606,854,330	51,659	83,055,000	1,608	50,463	3.19
Fairbanks City	850,853,800	25,568	14,465,000	566	33,278	1.70
North Pole	89,056,600	928	326,000	351	95,966	0.37
TOTAL	2,606,854,330	51,659	97,846,000	1,894	50,463	3.75
HAINES	63,753,650	1,712	1,015,258	593	37,239	1.59
Haines City	30,334,500	1,017	825,000	811	29,827	2.72
TOTAL	63,753,650	1,712	1,840,258	1,075	37,239	2.89
JUNEAU, CITY & BOROUGH TOTAL	859,024,500	21,080	16,875,000	801	40,751	1.97
KENAI PENINSULA	2,582,371,000	26,520	47,054,146	1,774	97,375	1.82
Homer City	145,074,250	2,588	1,650,000	638	56,057	1.14
Kenai City	190,358,350	4,558	3,960,000	869	41,895	2.07
Seldovia City	14,256,000	505	446,000	883	28,230	3.13
Seward City	71,361,400	1,943	-0-	-0-	36,727	-0-
Soldotna City	108,511,400	2,445	2,377,000	972	44,381	2.19
TOTAL	2,582,371,000	26,520	55,487,146	2,092	97,375	2.15
KETCHIKAN GATEWAY	545,522,900	11,373	7,279,000	640	47,967	1.33
Ketchikan City	273,541,600	7,200	8,630,000	1,199	37,992	3.16
TOTAL	545,522,900	11,373	15,909,000	1,399	47,967	2.92
KODIAK ISLAND	378,356,600	8,358	15,610,000	1,868	45,269	4.13
Kodiak City	298,300,700	4,678	3,485,000	745	63,767	1.17
TOTAL	378,356,600	8,358	19,095,000	2,285	45,269	5.05
MATANUSKA-SUSITNA	1,122,893,100	19,123	49,100,000	2,568	58,720	4.37
Palmer City	78,562,400	2,275	2,268,411	997	34,533	2.89
TOTAL	1,122,893,100	19,123	51,368,411	2,686	58,720	4.57
NORTH SLOPE BOROUGH TOTAL	6,704,742,250	7,098	454,200,000	63,990	944,596	6.77
SITKA, CITY & BOROUGH	382,448,700	7,927	15,441,000	1,948	48,240	4.04
TOTAL	382,448,700	7,927	15,441,000	1,948	48,240	4.04
TOTAL BOROUGHS	23,334,059,710	336,772	998,277,815	2,964	69,287	4.28

TABLE VII
 VALUATION, POPULATION, AND G.O. BONDED DEBT

CITIES	FULL VALUE DETERMINATION 1-1-81	POPULATION 7-1-81	G.O. BONDED DEBT 7-1-81	PER CAPITA DEBT	PER CAPITA VALUATION	DEBT % TO VALUATION
BETHEL	108,004,100	3,549	-0-	-0-	30,432	-0-
CORDOVA	97,562,550	2,223	1,776,589	799	43,888	1.82
CRAIG	17,008,000	560	-0-	-0-	30,371	-0-
DILLINGHAM	58,781,900	1,670	109,000	65	35,199	.19
GALENA	5,734,000	805	-0-	-0-	7,185	-0-
HOONAH	15,199,900	799	-0-	-0-	19,024	-0-
HYDABURG	8,190,500	756	-0-	-0-	23,007	-0-
KAKE	6,726,000	583	-0-	-0-	11,537	-0-
KING COVE	8,591,800	513	-0-	-0-	16,748	-0-
KLAWOCK	3,386,200	389	-0-	-0-	8,705	-0-
KOTZEBUE	81,270,760	2,250	-0-	-0-	36,120	-0-
NENANA	9,702,500	592	225,000	380	16,389	2.32
NOME	104,516,600	3,039	555,000	183	34,392	.53
PELICAN	7,263,100	172	-0-	-0-	42,227	-0-
PETERSBURG	116,163,500	3,001	3,160,000	1,053	38,708	2.72
ST. MARY'S	2,836,200	432	-0-	-0-	6,565	-0-
SAND POINT	17,276,000	697	-0-	-0-	24,786	-0-
SKAGWAY	52,744,600	819	961,000	1,173	64,401	1.82
UNALASKA	85,319,800	1,944	3,500,000	1,800	43,867	4.10
VALDEZ	1,743,001,700	3,279	76,849,000	23,437	531,565	4.41
WRANGELL	70,581,500	2,345	2,656,000	1,133	30,099	3.76
YAKUTAT	23,362,160	430	-0-	-0-	54,331	-0-
TOTAL CITIES	2,453,998,510	30,447	89,791,689	2,949	80,599	3.66
STATE	29,780,286,180	422,187	701,178,000	1,661	70,538	2.36
MUNICIPAL	25,788,058,230	392,492	1,091,019,504	2,780	65,703	4.23
STATEWIDE TOTAL	29,780,286,180	422,187	1,792,197,504	4,245	70,538	6.02

*TOTAL POPULATION LISTED IN THIS TABLE

Note: All population figures include military personnel.

TABLE VII
VALUATION, POPULATION AND G. O. BONDED DEBT

BOROUGHES	FULL VALUE DETERMINATION 1-1-80	POPULATION 7-1-80	G.O. BONDED DEBT 7-1-80	PER CAPITA DEBT	PER CAPITA VALUATION	DEBT % TO VALUATION
ANCHORAGE, MUNICIPALITY OF TOTAL	7,495,203,650	204,328	259,003,000	12,676	36,682	3.46
BRISTOL BAY TOTAL	57,186,900	1,685	4,000,000	2,374	33,939	6.99
FAIRBANKS NORTH STAR	1,444,688,030	60,227	35,935,000	563	23,987	2.35
Fairbanks City	795,151,200	36,457	20,591,251	565	21,811	2.60
North Pole	71,632,900	823	350,000	425	87,039	.48
TOTAL	2,311,472,130	60,277	54,876,251	911	38,379	2.37
HAINES	29,646,700	1,924	1,130,355	588	15,409	3.81
Haines City	29,672,800	1,366	845,000	619	21,722	2.85
TOTAL	59,319,500	1,924	1,975,355	1,027	30,831	3.33
JUNEAU, CITY & BOROUGH OF TOTAL	713,912,400	23,115	18,145,000	784	30,885	2.54
PENAI PENINSULA	1,758,702,610	25,507	44,762,000	175	68,950	2.54
Homer City	127,909,800	2,227	2,224,000	999	57,436	1.74
Kenai City	137,051,700	4,421	-0-	-0-	31,000	-0-
Seldovia City	12,481,900	528	462,000	875	23,640	3.70
Seward City	69,032,900	1,788	1,316,000	736	38,609	1.91
Soldotna City	85,597,750	2,365	2,726,000	1,153	36,194	3.18
TOTAL	2,190,776,660	25,507	51,490,000	2,018	85,889	2.35
KETCHIKAN GATEWAY	219,310,300	13,463	7,614,000	558	16,289	3.47
Ketchikan City	216,000,400	8,542	8,950,000	1,048	25,286	4.15
TOTAL	435,310,700	13,463	16,564,000	1,230	32,334	3.81
KODIAK ISLAND	197,169,700	11,978	3,725,000	311	16,461	1.89
Kodiak City	160,493,200	4,668	3,744,000	802	34,382	2.33
TOTAL	357,662,900	11,978	7,469,000	624	29,860	2.09
MATANUSKA-SUSITNA	965,423,500	23,177	50,455,000	2,177	41,654	5.23
Palmer City	20,735,400	2,095	2,292,022	2,094	9,898	11.05
TOTAL	986,158,430	23,177	52,747,022	2,276	42,549	5.35
NORTH SLOPE TOTAL	5,818,229,841	4,160	257,000,000	55,748	1,262,089	4.42
SITKA, CITY & BOROUGH OF TOTAL	330,920,600	8,787	15,987,800	1,819	37,660	4.83
TOTAL BOROUGHES	20,756,153,711	378,801	739,257,428	1,952	54,794	3.56

TABLE VII

VALUATION, POPULATION AND G.O. BONDED DEBT

CITIES	FULL VALUE DETERMINATION 1-1-80	POPULATION 1-1-80	G.O. BONDED DEBT 1-1-80	PER CAPITA DEBT	PER CAPITA VALUATION	DEBT % TO VALUATION
BETHEL	-0-	3,853	700,000	182	-0-	-0-
CORDOVA	56,731,600	2,780	1,888,600	679	20,407	3.33
CRAIG	8,803,900	587	-0-	-0-	14,998	-0-
DILLINGHAM	47,697,200	1,656	116,000	70	28,803	.24
GALENA	4,292,000	957	-0-	-0-	4,485	-0-
HOONAH	7,518,783	1,093	-0-	-0-	6,879	-0-
HYDABURG	3,822,600	381	-0-	-0-	10,033	-0-
KAKE	3,234,100	710	-0-	-0-	4,555	-0-
KING COVE	6,979,200	733	-0-	-0-	9,521	-0-
KLAWOCK	2,966,600	404	61,460	152	7,343	2.08
KOTZEBUE	-0-	2,526	-0-	-0-	-0-	-0-
NENANA	5,785,400	1,003	233,000	463	11,502	4.03
NOME	82,179,700	892	895,000	309	29,049	1.09
PELICAN	6,505,000	221	-0-	-0-	29,434	-0-
PETERSBURG	78,706,200	3,197	3,410,000	1,067	24,619	4.33
ST. MARY'S	2,445,000	549	-0-	-0-	4,454	-0-
SAND POINT	10,700,000	794	-0-	-0-	13,476	-0-
SKAGWAY	47,245,900	877	1,006,000	1,147	53,872	2.13
UNALASKA	56,629,100	929	3,806	4	60,957	.01
VALDEZ	1,748,232,000	4,066	76,852,000	18,901	429,964	4.40
WRANGELL	60,922,500	3,325	2,689,000	809	9,196	4.41
YAKUTAT	14,561,700	442	-0-	-0-	32,959	-0-
TOTAL CITIES	2,255,964,483	45,005	87,854,866	2,624	67,393	3.63
STATE	26,927,537,754	457,201	573,186,000	1,254	58,896	2.13
MUNICIPAL	<u>23,012,118,194</u>	<u>412,276*</u>	<u>827,112,294</u>	<u>2,006</u>	<u>55,817</u>	<u>3.59</u>
STATEWIDE TOTAL	26,927,537,754	457,201	1,400,298,294	3,063	58,896	5.20

*TOTAL POPULATION LISTED IN THIS TABLE

Note: All population figures include military personnel.

TABLE VII

VALUATION, POPULATION AND G.O. BONDED DEBT

BOROUGHES	FULL VALUE DETERMINATION 1-1-79	CIVILIAN POPULATION 7-1-79	G.O. BONDED DEBT 7-1-79	PER CAPITA DEBT	PER CAPITA VALUATION	DEBT % TO VALUATION
ANCHORAGE, MUNICIPALITY TOTAL	6,540,804,000	185,200	260,836,000	1,408	35,302	3.99
BRISTOL BAY TOTAL	41,564,600	1,585	565,000	335	24,667	1.36
FAIRBANKS NORTH STAR	2,303,862,300	60,227	36,643,000	608	38,253	1.59
Fairbanks City	727,804,500	30,462	16,055,000	527	23,892	2.21
North Pole	64,264,000	823	350,000	425	78,085	.54
TOTAL	2,303,862,300	60,227	53,048,000	881	38,253	2.30
HAINES	42,550,000	1,924	790,000	411	22,115	1.85
Haines City	22,569,900	1,366	865,000	633	16,523	3.83
TOTAL	42,550,000	1,924	1,655,000	860	22,115	3.89
JUNEAU, CITY & BOROUGH OF TOTAL	604,923,000	23,115	13,823,060	598	26,170	2.29
KENAI PENINSULA	2,050,959,800	25,507	45,739,500	1,793	80,408	2.23
Homer City	86,129,650	2,227	2,789,000	1,252	38,675	3.24
Kenai City	141,765,560	4,421	4,145,000	938	32,066	2.92
Seldovia City	9,172,600	528	477,000	903	17,372	5.20
Seward City	50,242,210	1,778	1,376,000	774	28,258	2.74
Soldotna City	84,356,630	2,365	2,790,000	1,180	35,669	3.31
TOTAL	2,050,959,800	25,507	57,316,500	2,247	80,407	2.79
KETCHIKAN GATEWAY	371,820,000	13,463	7,482,000	556	27,618	2.01
Ketchikan City	190,468,900	8,542	9,280,000	1,086	22,298	4.87
TOTAL	371,820,000	13,463	16,762,000	1,245	27,618	4.51
KODIAK ISLAND	309,925,487	8,926	3,930,000	440	34,722	1.27
Kodiak City	238,004,311	5,754	4,163,000	723	41,363	1.75
TOTAL	309,925,487	8,926	8,093,000	907	34,722	2.61
MATANUSKA-SUSITNA	928,420,000	23,177	52,455,000	2,263	40,058	5.65
Palmer City	57,824,900	2,056	2,315,278	1,126	28,125	4.00
TOTAL	928,420,000	23,177	54,770,278	2,363	40,058	5.90
NORTH SLOPE TOTAL	5,105,508,500	8,055	215,478,000	26,751	633,831	4.22
SITKA, CITY & BOROUGH OF TOTAL	322,127,700	8,787	11,008,626	1,253	36,660	3.42
TOTAL BOROUGHES	18,622,465,387	360,146	693,355,464	1,925	51,708	3.76

TABLE VII

VALUATION, POPULATION AND G.O. BONDED DEBT

CITIES	FULL VALUE DETERMINATION 1-1-79	CIVILIAN POPULATION 7-1-79	G.O. BONDED DEBT 7-1-79	PER CAPITA DEBT	PER CAPITA VALUATION	DEBT % TO VALUATION
BETHEL		3,853	765,000	199		
CORDOVA	49,704,500	2,780	1,992,800	717	17,879	4.01
CRAIG	7,918,600	587	138,111	235	13,490	1.74
DILLINGHAM	32,693,800	1,656	198,000	120	19,743	.06
EAGLE		142				
GALENA	4,011,200	957			4,191	
HOONAH	7,026,900	1,093			6,429	
HYDABURG	3,572,500	381			9,377	
KAKE	3,022,500	710			4,257	
KING COVE	6,446,300	733			8,794	
KLAWOCK	2,795,000	404			6,918	
NENANA	5,786,500	503	240,000	477	11,504	4.15
NOME	48,054,089	2,892	672,559	233	16,616	1.40
PELICAN	5,461,000	221			24,710	
PETERSBURG	66,846,200	3,197	3,715,000	1,162	20,909	5.56
ST. MARY'S	1,775,000	436			4,071	
SAND POINT	8,878,900	773			11,486	
SKAGWAY	40,996,100	877	1,585,375	1,808	46,746	3.87
UNALASKA	33,331,900	768	3,519,594	4,583	43,401	10.56
VALDEZ	1,652,877,200	4,066	59,595,000	14,657	406,512	3.61
WRANGELL	54,520,100	3,325	2,732,000	822	16,397	5.01
YAKUTAT	10,830,510	442			3,247	
TOTAL CITIES	2,046,548,810	30,796	75,153,439	2,440	66,455	3.67
STATE	25,007,474,690	429,649	670,503,000	1,561	58,204	2.68
MUNICIPAL	20,709,014,197	390,942	768,508,903	1,966	52,972	3.71
STATEWIDE TOTAL	25,007,474,690	429,649	1,439,011,903	3,349	48,115	5.75