

ALASKA LEGISLATURE COMMITTEE FILES 1987-88 8672

4465 HCRA HB 159 (FILE 3) - HB 163

39

Alaska Municipal League Policy Statement

1988



Adopted at the Business Meeting
of the 37th Annual Local Government Conference
of the
ALASKA MUNICIPAL LEAGUE
Anchorage, Alaska
November 13, 1987

D. LOCAL TAXES

1. Limitations on Tax Levying Authority: The League opposes any efforts by the State that would reduce local tax bases, limit local tax-levying authority, or adversely affect the marketability of municipal bonds.

2. State-Mandated Exemptions:

a. The League opposes the imposition of state-mandated exemptions of certain classes of property, individuals, organizations, or commodities from the application of taxes unless full compensation is made for revenues lost due to these exemptions. If the reimbursements for state-mandated exemptions are not fully funded, currently or in the future, the exemptions should be repealed.

b. The League supports a reasonable and equitable solution which would substantially diminish the current fiscal impact to municipalities caused by the operation of the senior citizen/disabled veterans property tax exemption program.

3. Payments In-Lieu: The League endorses the establishment of a program for payment in-lieu-of taxes for improved state property and state public corporation lands within a municipality.

4. Right to Tax: The League opposes any further state effort to levy a property tax that would infringe upon the rights of local governments to levy the same rate of tax as levied on other property within the taxing jurisdiction.

5. Waiver of Tax Collection: The League endorses legislation to permit the waiver of collection of taxes when collection costs exceed taxes due.

6. Removal of Sales Tax Limit: The League endorses the repeal of the sales tax limit contained in Title 29.

7. Tax Liability for Certain State Agency Properties: The League supports legislation to require payment of property taxes by state agencies for real property owned by the agency for investment purposes.

8. Local Taxes: The League endorses legislation that would amend AS 29.45.050(j), permitting a local option exemption from property taxes for inventory used in the in-state manufacture of product.

9. Disclosure of Real Property Transaction Values: The League urges that, should the Alaska Legislature enact any form of legislation requiring disclosure of real property transaction values, such legislation also require that these disclosures be shared with the local municipalities.

Alaska
MUNICIPAL
League

(13) SSB 159

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

February 10, 1988

MEMORANDUM

TO: AML Board of Directors

FROM: AML Taxation and Finance Legislative Subcommittee

SUBJECT: HB 159

After study of the complexities and administrative burdens of proposed changes both on local government and on Senior Citizens and Disabled Veterans, it is the position of this committee that:

1. Current legislation remain in effect.
2. Residency requirements similar to the Longevity Bonus Program be included.
3. Exemption be limited to the abode and parcel to which it is attached.
4. That if the state-mandated exemption is not fully funded, it should be repealed.
5. If the program is repealed by the State, it should only be optional to municipalities through vote of the people.

The committee also does not support changes proposed in the Farm Use Assessment program. Again, it is the AML's position that state mandated programs be funded or repealed. If repealed, local option to continue the program must be decided by vote of the people.



Alaska State Legislature

Please enter into the record my testimony to the House DCRA
committee name

committee on SSHB 159, dated 2/10/88
bill/subject

I'm concerned about the level of labor that would be necessary to be accountable for this. I've heard this called a "Job's Bills".

The solution is full funding or local option. If the state is going to take credit for this largesse, they should pay the bill.

Signed: Juanita Glenn
Testifier

FAIRBANKS NORTH STAR BOROUGH
Representing (Optional)

PO Box 1267 FAIRBANKS, AK 99701
Address

452-4761
Phone No.

FEBRUARY 25, 1988

The following are funding levels of the Homeowners Program given a range of full funding caps from \$150,000 to \$50,000, in increments of \$10,000.

 PROJECTED FUNDING WITH \$150,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 150000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$73,189,236		
`200-175'	\$42,585,506	230	\$34,430,926		
`175-150'	\$72,778,774	453	\$67,921,117		
`150-125'	\$121,611,018	887	\$121,611,018		CAPPED FUNDING
`125-100'	\$135,219,576	1,194	\$135,219,576		x .975 x 1.068 x 1.05
`100-75'	\$123,675,885	1,375	\$123,675,885		
`75-50'	\$76,136,664	1,183	\$76,136,664		
`50-25'	\$35,095,206	868	\$35,095,206		
`25-10'	\$8,636,697	413	\$8,636,697		
<10000	\$1,101,293	153	\$1,101,293		
	\$771,663,094	7,242	\$677,017,618	\$6,488,483	\$7,094,280 =====

PROJECTED FUNDING WITH \$140,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 140000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$68,309,954		
` 200-175'	\$42,585,506	230	\$32,135,531		
` 175-150'	\$72,778,774	453	\$63,393,042		
` 150-140'	\$48,644,407	325	\$45,500,000		CAPPED FUNDING
` 140-125'	\$72,966,611	561	\$72,966,611		
` 125-100'	\$135,219,576	1,194	\$135,219,576		x .975 x 1.068 x 1.05
` 100-75'	\$123,675,885	1,375	\$123,675,885		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		
\$771,663,094		7,242	\$662,170,459	\$6,346,189	\$6,938,701 =====

PROJECTED FUNDING WITH \$130,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 130000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.504	
> 200001	\$154,822,476	488	\$68,309,954		
` 200-175'	\$42,585,506	230	\$32,135,531		
` 175-150'	\$72,778,774	453	\$63,393,042		
` 150-130'	\$97,288,814	709	\$92,170,000		CAPPED FUNDING
` 130-125'	\$24,322,204	177	\$24,322,204		
` 125-100'	\$135,219,576	1,194	\$135,219,576		x .975 x 1.068 x 1.05
` 100-75'	\$123,675,885	1,375	\$123,675,885		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		
\$771,663,094		7,242	\$660,196,052	\$6,327,266	\$6,918,011 =====

PROJECTED FUNDING WITH \$120,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 120000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$58,551,389		
` 200-175'	\$42,585,506	230	\$27,544,741		
` 175-150'	\$72,778,774	453	\$54,336,893		
` 150-125'	\$121,611,018	887	\$106,440,000		CAPPED FUNDING
` 125-120'	\$27,043,915	200	\$24,000,000		
` 120-100'	\$108,175,661	994	\$108,175,661		x .975 x 1.068 x 1.05
` 100-75'	\$123,675,885	1,375	\$123,675,885		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		
				\$5,977,438	\$6,535,521 =====

PROJECTED FUNDING WITH \$110,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 110000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$53,672,107		
` 200-175'	\$42,585,506	230	\$25,249,346		
` 175-150'	\$72,778,774	453	\$49,808,819		
` 150-125'	\$121,611,018	887	\$97,548,019		CAPPED FUNDING
` 125-110'	\$81,131,854	716	\$78,760,000		
` 110-100'	\$54,087,902	478	\$54,087,902		x .975 x 1.068 x 1.05
` 100-75'	\$123,675,885	1,375	\$123,675,885		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		
				\$5,786,502	\$6,326,759 =====

PROJECTED FUNDING WITH \$100,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 100000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$48,792,824		
` 200-175'	\$42,585,506	230	\$22,953,951		
` 175-150'	\$72,778,774	453	\$45,280,744		
` 150-125'	\$121,611,018	887	\$88,680,017		CAPPED FUNDING
` 125-100'	\$135,219,576	1,194	\$119,410,717		
` 100-75'	\$123,675,885	1,375	\$123,675,885		x .975 x 1.068 x 1.05
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		

	\$771,663,094	7,242	\$569,763,999	\$5,460,573	\$5,970,399 =====

PROJECTED FUNDING WITH \$90,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 90000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$43,913,542		
` 200-175'	\$42,585,506	230	\$20,658,556		
` 175-150'	\$72,778,774	453	\$40,752,670		
` 150-125'	\$121,611,018	887	\$79,812,016		CAPPED FUNDING
` 125-100'	\$135,219,576	1,194	\$107,469,645		
` 100-90'	\$49,470,354	499	\$44,910,000		x .975 x 1.068 x 1.05
` 90-75'	\$74,205,531	875	\$74,205,531		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		

	\$771,663,095	7,242	\$532,691,820	\$5,105,276	\$5,581,930 =====

PROJECTED FUNDING WITH \$80,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 80000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$39,034,259		
` 200-175'	\$42,585,506	230	\$18,363,161		
` 175-150'	\$72,778,774	453	\$36,224,596		
` 150-125'	\$121,611,018	887	\$70,944,014		CAPPED FUNDING
` 125-100'	\$135,219,576	1,194	\$95,520,000		x .975 x 1.068 x 1.05
` 100-80'	\$98,940,708	1,100	\$88,000,000		
` 80-75'	\$24,705,177	275	\$24,705,177		
` 75-50'	\$76,136,664	1,183	\$76,136,664		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		
	\$771,633,094	7,242	\$493,761,067	\$4,732,167	\$5,173,985 =====

PROJECTED FUNDING WITH \$70,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 70000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$34,154,977		
` 200-175'	\$42,585,506	230	\$16,067,766		
` 175-150'	\$72,778,774	453	\$31,696,521		
` 150-125'	\$121,611,018	887	\$62,076,012		CAPPED FUNDING
` 125-100'	\$135,219,576	1,194	\$83,587,502		x .975 x 1.068 x 1.05
` 100-75'	\$123,675,885	1,375	\$96,250,000		
` 75-70'	\$15,227,333	190	\$13,300,000		
` 70-50'	\$60,909,331	992	\$60,909,331		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
< 10000	\$1,101,293	153	\$1,101,293		
	\$771,663,094	7,242	\$442,875,305	\$4,244,481	\$4,640,768 =====

PROJECTED FUNDING WITH \$60,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	% 100% OF 60000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$29,275,695		
` 200-175'	\$42,585,506	230	\$13,772,370		
` 175-150'	\$72,778,774	453	\$27,168,447		
` 150-125'	\$121,611,018	887	\$53,208,010		CAPPED FUNDING
` 125-100'	\$135,219,576	1,194	\$71,640,000		x .975 x 1.068 x 1.05
` 100-75'	\$123,645,885	1,375	\$82,500,000		
` 75-60'	\$45,681,998	710	\$42,600,000		
` 60-50'	\$30,454,666	473	\$30,454,666		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
<10000	\$1,101,293	153	\$1,101,293		
	\$771,633,094	7,242	\$395,452,385	\$3,789,984	\$4,143,836 =====

PROJECTED FUNDING WITH \$50,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	% 100% OF 50000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$24,396,412		
` 200-175'	\$42,585,506	230	\$11,476,975		
` 175-150'	\$72,778,774	453	\$22,640,372		
` 150-125'	\$121,611,018	887	\$44,340,009		CAPPED FUNDING
` 125-100'	\$135,219,576	1,194	\$59,705,358		x .975 x 1.068 x 1.05
` 100-75'	\$123,675,885	1,375	\$68,750,000		
` 75-50'	\$76,136,664	1,183	\$59,150,000		
` 50-25'	\$35,095,206	868	\$35,095,206		
` 25-10'	\$8,636,697	413	\$8,636,697		
<10000	\$1,101,293	153	\$1,101,293		
	\$771,663,094	7,242	\$335,292,323	\$3,213,415	\$3,513,435 =====

Senior Voice

010993 51000
 PATTI BECKER
 COMMUNITY & REGIONAL AFFAIRS
 POUCH BM
 JUNEAU AK 99811

110 SS HB 159

March 88



Ketchikan Daily News/Hell Anderson

A bygone era comes alive at the Ketchikan Pioneers' Home as residents enjoy a gala "Showboat" theme dinner. Festivities in Ketchikan, as well as dinners in four other Pioneers' Homes, were sponsored by Alacom. Story page 5.

Tug-of-war with Juneau Pioneers' Home continues

by Rebecca Goodman
 As the February 29 deadline approaches for private companies to submit proposals to the state for operation of the new Juneau Pioneers' Home, state officials are standing firm on their decision to keep to the original qualification standards outlined in the request for proposal. "Several of the potential offerors requested that we lower the minimum qualification standards, but we're not going to do it," said Mary Jo Jeans, director of the Division of Pioneers' Benefits in the Department of Administration. "We did make a few amendments to the RFP (request for proposal), but we did not

want to compromise the quality of care in order to allow a few more private contractors to bid," Jeans said. Not everyone is happy with the state's decision. Some firms interested in bidding to operate the Juneau home have complained that the state made the qualifying standards "too complex" and that no private contractor — no matter how qualified — could meet the state's expectations. The five firms who have expressed interest in operating the Juneau home include: ARA Services, a private for-profit, national management services firm (with Alaskan headquarters in Fair-

banks), which currently provides food services in Juneau's Bartlett Hospital and in all five of Alaska's Pioneers' Homes; Lutheran Health Systems, a private nonprofit, national health care services corporation (founded but no longer affiliated with the Lutheran Church), which operates Heritage Place skilled nursing facility and Central Peninsula Hospital in Soldotna; Denali Center and Fairbanks Memorial Hospital in Fairbanks; Kodiak Island Hospital and nursing facility; and Valdez Community Hospital; St. Ann's Nursing Home, Inc., a private nonprofit local health care facility (founded by the Sisters of St. Ann), which operates a 45-bed skilled and intermediate nursing care facility in Juneau; Southeast Alaska Region-

al Health Corporation, a private nonprofit health corporation, which operates Mt. Edgecumbe Hospital in Sitka and several health facilities and clinics throughout Southeast Alaska; and Statewide Services, a private for-profit, multi-national management services corporation (state headquarters in Anchorage), which operates food service contracts throughout Alaska and health care service and other contracts outside Alaska. Given the state's refusal to change the request for proposal to suit the bidders, some of the five potential bidders may choose not to submit bids February 29.

During public testimony on the bill, Rose Palmquist, president of the Alaska Pioneers' Home Association, said she was "convinced" that "people who may need the most help might fall into the middle-income levels on the scale," said Rep. Virginia Collins (R-Anchorage). "This bill might be creating a greater hardship for middle-income seniors who are just holding their own in this economy. I'm really uncomfortable with that."

by Rebecca Goodman
 Calling it an "administrative nightmare" and "unfair" public policy, House lawmakers in mid-February killed a bill aimed at making the senior property tax exemption program income-based. The defeated bill — SS HB159 — sponsored by Gov. Steve Cowper, was designed to replace current tax laws which give seniors 100 percent exemptions from taxes on their homes, up to \$150,000 of assessed value. Under Cowper's plan, seniors with household incomes of \$15,000 or less would have received full property tax exemptions. Seniors with annual household incomes of \$50,000 or more would have received no exemptions. Those with household incomes between \$15,000 and \$50,000 would have received a sliding-scale exemption depending upon income level. Administration officials said the plan could have saved the state as much as \$1 million. However, lawmakers in the House Community and Regional Affairs committee said they doubted whether the bill would save any money. "Administrators for this program are going to have an administrative nightmare on

their hands trying to determine a retiree's total annual household income a year to the next," said Rep. Jim Zawacki (R-Greeley). "Frankly, I can see no cost savings coming out of this bill." But Mike Worley, primary author of Cowper's legislation and state assessor within the Department of Community and Regional Affairs, told lawmakers he was certain the plan could work and would not require any more administrative manpower at the municipal level. "I agree there will be problems and that it is an undesirable thing that we have to examine people's incomes, but I feel those problems can be overcome," Worley said. Lawmakers were unconvinced. "People who may need the most help might fall into the middle-income levels on the scale," said Rep. Virginia Collins (R-Anchorage). "This bill might be creating a greater hardship for middle-income seniors who are just holding their own in this economy. I'm really uncomfortable with that."

Chugiak page 1

Grieving page 1

OAC appointees page 2

Senate bill calls for housing inventory, study

Nearly everyone agrees adequate senior housing is a major concern for both low-income and moderate-income older Alaskans. But up to now no study in Alaska has identified which housing alternatives would best meet the needs and desires of seniors.

A bill introduced in late February by Sen. Jim Duncan (D-Juneau) would begin to remedy the problem by laying the groundwork for a housing inventory and comprehensive

survey of senior housing needs.

Senate Concurrent Resolution 50 would direct the Department of Administration to work with the Older Alaskans Commission and other appropriate state agencies to identify housing alternatives, provide an inventory of existing housing and provide projections for future senior housing needs.

"I sponsored this resolution to focus attention on what I think is an area of critical need

in the housing continuum for senior citizens in Alaska," Duncan said.

alternative housing situations should be developed...

Duncan

"I believe the time has come to address the need for inter-

mediate care facilities and more housing alternatives for seniors in this state.

"Because our seniors are a valuable resource to this state and we all want them to live out their lives with as much dignity and independence as possible, alternative housing situations should be developed which respond to their needs and desires," Duncan added.

Co-sponsored by senators Mike Szymanski (D-Anchorage) and Jay Keritula (D-

Palmer), SCR 50 directs the Department of Administration to report their findings to the legislature and governor by January 15, 1988, with detailed, comprehensive recommendations for the legislative and executive actions required to provide housing arrangements.

Duncan expressed optimism for passage of the bill. It has been assigned to just one committee — State Affairs — and has no funding requirement attached.

Resolution asks for state-run Pioneers' Homes system

In the wake of recent efforts to "privatize" the new Juneau Pioneers' Home facility, Sen. Jay Keritula (D-Palmer) has introduced Senate Concurrent Resolution 47, which asks the governor to direct that all Pioneers' Homes be operated by the state rather than by private contractors.

Keritula said one reason he introduced the bill is his concern for maintaining quality care and service within the five-home system.

"I'm very much opposed to private contracting in all state

facilities," Keritula said. "The state has none of the necessary inspection programs in place to allow for appropriate oversight of these facilities. My concern is that if we continue to go this route toward privatization we're going to see a significant lessening of quality in the services," Keritula said.

Since the mid-1970s he has been collecting news articles about nursing homes outside of Alaska and their problems with contracted services, Keritula told *Senior Voice*.

"There have been and continue to be appalling abuses. What it says is: Profit motives don't serve the motive to provide good care," Keritula warned.

"It may very well cost less to operate one of the homes by a private contractor, but if the same standards of care are applied it probably wouldn't

cost less to privatize," he said. Keritula's bill has been assigned to three senate committees. It has no funding requirement.

Tax plan shot down

from page 1
dent of Older Persons Action Group, told lawmakers seniors are nearly 100 percent opposed to any needs test.

"The benefits the state derives from seniors are enough of a factor that you need to consider the disadvantages of enacting this legislation," Palmquist said.

"We feel that if you tightened up the residency requirements (spelling out primary place of abode) in the current program, you would probably get by with a \$6 million program," she added.

Demand for the senior tax relief program currently amounts to about \$6.7 million. Last year the legislature appropriated \$3 million for the program.

"I think it would be good to pass this back to the administration," Rep. Zawacki told the group. "So little of the state budget goes to seniors, I'm sure they could find \$3 million more to fund this program."

"Bob Pavitt, member of the state legislative committee of the American Association of Retired Persons, said Cowper's bill "signals a radical change in attitude toward older Alaskans. Sixteen years ago it was considered good public policy to offer tax relief to seniors. Now, the administration says the whole thing's nothing but a welfare program."

Pavitt told lawmakers, "If you respect what these people have done, and if you've devised this as good public policy, then you don't look at how much a person makes."

Testimony from Joe Evans, director of the Alaska Municipal

League, warned that a needs-based bill would require the establishment of "local IRS" (Internal Revenue Service) in order to track and screen retirees' tax returns.

"It goes beyond that, too," Evans said. "The state often seems to want to forget about our citizens at the other end of the age spectrum. This kind of public policy puts seniors on the back burner, gives seniors the back hand. This really comes down to a policy issue. We need to keep seniors in this state. I don't think this bill serves public policy."

"We administrators on the local level want to see these programs adequately funded by the state," Evans said.

Following testimony, Rep. Heinrich Springer, (D-Nome), chair of the House Community and Regional Affairs committee, called Cowper's needs-based plan dead.

But Springer called the \$3 million shortfall facing the senior tax relief program a serious matter requiring further scrutiny.

"Why if we came down to \$125,000 from the \$150,000 tax cap?" he asked. "If it's true that we cannot find the money to fully fund this program, then maybe we should have the guts to stand up and say we'll go down to a \$125,000 tax cap plan. That might be more palatable than a needs-based plan," he said.

At *Senior Voice* press time another hearing on the senior property tax exemption issue had been tentatively set for March 2 by the House Community and Regional Affairs committee.

In Fairbanks spring takes off like a shot!



Fairbanks Convention and Visitors Bureau/Roxanne Kent

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550 RP First Avenue
Fairbanks, AK 99701 - 4790
(907) 456-5774



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Copy sent to:
Governor Steve Cooper

Sincerely,
Annex. Peter
Secretary KPTH

→ At the Kenai Peninsula Retired Teachers Association meeting on February 20, the members unanimously directed me to write you. Our members are opposed to SS-HB 159 regarding a needs based property tax exemption. We strongly urge that this bill not be passed.

Dear Mr. Springs:

Representative Heinrich Springs
P.O. Box V
Juneau, Alaska 99811

P.O. Box 8345
Nikiski, Alaska 99635
Feb. 22, 1988

FEB 26 1988

for / CRA

SSHB159

17a

[Handwritten signature]

(176) SSHB 159

Please see that the following House Committees receive a copy of this: Community & Regional Affairs, Finance, Rules

We have also been asked to see that Senator Fred Zharoff receives a copy.

FEB 17 1988

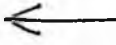
February 16, 1988

Honorable Cliff Davidson
Alaska State Legislature
House of Representatives
P.O. Box V
Juneau, Alaska 99811

RE: SS HB 159 Regarding Property Tax Exemption

Dear Representative Davidson:

At the Pioneers of Alaska Kodiak Igloo #18 and Auxiliary #17 February 11 regular meeting, the members approved a motion to send a letter to the Legislature asking that the provisions regarding property tax exemption for senior citizens be left as they are. The motion was in response to the changes proposed by SS HB 159. The Pioneers in Kodiak oppose a needs-based approach to the exemption.



Sincerely,

Jim Duros
Secretary, Igloo #18

Nancy E. Jones
Secretary, Auxiliary #17

PUBLIC OPINION MESSAGE

fr/CLA

DEAR: REPRESENTATIVE SPRINGER

FEB 15 1988

NAME: GEORGE A MITCHELL

TITLE:

ADDRESS: 537 E FERN ST

CITY: PALMER

ZIP: 99645

PHONE: 745-8160

BILL NO: HB 159

SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME

MESSAGE: URGE A "NO" VOTE, AS THIS WOULD BE VERY DETRIMENTAL TO THE ALREADY HURTING AGRICULTURE INDUSTRY. THE SAVINGS TO THE STATE AND THE BOROUGHS ARE NOT GREAT ENOUGH TO RISK THE ADVERSE EFFECTS ON AGRICULTURE IN ALASKA.

POMID: 14091538

DATE: 02/12/88

TIME: 09:15:38

LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MEHARD	MILLER	JOSEPHSON
NAVARRE	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

fr/CLA

DEAR: REPRESENTATIVE SPRINGER

FEB 12 1988

NAME: OLSON FARMS: MANVIL, BEULAH, ARNOLD,

TITLE: HAROLD, AND KAREN LEE

ADDRESS: S R BOX 2990

CITY: WASILLA

ZIP: 99687

PHONE: 376-5777

BILL NO: HB 159

SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME

MESSAGE: WE URGE YOU TO MAKE NO CHANGE IN THE PRESENT FARM USE PLAN FOR TAX EXEMPTION PURPOSES. WE HAVE USED THIS PLAN SINCE ITS BEGINNING AND SEE NOTHING WRONG WITH IT. FARMERS NEED AND APPRECIATE THIS AID. THANK YOU.

POMID: 14112335

DATE: 02/11/88

TIME: 11:23:35

LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MENARD	MILLER	JOSEPHSON
NAVARRE	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

(7 poms)
17c
SSH 159

PUBLIC OPINION MESSAGE

9

DEAR: REPRESENTATIVE SPRINGER

FEB 12 1988

NAME: DELON BROWN
 TITLE:
 ADDRESS: POB 799
 CITY: PALMER ZIP: 99645
 PHONE: 745-4272
 BILL NO: HB 159
 SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME
 MESSAGE: I DISSAPPROVE OF BILL SSHB 159 AND ITS CONTENTS. I RECOMMEND THAT WE KEEP AND FUND AS-29 AND ITS CURRENT LANGUAGE. EACH YEAR MILLIONS OF DOLLARS FROM THESE FARMS ARE RECIRCULATED WITHIN THE STATE AND BOROUGHES. WHICH ADDS JOBS AND PROMOTES LOCAL HIRE. THOUSANDS OF TOURISTS VIEW AG OF THE MAT-SU AND FAIRBANKS AREAS. EACH YEAR SEVERAL GROUPS FROM OUTSIDE PUT TOGETHER BUS TOURS DESTINED FOR ALASKA.

POMID: 14105021
 DATE: 02/11/88
 TIME: 10:50:21
 LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MENARD	MILLER	JOSEPHSON
NAVARRE	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

2

DEAR: REPRESENTATIVE SPRINGER

NAME: JERRY GIAUQUE
 TITLE: PRESIDENT, AK FARMERS & STOCKGROWERS
 ADDRESS: POB 1722
 CITY: PALMER ZIP: 99645
 PHONE: 745-4017
 BILL NO: HB 159
 SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME
 MESSAGE: THE ALASKA FARMERS AND STOCKGROWERS ASSOCIATION 1988 RESOLUTION PLATFORM WAS ADOPTED BY THE GENERAL ASSEMBLY ON 11/20/1987. RESOLUTION #15 OPPOSES HB 159 AND URGES THE LEGISLATURE TO FUND THE TAX DIFFERENTIAL ON AGRICULTURAL LANDS TO MUNICIPALITIES AS ESTABLISHED UNDER A.S. 29. THIS ONLY AMOUNTS TO \$345,000.00.

POMID: 14134643
 DATE: 02/10/88
 TIME: 13:46:43
 LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHEP	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MENARD	MILLER	JOSEPHSON
NAVARRE	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SPRINGER

Sp/CRB

NAME: PAULA GIAUQUE

TITLE:

ADDRESS: POB 1722

CITY: PALMER

PHONE: 745-4017

ZIP: 99645

BILL NO: HB 159

SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME

MESSAGE: I OPPOSE SSHB 159 AND URGE THE LEGISLATURE TO FUND THE TAX DIFFERENTIAL OF \$345,000.00 ON AGRICULTURAL LAND AS PROVIDED FOR UNDER A.S. 29. AGRICULTURE CONTRIBUTES TO THE ECONOMY, ATTRACTS TOURISTS AND PROVIDES EMPLOYMENT. AGRICULTURE WOULD BE HURT WITHOUT THIS FUNDING.

POMID: 14135509

DATE: 02/16/88

TIME: 13:55:09

LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES

ADAMS	BARNES
BOUCHER	BOYER
BROWN	CATO
COLLINS	COTTEN
DAVIDSON	DAVIS
DONLEY	ELLIS
FRANK	FURNACE
GOLL	GRUENBERG
GRUSSENDORF	HANLEY
HERRMANN	HOFFMAN
HUDSON	KOPONEN
LARSON	MARTIN
MENARD	MILLER
NAVARRÉ	PEARCE
PETTYJOHN	PHILLIPS
POURCHOT	RIEGER
SHULTZ	SUND
SWACKHAMMER	TAYLOR
ULMER	WALLIS
ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SPRINGER

Sp/CRB

FEB 12 1988

NAME: DOUG WITTE

TITLE:

ADDRESS: POB 1142

CITY: PALMER

PHONE: 745-4308

ZIP: 99645

BILL NO: HB 159

SUBJECT: RELATING PROPERTY TAX EXEMPTION TO INCOME

MESSAGE: I AM BASICALLY OPPOSED TO THIS BILL, IN PARTICULAR SECTIONS 4 & 5. I URGE THE LEGISLATURE TO FUND A.S. 29

POMID: 14084444

DATE: 02/12/88

TIME: 08:44:44

LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MENARD	MILLER	JOSEPHSON
NAVARRÉ	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SUND	STURGULEWSKI
SWACKHAMMER	TAYLOR	SZYHANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF


Alaska
MUNICIPAL
League

(18) SSB 159

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

TO: Representative Henry Springer, Chair
Members of the House Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: February 29, 1988

SUBJECT: SSB 159 - Exemptions etc. from municipal property taxes

After studying of the potential costs, complexities and administrative burdens on local governments and on senior citizens and disabled veterans proposed in Sponsor Substitute for HB 159, the Alaska Municipal League does not support SSB 159. The proposed legislation does not provide a reasonable and equitable solution to funding shortfalls under the existing statutes, and provides no assurances that the current fiscal impact resulting from the shortfalls will be diminished in the future. The AML supports the state program of reasonable property tax relief to encourage senior citizens and disabled veterans to remain in Alaska; however, such support is based on the Legislature fully reimbursing municipalities for the revenues lost as a result of the state-mandated program. Without full funding of the current program or legislative changes that substantially reduce or offset the losses to local revenues as a result of funding shortfalls, the Legislature should repeal the program. } ←

If the Legislature believes in the program and wishes it to continue, then the program should be fully funded. The program has been underfunded since 1986 and the municipalities have been forced to provide the exemption without full reimbursement for three years. Municipalities are currently paying for more than half of the state-mandated program shortfall plus the administrative expenses. During these three years municipal assistance and revenue sharing program funding has also decreased. The Governor has requested only \$3 million for FY 89, while the Department of Community and Regional Affairs estimates the cost to be \$6,750,000. SSB 255, currently in House Rules, recognizes the shortfall and includes the full amount.

In addition, if the existing program is to stay in effect, the AML would request changes to the existing program to tighten it up. Residency requirements are needed to insure the benefit accrues to those intended. For example, residency requirements such as those under the Longevity Bonus program are suggested. Also, it should be clarified that the exemption is limited to the individual's primary residence and the single underlying parcel i.e. not contiguous parcels.

If the state-mandated, property tax, exemption programs are not fully funded by the State, then the Legislature should repeal the programs. In repealing the programs, the Legislature should allow municipalities the option, with the vote of the local voters, of continuing to provide a similar program. Any repeal should recognize the fact that exemptions must be filed by January 15 of each year; therefore, if the Legislature decides to repeal the program this session, FY 89 funding of \$6.75 million is still necessary to offset the exemptions already given by municipalities.

Sponsor Substitute for HB 159 reflects a great amount of time and effort by State Assessor Mike Worley to revise the program under current statutes to reduce the costs to municipalities without repealing the program as originally proposed by the original HB 159; however, the substitute does not propose acceptable changes. The AML was involved in the discussions to determine if suggested changes would significantly and equitably reduce the fiscal impacts on local governments caused by under-funding by the State. In summary, the proposal is not acceptable because:

1. The proposed changes would recognize and legislate a municipal share in the state-mandated program.
2. While under the proposal, the municipalities' burden may be reduced to 25% of the current cost of the program, the proposal is based on the assumptions is that the Legislature will fund 50% of the program costs (currently funding less than 50%) and that the proposed sliding scale will reduce the cost to the State and municipalities by 25%. With the continued "subject to legislative appropriation" language and expected growth in eligibility and, therefore, the cost of the program, the municipalities will continue to be required to pick up any shortfalls in funding. As an aside, a suggestion by AML that the exemption be granted on a pro rata basis equal to the percentage of full funding by the State was rejected as technically not possible.
3. The proposed sliding scale is potentially awkward and intrusive. The administration of the program will be more complex and the increased burden and cost will fall, as it does now, on the municipalities.

Again, the AML does not support the Sponsor Substitute for HB 159. The AML urges the Legislature to continue the current program by fully funding it and making minor changes to close unintended loopholes. If the Legislature is unwilling to fully fund the state-mandated program, then the AML requests that the Legislature fully fund the program for FY 89, repeal the program effective January 1, 1989, and allow municipalities the option of continuing a similar program at the local level if approved by the local voters. Thank you.

FEB 22 1988

PIONEER WOMEN OF ALASKA

AUXILIARY NO. 1
NOME, ALASKA

D-11-1

Sp / CRA

19

SSAB 159

Box 1175
Nome, Alaska 99762

February 17, 1988

Representative Heinrich Springer
P.O. Box V
Juneau, Alaska 99811

Dear Henry,

Pioneer Auxiliary No. 1 of Nome endorses and supports the following bills which will be considered by the House of Representatives during the current session:

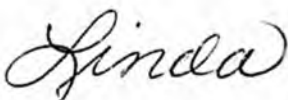
The Longevity Bonus Annuity Program. Auxiliary No. 1 is in favor of Senate Bill 56 as passed. We do NOT support a program based on need.

Tax exemption for Senior Citizens as now is effect. We do not support a tax exemption program based on need.

A State Operated Pioneer Home system with admission NOT based on need.

Thank you for listening to our concerns.

Sincerely yours,



Linda E. Conley
Secretary

011072 X0888 FB
 COMMISSIONER'S OFFICE
 COMMUNITY & REGIONAL AFFAIRS
 POUCH B COMM
 JUNEAU AK 99811

MRAD
 DEPT. OF COMMUNITY
 AND REGIONAL AFFAIRS

Kenai reaffirms senior tax break

by Ronnie Chappel
 SOLDOTNA
 The Kenai Peninsula Borough Assembly has refused to repeal the unlimited property tax exemption now given senior citizens and disabled veterans.

Last year, those exemptions cost other borough taxpayers more than \$400,000. A dozen peninsula homesteaders testified against repeal of the tax break.

Most described themselves as land rich but cash poor. "You put 30 years into building a home and yet see other people trying to grab it away from us," said Wallace Sidback of Nikiski. "This is a good way to do it because there are an awful lot of folks who can't pay the additional tax you want to impose on us."

Many homesteaders can't afford to subdivide their land, and even if they could, the market is so poor that they would be able to sell enough lots to pay their taxes or to cover the cost of surveying, said Elmer Gaede of Soldotna.

"It doesn't make any sense to see no justification for this at this time," he said. Others said the assembly should not tamper with the exemption for residents 65 years old and older that was approved by voters only two years ago.

The state is supposed to reimburse the borough for the cost of exempting the first \$150,000 of appraised value on a senior citizen's home. Last year, the borough received only 26 percent of the money to which it was entitled. As a result, the borough had to spend an additional \$330,000 on the program.

The borough also exempts that portion of the value in excess of \$150,000. Last year, 705 people applied for the tax break. Fewer than 120 had property appraised at more than \$150,000.

There are problems with this program," said Kalfornsky Assemblyman Pat O'Connell. "We are giving an unlimited tax exemption. In some cases it's up to \$900,000. We don't know if they even live in the state. They don't pay a

The high cost of Alaskan care

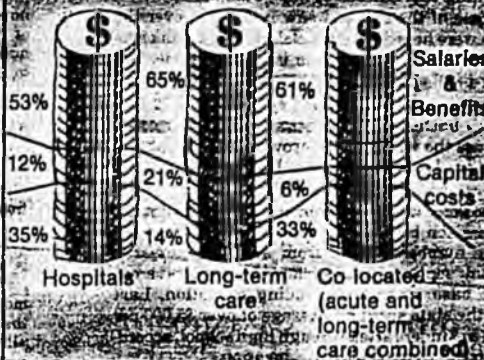
by Rebecca Goodman
 A new study released by the Health Association of Alaska indicates cost of living and facility occupancy rates are among the key factors driving Alaska's health care costs.

The report, "A Study of the Factors Influencing Acute and Long Term Care Health Costs in Alaska," was prepared by the Health Association of Alaska and presented in mid-January to the Governor's Interim Commission on Health Care by John J. Peschek, vice president of Medical Reimbursement Advisors, a Washington-based firm.

Peschek, who has spent the past six years providing health care financial consulting services in Alaska, told health care commissioners the major forces affecting the state's health care costs include cost of living, occupancy rates, number of beds and age of health care facility, location, and diversity of services.

"Alaska's cost of living is much higher than the national average," Peschek told commissioners. "The wage adjustment factor used by Medicare for Alaska is 56 percent higher than the national average. In Anchorage, supplies, food and utilities are 25 percent above the national average and it is much higher in rural areas."

Where the money goes



Source: Study of the Factors Influencing Acute and Long Term Health Costs in Alaska, 1988.

Peschek pointed to the labor-intensive nature of health services as one reason salaries and benefits comprise the highest cost component for all the state's care facilities.

"Since health care is so much directed toward personal care of patients, a high percentage of cost of each facility goes toward salaries and benefits," Peschek said.

In Alaska's long term care facilities, an average of 65 percent of the facilities' costs is expended for salaries and benefits; 21 percent of the cost goes for capital expenses; and 14 percent is for food, utilities, supplies, and some therapeutic



Elda Cashen of Juneau in new Juneau Pioneers' Home.

Making of a

Pioneers' Home, 1988

Until now each of the five nursing home residence facilities that make up Alaska's unique Pioneers' Home system have been operated and managed by the state of Alaska.

Spurred by lawmakers and an administration eager to trim the system's \$20 million-plus operating budget, the state is on a fast track to use private-sector management for the new Juneau Pioneers' Home.

If private management works right at the Juneau home some suggest it could become the future course for existing homes in Sitka, Palmer, Fairbanks, Anchorage and Ketchikan.

But will the Juneau experiment in privatization work?

Has the state done enough to assure quality of care under privatization at the \$7.3 million Juneau home?

Find out what older Alaskans and state officials are saying about the privatization experiment in a special report, "The making of a Pioneers' Home, 1988," beginning on page 11.

Feb-88

Senior Voice

Ryan Air offers a Senior Citizen Discount of 20%.

THE BWC is fast and reliable so you get where you're going in a timely

Professional CALL NOW

2 day car rental
Restrictions apply

Restrictions apply

Senior directories in the mail

If you're a senior citizen in Fairbanks with a leaky radiator, an elder in Aniak who needs senior meals or an older Alaskan in Anchorage who needs a nursing home, the newly published "Alaska's Senior Citizens' Guide" can help you.

About 4,000 copies of the free booklet have been mailed to seniors across the state, and another 16,000 will be in the mail in early February.

The yellow-covered, 54-page guide contains the names of businesses offering senior discounts, as well as information on senior services and programs in communities throughout Alaska. It was produced as a collaborative effort by Anchorage Telephone Utility/GTE; the Older Alaskans Commission and Older Persons Action Group (OPAG).

The booklet is the first complete publication of senior information in Alaska to appear since 1985. OPAG published a similar directory annually for about four years with city and state grants but

was forced to discontinue publication for lack of funds.

When ATU/GTE began offering telephone book yellow pages advertisers a special logo to denote senior discounts, talks about a joint directory venture began.

"We'd been asking for some time what we could do for the community," said Bonnie Hurst, ATU/GTE spokesperson. "This seemed like a natural."

Not only does it help seniors find their way to discounts and services, it helps business people reach their targeted audience, she explained.

For the new guide, OPAG compiled and edited information about services, programs and organizations. ATU/GTE used their computer to sort yellow-page listings throughout the state to find where senior discounts were offered. They also provided typesetting and printing for the 30,000 copies.

The Older Alaskans Commission partially funded OPAG's work on the project

and paid for mailing 20,000 booklets to every senior on the Longevity Bonus list and the Senior Voice mailing list.

"There will be overlap on the lists, and some homes may receive as many as three booklets," explained Dave Herndon, OPAG executive director. "We're hoping those who have extras will share them with their friends."

Copies also have been mailed to all legislators and many government officials.

In the past fewer than 9,000 copies were produced each year, and many who requested directories were turned away. The larger press run should mean everyone who wants a copy of the current guide can get one, Herndon said.

Anyone who hasn't received a copy of the guide by mid-February can call OPAG toll free at 800-478-1059 (in Anchorage, 276-1059).

Need tax help?

The 1988 American Association of Retired Persons (AARP) Tax-Aide Program will again offer free income tax counseling and tax preparation for older and low-income persons through April 15.

Tax-Aide volunteers attend an intensive training course taught by Internal Revenue Service personnel and are required to pass a written test on tax code revisions affecting older taxpayers before they are assigned to a site.

Tax counselors also make home visits to the handicapped and shut-ins.

AARP will have volunteers at tax sites in Anchorage, Fairbanks, Kenai, Juneau, Soldotna and Talkeetna.

Anchorage volunteers will be at the Anchorage Senior Center (258-7823) and Older Persons Action Group (276-1059) each Thursday and Friday February 4 through April 15.

Receptionists at both tax sites will have information on hours.

Kenai reaffirms senior tax

from page 1
dime of taxes and nobody's checking."

The repeal proposal proved so unpopular that even its sponsor, Soldotna Assembly

man David Carey, voted against it. Carey said he introduced the measure because it afforded senior citizens a chance to defend the tax break now instead of in April or May,

when dozens of special interest groups are pressuring the assembly for money.

Reprinted from Anchorage Daily News



Sunrise Bakery

HPB

163

HOUSE COMMITTEE REPORT

(5)

Date referred: 3/4/87

FURTHER REFERRALS: Finance

DATE: 03/20/87

The Community and Regional Affairs Committee has considered HB 163

"An Act relating to advisory elections on certain annexation proposals."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SPRINGER Heinrich Springer

—

— Typographical error

— Noted

— p. 2 l. 8

— should refer to

— Article X not Article IX

— of State constitution

—

—

SIGNING OTHER RECOMMENDATIONS:

— CATO Better Cats - No Rec.

— Collins Opposed

— No Rec.

— HERMANN Adelheid Herrmann No Rec.

—

—

—

Springer Heinrich Springer
Chairman's signature

DATE: 03/20/87 FRIDAY TIME: 03:00 PM AST DUR 120 MIN 0

SFONSOR: HCRA 0

SITES: JNU*, DLG, HNS, 0

SUBJECT: LEG.PUB.HEAR./HB163: ADVISORY ELECTIONS ANNEXATION PROPOSALS

JNU ROOM: CT-603, HCRA

DATE: 03/20/87 FRIDAY TIME: 03:00 PM AST DUR 120 MIN 0

SFONSOR: HOUSE STATE AFFAIRS 3

SITES: JNU*, ANC, FBX, KTN, MAT, NOM, SIT, VAL,

SUBJECT: LEG.PUB.HEAR./HB167: MANDATORY USE OF SEAT BELTS

HB158: PENALTY FOR CERTAIN TRAFFIC OFFENSES

JNU ROOM: C-102, HSA

PRESS ENTER OR PF8 TO DISPLAY NEXT PAGE, PF7 FOR PREVIOUS PAGE

SCHMS03 12/12/83

SCHFRIN

Mr. Nelson,

Per our telecon, the meeting is scheduled, as you
can see from the above printout.

You may wish to contact

Elaine, Sitka moderator, 747-6276

or Aleta, there in Haines.

to reconfirm the teleconference, just prior to
Friday, since you do not have a phone where
we can reach you at.

Thank you for calling. I look forward to hearing
from you at the teleconference.

Martha Fischbach
Secretary
HCRA

Lynn

LHSCMMI-
(pls call, too)

(B) HB163

LEGISLATIVE SPONSOR:

HCRA

pub hear

work ses

inv hear

T/C DATE/DAY: 3/20-Fri

TIME: 3:00-4:30

LEGISLATIVE REFERENCE: HB163

JUNEAU ROOM: Ct 603-

SUBJECT: Advisory Elections
Annexation Proposals

BRIDGE: _____

OF PORTS: _____

CONTACT: Martha PHONE: 4833

DATE TAKEN/BY: 3/12-AR

Rep. Springer

SITES PARTICIPATING:

LIO'S

LTC'S

VTS'S

- Anchorage
- Barrow
- Bethel
- Delta Junction
- Dillingham
- Fairbanks
- Glennallen
- Juneau
- Ketchikan
- Kodiak
- Kotzebue
- Mat-Su
- Nome
- Petersburg
- Sitka
- Soldotna
- Valdez

- Fort Yukon
- Galena
- Homer
- Naknek
- Newhalen
- St. Paul
- Sand Point
- Togiak
- Unalaska
- Wrangell

See List on Reverse Side } Haines

ALL LIO'S

ALL LIO's/LTC'S

OTHER SITES WELCOME WITH PRIOR NOTIFICATIO

CFFNETS: _____

CHAIRING SITE: JNU

CHAIRPERSON: Rep Springer

[] CONFORMS TO LEGISLATIVE COUNCIL POLICY 4/85

MS 3/12/87
SIGNATURE OF SPONSOR/CONTACT PERSON DATE

SPECIAL INSTRUCTIONS

Martha will contact Linda from Rep. Goll's office to get participant(s) name(s) for Haines. 3/12 AR

Haines <

(Herman)
Louie Nelson
Mayor Bob Nelson
Henderson

766-2231

- notified 3/12 of telecon told to participate (TH)

(A) HB 163

PRINT L10U
OPERAND 1 NOT RECOGNIZED
SUBJECT: FINAL STATS FR HAINES
FROM: LIDCELA
FOLDER:

DELIM ;
INBOX
SENT 03/20/87 20:25

SECURITY LEVEL: 2 RETENTION PERIOD: 3
.....2.....+.....3.....+.....4.....+.....5.....+.....6.....+.....7.....+.....8.. 001/01
MARCH 20, 1987 001/02
COMMUNITY & REGIONAL AFFAIRS -H 001/03
HB 163-ANNEXATION PROPOSALS 001/04
HAINES 001/05
ALETA ADKINS - VOLUNTEER MODERATOR 001/06

FINAL STAT (FORWARD BY SITKA LIO TO MODERATOR & MARTHA)

SITKA
NAME/REPRESENTING ADDRESS PHONE # T O
1. LOUIS NELSON, BOX 2097, HAINES, AK. TESTIFIED 001/11
2. GEORGE MEACOCK, BOX 56, HAINES, AK. TESTIFIED 001/12
3. BOB HENDERSON, BOX 105, HAINES, AK. TESTIFIED 001/13
4. SCOTT CAREY, BOX 883, HAINES, AK. TESTIFIED 001/14
5. LOUISE HOLMSTEAD, BOX 87, HAINES, AK. TESTIFIED 001/15

001/16
001/17
001/18
MORE...
DELIM ;
INBOX

SUBJECT: FINAL STATS FR HAINES
FROM: LIDCELA
FOLDER:

SENT 03/20/87 20:25

SECURITY LEVEL: 2 RETENTION PERIOD: 3
.....2.....+.....3.....+.....4.....+.....5.....+.....6.....+.....7.....+.....8.. *****
5 TESTIFIED 001/18
0 UNABLE 001/19
0 OBSERVED 001/20
5 TOTAL 001/21
001/22
001/23
001/24

3:00-4:10PM START/END TIME 001/25
001/26

Dillingham

Jeff Labahn, City Mgr, Box 889, 99876⁵ Testified

76 HB 163

BILL WORKSHEET

Bill #: HB 163
Date Sched.: HCRA Committee, Friday, March 20, 1987
Title: "An Act relating to advisory elections on certain annexation proposals"
Sponsor: Rep. Goll

Info Attached: Copy of Bill
Fiscal Note
Existing statute
Position paper from Department of Community and Regional Affairs
Data from Fourteenth Legislature re: HB 15
Memo to Rep. Goll from T. Cook re: Constitutional amendment
Memo to Rep. Goll from T. Cook 12.5.83
Letter to Rep. Goll from Local Boundary Commission
DCRA position paper 3.22.85
Position paper 3.6.85
Letter to Rep. Goll from DCRA Commissioner 4.2.85
DCRA position paper 5.6.86
Memo to Rep. Goll from House Research Agcy.

Sponsor's Briefing, Intent/purpose:

At this writing we have recieved no information from sponsor. Obviously 'legislative review' annexation proceedings in Haines raised citizen ire as usual; only in this case, the furor has not died away.

Effect of Bill:

- Sec. 1 -- Advisory Elections on Annexations
 - Subsections (a) and (b) require that advisory elections be conducted in an area proposed for annexation and the results be presented to the Local Boundary Commission at their formal hearing. The initiator of the annexation proceedings would conduct and pay for the advisory election: The municipality in subsection (a) and the LBC in subsection (b).
 - Subsection (c) provides that a municipality may conduct an advisory election (in which all municipal voters may participate) on an annexation proposal and may present the results to the LBC if the municipality is having its territory affected by annexation proceedings.
 - Subsection (d) reiterates that the elections authorized in this bill are advisory in nature and do not have to sway the LBC. NOTE: an error in this subsection refers to Art. IX in the State Constitution, the reference should be to Art. X.
- Sec. 2 -- Limitations on Home Rule Powers
 - This section extends applicability of the bill to Home Rule municipalities as does subsection (e) of the bill.

Fiscal Impact:

DCRA fiscal note: 0 (Zero)

Division of Elections fiscal note: annualized figure of \$1142/year with analysis.

Proponents: Rep. Goll, Mr. Louis Nelson

Opponents: Dept. of Community and Regional Affairs and Local Boundary Commission

Analysis of Bill's effect, by staff:

Arguments against this bill fall into two categories, philosophical/Constitutional and practical. The 'legislative review' process of annexation was included in the Constitution in order to provide municipal governments with the means to effect an annexation to accommodate a compelling public need or public interest in those circumstances where a majority of the residents in the territory proposed for annexation may not support it. Since the nature of legislative review annexations is that they are seldom supported by the residents or property owners of the area proposed for annexation, the implications of requiring an advisory election seem to conflict with the principles behind the process.

The LBC would respond that the legislative annexation process is a legitimate means of annexation and that adequate safeguards exist against misuse of the process. These include DCRA investigation and report, LBC hearing and decision, and legislative review. The argument can be made that the municipality can conduct an opinion poll or an advisory election and present the results to the LBC now.

Chief among the practical concerns is that special elections would have to be pre-approved by the U.S. Dept. of Justice because the Federal Voting Rights Act (1965) applies. Preparation to submit the Federal application would require considerable effort. Approval would involve a delay of about two months. Second practical concern is the high cost of elections under sections (a) and (b) of the bill since areas proposed for annexation would probably not coincide with established voting precincts.

Committee Report:

(D) HB 163

DELIM ;
INBOX

SUBJECT: FINAL NAMES FOR MARTHA

SENT 03/23/87 12:35

FROM: LIOCFWW

FOLDER: SECURITY LEVEL: 2 RETENTION PERIOD: 3

.....2.....3.....4.....5.....6.....7.....8.. 001/01

FINAL STATS 001/02

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE TELECONFERENCE ON 001/03

HB163 - ANNEXATION 001/04

SITE: DILLINGHAM LIO 001/05

DATE: MARCH 20, 1987 001/06

TO TESTIFY 001/07

1. JEFF LABAHN, CITY MANAGER, CITY OF DILLINGHAM, BOX 889, 001/08

DILLINGHAM, ALASKA 99576 001/09

TO OBSERVE 001/10

1. VIVIAN BRASWELL, CITY CLERK, CITY OF DILLINGHAM, DILLINGHAM, 001/11

MORE... 001/12

DELIM ;
INBOX

SUBJECT: FINAL NAMES FOR MARTHA

SENT 03/23/87 12:35

FROM: LIOCFWW

FOLDER: SECURITY LEVEL: 2 RETENTION PERIOD: 3

.....2.....3.....4.....5.....6.....7.....8.. *****

1. VIVIAN BRASWELL, CITY CLERK, CITY OF DILLINGHAM, DILLINGHAM, 001/18

ALASKA 99576 001/19

001/20

001/21

print

DELIM ;
INBOX

SUBJECT: NAMES FOR MARTHA

SENT 03/23/87 12:35

FROM: LIOCFWW

FOLDER: SECURITY LEVEL: 2 RETENTION PERIOD: 3

.....2.....3.....4.....5.....6.....7.....8.. 001/01

MARCH 20, 1987 001/02

COMMUNITY & REGIONAL AFFAIRS --H 001/03

HB 163-ANNEXATION PROPOSALS 001/04

HAINES 001/05

ALETA ADKINS - VOLUNTEER MODERATOR 001/06

FINAL STAT (FORWARD BY SITKA LIO TO MODERATOR & MARTHA) 001/07

001/08

001/09

001/10

NAME/REPRESENTING ADDRESS PHONE # T O 001/11

1. LOUIS NELSON, BOX 2097, HAINES, AK. TESTIFIED 001/12

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5. LOUISE HOLMSTEAD, BOX 87, HAINES, AK. TESTIFIED 001/16

001/17

001/18

MORE...

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

MARCH 19, 1987

POSITION PAPER (revised 3/19/87)

RE: HB 163 - - "An Act relating to advisory elections on certain annexation proposals."

SPONSOR: Representative Goll

Program Effects of Bill

If a municipality requests annexation under the legislative review process [AS 29.06.040(b)], the bill would require the municipality to conduct an advisory election on the proposed boundary change in the area proposed for annexation. If the annexation was not initiated by the municipality whose boundaries were to be changed, the Alaska Division of Elections would be responsible for conducting the election. In either case, the results of the advisory election must be made available to the Local Boundary Commission (LBC) at a hearing to be conducted on the proposed annexation.

Subsection (c) of the bill would permit advisory votes to be conducted in which all municipal voters may participate. A municipality may present the results of such an advisory election to the Local Boundary Commission if the area of the proposed annexation is located within the municipality or proposed to be annexed to the municipality.

Subsection (d) clarifies the advisory nature of the vote by noting that "nothing in this section affects the authority of the Local Boundary Commission to present proposed boundary changes to the legislature."

Comments

The department opposes this bill for the following reasons:

- ° The value and benefit of these advisory elections is somewhat questionable, especially when one considers the "red-tape" and cost involved in conducting them. It is a valid assumption that residents affected by legislative review annexations will not generally support an action that may bring with it increased taxation and government control. These persons are given adequate opportunity to testify and make their case at a locally conducted public hearing of the LBC. Residents may submit petitions representing the views of affected persons and rebut municipal arguments supporting the annexation.

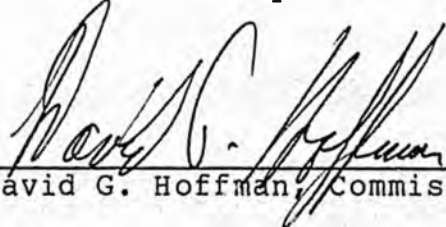
② HB 163 2/18

STEVE COWPER, GOVERNOR

- P.O. BOX B
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

The opportunity to air relevant facts and differing opinions already exists and it is unclear how much additional light is shed on the process by conducting an advisory election on the annexation action. An advisory election would simply quantify opposition which, based on past experience is always assumed by the LBC to be significant. Given this opposition, it is the Commission's task to consider broader interests, equity, and uniformity outside of the parochial interests of the area affected by the boundary change. The LBC has established standards that are objectively applied to annexations and the Department believes these standards insure that the Commission acts upon petitions in an equitable and consistent manner as carefully defined by law. The 45 day review by the Legislature provides a further opportunity for appeal of controversial decisions made by the Commission.

- ° The special elections required under the bill would, we believe, be subject to provisions of the Federal Voting Rights Act of 1965, as amended (FVRA). Thus, before such an election could be held, the concurrence of the U.S. Department of Justice to hold the election would have to be gained under the provisions of the FVRA. The preparation of the FVRA submission will, in most instances, represent a substantial effort for a municipality. Review of the submission by the Department of Justice would entail a minimum of 60 days.
- ° Conducting elections will be expensive for the municipalities involved. (NOTE: nearly all of the legislative review annexation petitions are initiated by municipalities. Thus, the burden of this bill would fall principally upon those entities.) In addition to preparing the FVRA submission, municipalities would have to schedule and conduct the elections. Because the area proposed for annexation would, in virtually every instance, differ from any established voting precinct, conducting such elections would be particularly difficult.
- ° We believe that the bill would add three months or more to the time required to prepare and submit a petition for annexation under the legislative review process.



David G. Hoffman, Commissioner



STATE OF ALASKA
HOUSE OF REPRESENTATIVES

HB 163

I. BACKGROUND

There are several alternative ways of effecting an annexation provided for by the statutes and regulations of Alaska. The ways listed below are the methods to achieve annexation through local action.

The first is annexation by election of the residents in the area desiring to be annexed to an existing municipality. This type of annexation must be approved by the Local Boundary Commission and by a majority of the voters in the territory proposed for annexation. The statutory provisions for this type of annexation are found in AS 29.06.040(b)(1).

The next type of annexation is the annexation of municipally-owned property outside of the existing municipal boundaries which is contiguous to the present boundaries of the municipality. This type of annexation becomes effective when the notice of adoption of an ordinance effecting the annexation is filed with the Department of Community and Regional Affairs. The statutory authority for this type of annexation is AS 29.06.040(b)(2).

A municipality may annex non-contiguous territory when the land in the territory is wholly-owned or leased by the municipality or used primarily for the performance of municipal functions and is necessary to enable the municipality to achieve adequate control, protection, or management of the property. This is allowed by 19 AAC 10.070(b).

Another method of local-option annexation is through a petition presented by 100 percent of the owners/registered voters under provisions of AS 29.06.040(b)(3), an area adjoining a municipality may be annexed by all of the property owners and all of the registered voters who reside in the territory petitioning for the boundary change. This type of annexation becomes effective through the adoption of an ordinance by the governing body of the municipality and receives the consent of the Local Boundary Commission. The territory again must be contiguous to the municipality the area desires to be annexed to.

The only alternative to the local-option annexation methods is the method addressed in this legislation. This type of annexation may be initiated by a municipality, and requires the approval of the Local Boundary Commission and the acquiescence of the Legislature.

If the Local Boundary Commission determines that the proposed boundary change meets the standards established by law and regulations, the Commission presents its recommendation for the boundary change to the Legislature during the first ten days of any regular session. The recommended change will become effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution receiving concurrent approval from a majority of the members of each house.

This process does not ensure that either the Local Boundary Commission or the Legislature is fully advised of the position of affected residents of the area proposed to be annexed. The provision of the public hearing allows for the presentation of the compelling public need, however, this does not necessarily document the sentiments of the affected residents.

The advisory vote that this legislation establishes will give the municipality, the Local Boundary Commission and the Legislature a documented indication of the strength of support for or opposition to the annexation.

II. HISTORY

This legislation was originally introduced during the Fourteenth Legislature to address the public concern that decisions were being made without sufficient opportunity to consider public comment.

An annexation was proposed by the City of Haines, approved by the Local Boundary Commission and presented to the Legislature for approval. This annexation was unpopular with the residents of the affected area, and only marginally supported by residents within the city. The proposal was voted on by affected residents of the Haines Borough who disapproved the proposal. This proposed annexation was presented to the Legislature, and was disapproved by Legislative Resolve 34, in 1984.

III. LEGISLATIVE HISTORY

HB 163 Materials

Page 3

March 20, 1987

HB 163 was previously before the Legislature as HB 15, during the Fourteenth Legislature. It received thorough scrutiny by the House Committee on Community and Regional Affairs, the House Committee on State Affairs, the House Committee on Finance, and the Committee on Rules. It passed the House on April 7, 1986, by a vote of 39-1.

The bill was referred to the Senate Committees on State Affairs, Community and Regional Affairs, and the Finance Committee. When the Legislature adjourned, the legislation was before the Finance Committee in the form herein presented.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

March 27, 1985

MEMORANDUM

TO: Representative Peter Goll

ATTN: Bob Berry

FROM: Rob Waldman *RW*
Legislative Analyst

RE: Historical Background of the Local Boundary Commission
Research Request 85-262

You asked that we provide historical background on the formation of the Local Boundary Commission. Historical information was obtained through interview with Senators Victor Fischer and Jack Coghill and through review of the minutes of the Alaska Constitutional Convention; the text of the State Constitution and Statehood Committee reports.¹

According to Senator Coghill, the concept of the Local Boundary Commission resulted from the constitutional convention's attempt to resolve jurisdictional conflicts between the different types of governmental entities that functioned under territorial law.² Its function was to review local government structure and adjudicate conflicts between jurisdictions. Prior to statehood, all jurisdictional disputes and boundary modifications were adjudicated by federal district courts. The members of the convention felt that the function of settling these issues should not be delegated to the court system; they felt that the executive branch should adjudicate boundary disputes and modifications.

¹Minutes to the Proceeding of the Alaska Constitutional Convention, 1955-56, pages 2665-2666, 2745-2753, and 2759-2760.

A Citizens's Guide to the Constitution of the State of Alaska, Gordon Harrison, 1982; Alaska's Constitutional Convention, Victor Fischer 1975.

Proposed Organization of the Executive Branch, State of Alaska, A Survey Report, 1958; Local Government Under the Alaska Constitution, A Survey Report, 1959, Public Administration Service.

²Under Territorial law, jurisdiction conflicts could arise between school districts, utility districts, cities, road districts, etc.

Representative Goll
March 26, 1985 ~
Page Two

In Alaska prior to 1959, all annexation was conducted by local governments.³ At times, annexation issues became very controversial. Senator Fischer states that the commission was seen as a mechanism that circumvented local turmoil, brought the issues beyond "vested local interests" and prejudices, and permitted implementation of the "broad public intent". He believes that there was a need to ensure that municipal boundaries could be altered to adjust for changes in population and in the demand for local services. If the municipalities retained control over boundaries and annexation, there could be difficulty in altering boundaries once local interests became vested. Article X, Section 12 of the State Constitution which established the Local Boundary Commission was designed to overcome those type of roadblocks.

The convention committee on local government recommended that the boundary commission be modeled after the "Canadian system" (provincial governments exercise considerable control over local governments). It was felt that boundary and annexation issues affect all incorporated and unincorporated areas and not just the specific communities involved. Therefore, it was recommended that adjudication be at the State level.

In addition, the intent of the convention was for the commission to have the authority to regulate boundary changes without prior requests from the communities involved. Communities could request that referenda, polls, and surveys be considered by the commission when developing its recommendations. However, according to Senator Fischer, the convention was very specific in its position that these types of community input are not a requirement.

During the committee sessions, there was considerable discussion of the relation between the commission and the legislature. Some members wanted total control in the hands of the legislature, and recommended that all boundary changes and rules related to boundary changes be addressed by statute because the commission was within the executive branch and requiring legislative approval would violate the "separation of powers" concept. The amendment supporting this concept was defeated.

The majority of the members felt that legislative involvement in the process was useful and necessary at times but not required for all boundary changes. Their intent was to allow legislative participation as long as it did not become prohibitive for all proposed boundary

³For annexation, local elections had to be held concurrently in the city and area to be annexed, and majority votes were necessary.

Representative Goll
March 26, 1985
Page Three

changes.⁴ A compromise was adopted which permitted legislative intrusion into the administrative function of the executive branch only by resolution concurred in by a majority of the members of both houses. In addition, it was recommended that proposed changes become effective if the legislature is "inactive" in its function. As was described within the minutes, the legislature opted for the "negative approach to enactment of legislation," which means that the legislature must act only to reject the proposal and may grant "approval without any action at all by the body that should act on it."⁵

In 1958, the Alaska Statehood Commission was given the following recommendations for implementation of the commission:

The Local Boundary Commission should operate so far as possible in the manner of a quasi-judicial body. Its determinations should be based upon a careful assembling and weighing of relevant geographic, demographic, fiscal, and governmental facts, not disregarding expressions of judgement and sentiment by the public officials and citizens most directly concerned. So far as possible, decisions should be made in the light of a realistic projection of probable future demographic and economic trends."⁶

I hope that this information is useful to you. If you have any questions, please contact us.

RW

⁴It was felt that "in the press of business" the legislature may not get around to considering minor boundary changes, and major boundary changes could require considerable legislative time.

⁵Minutes to the Proceeding of the Alaska Constitutional Convention, page 2752.

⁶Proposed Organization of the Executive Branch State of Alaska: A Survey Report, 1958, page 147.

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

January 22, 1985

The Honorable Andre Marrou
Alaska State House
Pouch V
Juneau, Alaska 99811

Dear Representative Marrou:

Re: Municipal Annexations

When I met recently with you and other members of the House Community and Regional Affairs Committee, you asked a number of questions concerning alternative means of annexation and standards for annexation. This letter is to follow up our conversation concerning those matters.

The local action methods for annexation are governed by Section 29.68.010(b) of the Alaska Statutes and Sections 19 AAC 10.065-090 and 19 AAC 10.630-730 of the Alaska Administrative Code. Briefly, the local action methods of annexation consist of the following:

1. Election: under the provisions of AS 29.68.010(b)(1), territory may be annexed through election by the residents of the territory. To become effective the proposed boundary change must be approved by the Local Boundary Commission and by a majority of voters in the territory proposed for annexation.

2. Municipally owned property: under the provisions of AS 29.68.010(b)(2), property which is owned by a municipality and which adjoins its present boundaries may be annexed by ordinance without voter approval. The annexation becomes effective with the filing of the notice of the adoption of the ordinance with the Department of Community and Regional Affairs. This process requires that the property be contiguous to the municipality.

3. Petition by 100% of owners/registered voters: under the provisions of AS 29.68.010(b)(3), an area adjoining a municipality may be annexed if all of the property owners and all of the registered voters who

- POUCH BH
JUNEAU, ALASKA 99811
PHONE: (907) 465-4707
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 561-8586
- P.O. BOX 348
BETHEL, ALASKA 99559
PHONE: (907) 543-3475
- P.O. BOX 41
NOME, ALASKA 99762
PHONE: (907) 443-5457
- P.O. BOX 280
KOTZEBUE, ALASKA 99752
PHONE: (907) 442-3675
- 1514 CUSHMAN STREET, ROOM 201
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-7126
- P.O. BOX 10041
DILLINGHAM, ALASKA 99576
PHONE: (907) 842-2245

The Honorable Andre Marrou
Municipal Annexations
January 22, 1985
Page 2

reside within the territory petition for the boundary change. The annexation becomes effective through the adoption of an ordinance by the governing body of the municipality and the consent of the Local Boundary Commission. This process requires that the property be contiguous to the municipality.

There is only one alternative to the local action methods for annexation, the Legislative review process. Section 29.68.010(a) of the Alaska Statutes and Sections 19 AAC 10.065-090 and 19 AAC 10.450-620 govern boundary changes related to the legislative review process. This process requires approval of a proposed boundary change by both the Local Boundary Commission and the State Legislature.

This process is being used for two proposed boundary changes to be recommended for approval by the current Session of the Legislature for the Cities of Fairbanks and Togiak. The recommendations are to be submitted to the Legislature on January 23.

The legislative review process is often initiated by municipalities in circumstances where there is a compelling public need for a boundary change, but where a majority of the residents in the territory involved in the proposed boundary change may not support it. However, such is not the case in the territory proposed for annexation by either the City of Fairbanks or the City of Togiak.

The Commission always conducts a public hearing in the municipality proposing the boundary change under this process. If, following the hearing, the Commission determines that the proposed boundary change meets the standards established by laws and regulations, the Commission presents its recommendation for the boundary change to the Legislature during the first 10 days of any regular session. The recommended change becomes effective 45 days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution receiving concurrent approval from a majority of the members of each house.

You also asked when territory which is not contiguous to a city

The Honorable Andre Marrou
Municipal Annexations
January 22, 1985
Page 3

may be annexed. 19 AAC 10.070(b) provides that non-contiguous territory may be annexed to a city when:

1. the land in the territory is wholly owned or leased by the city or used primarily for the performance of city functions; and
2. annexation is necessary to enable the city to achieve adequate control, protection, or management of the property.

I have attached copies of the appropriate laws and regulations for your review. If you would like additional information concerning these matters, please contact me.

Sincerely,


Marty Rutherford
Director

Enclosures as stated

cc: Representative Peter Goll, Chair
House C & RA Committee

STATE OF ALASKA THE LEGISLATURE

POUCH STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

December 5, 1983

SUBJECT: Voter approval of
annexations (WO 13-1464)

TO: Representative Goll

FROM: Tamara Brandt Cook
Legislative Counsel

130

You have provided me with additional comments from Mr. Louis O. Nelson and asked for my specific recommendations as to how citizen input into annexation decisions can be guaranteed within the limits of existing constitutional restraints.

Mr. Nelson has requested that local boundary changes, particularly annexations, be permitted to occur only if the voters in the annexing municipality, the area to be annexed, and the municipality that will loose the area, if any, separately approve the annexation. This, as I have indicated to you previously, would conflict with Article X, sec. 12 of the state constitution which places primary responsibility for local boundary changes with the Local Boundary Commission.

Assuming that you wish to avoid changing the state constitution, I think that the best way to insure that citizens have the chance to be heard on annexation decisions would be to provide for a vote along the lines suggested by Mr. Nelson. except that the vote would be advisory only. This would insure that, before making a decision on a particular proposed annexation, the Local Boundary Commission would necessarily be made aware of the feelings of the majority of the people directly affected. In addition, since recommendations for change by the Local Boundary Commission must be presented to the legislature, if after a negative vote the commission nevertheless chooses to approve an annexation, the unpopularity of that decision would be immediately clear to the legislature. The legislature would undoubtedly take that into consideration in determining whether to reject the proposed change.

Representative Goll
December 5, 1983
Page 2

Existing law requires that a public hearing be held to give the citizens a chance to express their views regarding a proposed annexation. However, because vocal minority opinions can predominate during the hearing process, I think it is easier for any agency to ignore public input during a hearing than it is to ignore a vote that reflects the feelings of the majority. Consequently, requiring a vote, even though it is advisory only, would probably go a long way towards addressing the concerns of Mr. Nelson. Even without ultimate legal control over an annexation issue, the majority would exert considerable political influence on the outcome.

The drawbacks to this approach would be the added expense of holding elections and additional delay this would inevitably cause in implementing an annexation. The expense could be reduced, of course, by limiting the scope of the election requirement. For example, perhaps only one election in the area to annexed needs to be held rather than holding an election in each of the three areas proposed by Mr. Nelson. Also, since the issue at hand involves an annexation, perhaps this bill could be limited to annexation procedures only and not affect other types of boundary changes. If the approach of requiring an advisory vote of some kind is taken, I believe that only procedures for annexation under AS 29.63.010(a) for which legislative review is required need to be altered. No changes will be needed to procedures for annexations by local action under AS 29.63.010(b), since that type of annexation necessarily reflects the desires of the local people. Enclosed you will find copies of administrative regulations 19 AAC 10.450 -. 590 and 19 AAC 10.630 -. 790 which Mr. Nelson requested. Please let me know if I can be of further assistance.

TBC:csh
w2/117

cc: Mr Louis O. Nelson

Dear Peter

Feb 6 1987

I just started to write you about HB-15. How important I think it is because we can't trust the city of Haines. I support it for all the obvious reasons: don't want to be part of the city, want to keep rural lifestyle, don't want more taxes and so on. I'm sure you are doing your best to push this through and I thank you. After deciding to write you about this it occurred to me I had a few questions that ~~you might be able to help with~~ I think it's SB-55 job ~~working for us~~ ~~and we're glad to receive it~~

Scott Carey Box 883



HAINES BOROUGH

P.O. Box 200 - Haines, Alaska 99827 - (907) 766-2711

January 17, 1986

The Honorable Peter Goll
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Goll:

This fall, the Haines Borough Assembly passed Resolution #243, which supported the passage of HB 15.

This bill requires an advisory election on any contested annexation. While it does not prohibit any action the Local Boundary Commission might take, it does allow more information to the Commission so they can make a better decision. The more information the Boundary Commission can gather, the better the decision they can make. The cost of the above election will be borne by the Borough or City unless part of the annexed area is in an unorganized Borough - then the State would have to pay the cost of the election.

The only reason the City of Haines didn't triple its size was because the Borough held an advisory election and was able to show the Legislature that annexation was not wanted. Unfortunately, the Local Boundary Commission had already made their decision before the election so they were unable to use this information.

I urge you to vote in favor of HB 15 when it reaches the floor of the House.

Sincerely,

R.E. Henderson
Mayor

The Gradus House Lodge (5-10-85)
V.R. Justice Mgr.

Re: Peter Gall
Juneau, Alaska

Dear Sir:

I urge you to vote for this
Bill no. 15 so it will give the people a
chance to decide if they want to be annexed
to a larger community & pay additional taxes.
This would be more in line with a Democratic
form of govt.

I hope you will agree that this
would be for the good of most all the people.

Thank you

Vern R. Justice
Billy J. Justice
P.O. Box 873546
WASILLA, AK.

99687

State of Alaska

COMMITTEES

HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES
(Co-Chairman)
HOUSE JUDICIARY
HOUSE COMMUNITY AND
REGIONAL AFFAIRS



POUCH V
JUNEAU, ALASKA 99811
(907) 465-4968

914 CLAY COURT
ANCHORAGE, ALASKA 99503
(907) 276-6844

Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

February 20, 1985

Mr. Ed Hays
P.O. Box 98
Wasilla, AK 99827

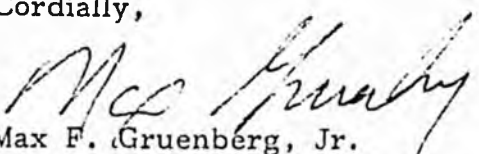
Dear Mr. Hays:

Thank you for your telegram in support of House Bill 15, requiring an advisory election before an annexation may be proposed to the legislature. It is coincidental that you sent me this letter at this time, because literally last evening in a special session, the joint Community & Regional Affairs House and Senate Committees met and discussed this issue generally. Your representative, Peter Goll, who chairs the House Community & Regional Affairs Committee was working with several of us on this bill. We are now attempting to find out more information about how other states handle this problem.

From my recollection of my law school days, different states have different procedures for ensuring fair representation in the annexation process. Several cases have just been brought to the committees' attention, that may show significant problems with the present procedure.

I am sending a copy of this letter to Chairman Goll for his information, along with a copy of your telegram, with the request that it be included in the official committee file on this bill, so that your recommendation in support of it can be passed out to the other members of the committee.

Cordially,


Max F. Gruenberg, Jr.

MFG/ke
cc: Rep. Peter Goll



HAINES BOROUGH

P.O. Box 200 - Haines, Alaska 99827 - (907) 766-2711

March 13, 1985

Representative Peter Goll
Chairman, Community and Regional Affairs
House of Representatives
Pouch V - Mail Stop 3100
Juneau, AK 99811

Dear Representative Goll:

The Haines Borough Assembly was instrumental in the introduction of HB 15 and feel that this is a necessary check device on Local Boundary Commissions, yet will not interfere with their constitutional authority.

I understand that Representative Goll will soon introduce a Sponsor Substitute for this bill so that he can fully support the bill. We have no problem with the Substitute bill and urge you to support it.

Enclosed is a copy of Haines Borough Resolution #235 supporting HB 15.

Sincerely,

R. E. Henderson
Haines Borough Mayor

Enclosure (1)

HAINES BOROUGH

Resolution 235

A RESOLUTION OF THE HAINES BOROUGH ASSEMBLY SUPPORTING HOUSE BILL 15 IN THE FIRST SESSION OF THE FOURTEENTH ALASKA LEGISLATURE.

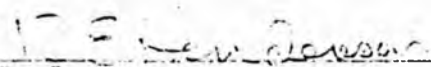
WHEREAS, annexations have occurred throughout the state by various municipalities, and

WHEREAS, the very citizens who are being annexed into the municipality have not had an opportunity to express themselves on the issue by voting in an election, and

WHEREAS, the desires of the citizens in the area proposed for annexation should be one of the considerations in the annexation procedure,


NOW THEREFORE, BE IT RESOLVED that the Haines Borough Assembly approves of HB 15 which requires an advisory election before any annexation action can be proposed before the Legislature by the Local Boundary Commission.

ADOPTED January 15, 1984




R. E. Henderson, Mayor

ATTEST:



Frank M. Haas, Assembly Clerk



Audrey M. Jackson, Borough Clerk

Box 621
Haines, Alaska 99827

March 14, 1985

Pouch V
Juneau, Alaska 99811

Dear Representative *Peter Dall,*

We are definitely for House Bill Number 15 requiring an advisory election before any annexation should be imposed on the people of Haines. We believe it is the greatest protection of our freedom to have such an election.

Sincerely,



Richard Fredricks

Susan Fredricks

HAINES BOROUGH
Resolution 235

A RESOLUTION OF THE HAINES BOROUGH ASSEMBLY SUPPORTING
HOUSE BILL 15 IN THE FIRST SESSION OF THE FOURTEENTH
ALASKA LEGISLATURE.

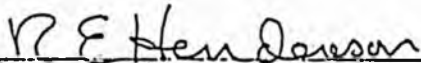
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election before any annexation action can be proposed before
the Legislature by the Local Boundary Commission.


ADOPTED January 15, 1984



R. E. Henderson, Mayor

ATTEST:

Frank M. Haas, Assembly Clerk



Audrey M. Jackson, Borough Clerk



Telegram

R

02002

NL TOA HAINES ALASKA 50 02-12 905A AST

PMS

REPRESENTATIVE MAX GRUNBERG

1237

JUNEAU AK

I URGE YOUR SUPPORT OF HOUSE BILL NBR 15, REQUIRING ADVISORY ELECTION BEFORE AN ANNEXATION MAY BE PROPOSED TO THE LEGISLATURE. GIVE THE CITIZENS BEING ANNEXED A CHANCE TO EXPRESS THEMSELVES, BY VOTING IN AN ELECTION.

ED HAYS

BOX 98

HAINES AK 99827

19 47

P. O. Box 297
Haines, Alaska 99827

Feb 4, 84

Honorable Senator Dick Eliason,
Pouch V
Juneau, Alaska 99811

Dear Senator Eliason,

It was a real privilege to be able to hold the phone receiver and be a part of the teleconference this past Jan 31, 84.

I wish to make a couple of comments.

I * I. is regretted that Jim Saunders doesn't understand the financial workings of the Haines borough. He mentioned that the people of the city of Haines are part of the borough and this is true. However the Haines Museum, Library and Arts center are financed by funds from municipal assistance and revenue sharing.

The funding depends upon the number of citizens who live outside the city of Haines. Therefore the people in the city of Haines are not counted when these funds are received. Jim mentioned that the people in the city contributed to this fund etc.

Also Frank Hess mentioned that when people living in the city do not have water and sewer (many do not have sewers) then they are charged accordingly. This is not true. I have gone to the assessor and checked records of people who do not have sewers and their mill rate is the same as the people who do have sewers. Representative Peter Goll will hear me out on this.

Mr. Eliason the people of our great valley are looking forward to your fine efforts to help stop this annexation and you may rest assured that if it can be stopped we will be forever grateful to you both.
(Rep. Peter Goll)

If I can be of further assistance please feel free to contact me. I am temporarily at P. O. Box 2515 Waterloo, Iowa 50704 Phone 319 232 3889

Thanks for your fine cooperation.

With much respect

Louis C. Nelson

P. S. Copy sent to Peter Goll

MANY THANKS PETER - IF POSSIBLE WOULD A
RECEIVE A COPY OF THE BILL AGAINST
ANNEXATION
THANKS A LOT
Louis C. Nelson

14-0020
Ford
12/19/84 ✓

IN THE HOUSE

BY GOLL BY REQUEST

HOUSE BILL NO. 15

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act requiring an advisory election before an annexation may be proposed to the legislature."

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

* Section 1. AS 44.47 is amended by adding a new section to read:

Sec. 44.47.582. ADVISORY ELECTIONS ON ANNEXATIONS. (a) A proposed annexation may not be voted on by the Local Boundary Commission unless an advisory election on the proposal has been held, and the results considered by the commission. The advisory election shall poll

(1) the area proposed to be annexed;

(2) any municipality that includes the area proposed to be annexed; and

(3) the proposed annexing municipality.

(b) The director of elections shall supervise an advisory election held under this section in the general manner prescribed by the Alaska Election Code (AS 15). The state shall pay all election costs.

Original sponsor: Goll

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 163 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to advisory elections on certain
7 annexation proposals."

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

9 * Section 1. AS 29.06 is amended by adding a new section to read:

10 Sec. 29.06.045. ADVISORY ELECTIONS ON ANNEXATIONS. (a) If a
11 municipality requests an annexation proposed to be effected under
12 AS 29.06.040(a) and (b), and if there are people residing in the area
13 proposed for annexation, the municipality shall present the results of
14 an advisory election on the proposal to the Local Boundary Commission
15 at the hearing conducted under AS 44.47.581. The advisory election
16 shall be conducted by the municipality in the area proposed for
17 annexation in accordance with procedures for a regular or special
18 election.

19 (b) If an annexation that is not requested by a municipality is
20 proposed, be effected under AS 29.06.040(a) and (b), and if there
21 are people residing in the area proposed for annexation, the director
22 of elections shall present the results of an advisory election on the
23 proposal to the Local Boundary Commission at the hearing conducted
24 under AS 44.47.581. The advisory election shall be conducted by the
25 director of elections in the area proposed for annexation in the
26 general manner prescribed by the Alaska Election Code (AS 15). The
27 state shall pay all election costs for elections under this subsec-
28 tion.

29 (c) A municipality may conduct an advisory election on an

1 annexation proposal in which all municipal voters may participate and
2 the municipality may present the results of the election to the Local
3 Boundary Commission if the area of the proposed annexation is

4 (1) located within the municipality; or

5 (2) proposed to be annexed to the municipality.

6 (d) Nothing in this section affects the authority of the Local
7 Boundary Commission to present proposed boundary changes to the legis-
8 lature under art. X, sec. 12, Constitution of the State of Alaska.

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

11 * Sec. 2. AS 29.10.200 is amended by adding a new paragraph to read:

12 (49) AS 29.06.045 (advisory elections on annexations)
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MEMORANDUM

June 16, 1983

SUBJECT: Constitutional amendment requiring voter approval of annexations (Work Order No. 13-1464)

TO: Representative Peter Goll

FROM: Tamara Brandt Cook
Legislative Counsel

You have asked me to draft a bill that would amend the Constitution of the State of Alaska dealing with annexation. Before property outside a municipality may be annexed the annexation is to be approved by a majority of the voters in the municipality and in the area proposed for annexation. Several questions need to be considered before this amendment can be drafted.

1. Article X, section 5 grants authority to establish service areas within boroughs. However a new service area may not be set up if

. . . the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city.

What if a service can be provided by annexation to a city, but the city refuses to approve the annexation? Is the borough precluded from establishing the service area under this section? If so, there is no way to provide a special service to the area even though the voters strongly desire the service. This potential problem might be avoided by requiring approval of the voters only in the area to be annexed. That way if the voters desire a particular level of service that cannot otherwise be obtained, the area could be annexed to a city and the voters of the city would not be able to halt the annexation.

2. If an area within a municipality is annexed to a second municipality, the first municipality might be considerably

affected. Should annexation be approved by the municipality that will lose the area as well as by the municipality that will gain it? What will the effect be if annexation is approved by one municipality and not by the other?

3. If annexation must be approved by the voters in the area proposed to be annexed, how is the annexation of unoccupied land going to be accomplished?

4. You have asked for an amendment that would address the question of annexations particularly. Should a vote also be required before two municipalities can be merged or consolidated? Now Article X, section 7 provides that cities may be

. . . merged, consolidated, classified, reclassified or dissolved in the manner provided by law.

5. Under Article X, section 12 the local boundary commission considers proposed local government boundary changes. It may present a proposed change to the legislature, which may, in turn, disapprove the proposal or, by taking no action, approve the proposal. Under this requested amendment will the local boundary commission have any role in the annexation process? For example, is the local vote to be held only after the local boundary commission accepts a proposed annexation or may annexation occur upon voter approval regardless of whether the local boundary commission also approves of the annexation? Likewise, what role is the legislature to play in these matters? Is a proposed annexation to be presented to the legislature only if approved by the local voters, only if disapproved by the local voters and approved by the local boundary commission for a final legislative decision, or is the legislature to retain any say in the matter at all?

6. If the local boundary commission is to have no responsibility in considering annexations under this requested draft, but if it still retains jurisdiction over every other type of local boundary change, what is to prevent the local boundary commission from reversing an annexation approved by the voters simply by presenting a proposed local boundary change to the legislature that reestablishes the old boundaries?

7. If annexation determinations are ultimately controlled by local vote, at least some boundary decisions will no longer be dealt with on a statewide rather than local level.

Representative Peter Goll

Page 3

June 16, 1983

Is there any reason to retain statewide control over the remaining boundary decisions? If a boundary decision is not popular locally it could probably be overturned through the local annexation process despite the fact that the decision is of benefit to the state as a whole. Unless all boundary decisions are made on a statewide basis, perhaps they all should be made locally and the local boundary commission should be abolished.

8. The last question I would like to pose is philosophical rather than technical. Nevertheless, it ought to be considered, at least in passing, with regard to this requested amendment. Article X, section 1 provides in part:

The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions.

One way to avoid the proliferation of local government units is through annexation of property to existing municipalities. To the extent that the effect of this requested amendment is to make annexation more difficult, does it further the purpose of this article? It seems apparent that the framers of the state constitution considered questions of local boundary changes to be of statewide rather than local concern and sought to avoid local boundary disputes by placing the responsibility for boundary determinations with a state commission. A copy of some of the discussion of this issue from the Alaska Constitutional Convention Proceedings is attached for your information.

At your request, I am holding this work order until I hear from you.

TBC:ljb

Enclosure

24/021

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

December 5, 1983

SUBJECT: Voter approval of
annexations (WO 13-1464)

TO: Representative Goll

FROM: Tamara Brandt Cook
Legislative Counsel

TBC

You have provided me with additional comments from Mr. Louis O. Nelson and asked for my specific recommendations as to how citizen input into annexation decisions can be guaranteed within the limits of existing constitutional restraints.

Mr. Nelson has requested that local boundary changes, particularly annexations, be permitted to occur only if the voters in the annexing municipality, the area to be annexed, and the municipality that will loose the area, if any, separately approve the annexation. This, as I have indicated to you previously, would conflict with Article X, sec. 12 of the state constitution which places primary responsibility for local boundary changes with the Local Boundary Commission.

Assuming that you wish to avoid changing the state constitution, I think that the best way to insure that citizens have the chance to be heard on annexation decisions would be to provide for a vote along the lines suggested by Mr. Nelson, except that the vote would be advisory only. This would insure that, before making a decision on a particular proposed annexation, the Local Boundary Commission would necessarily be made aware of the feelings of the majority of the people directly affected. In addition, since recommendations for change by the Local Boundary Commission must be presented to the legislature, if after a negative vote the commission nevertheless chooses to approve an annexation, the unpopularity of that decision would be immediately clear to the legislature. The legislature would undoubtedly take that into consideration in determining whether to reject the proposed change.

Representative Goll
December 5, 1983
Page 2

Existing law requires that a public hearing be held to give the citizens a chance to express their views regarding a proposed annexation. However, because vocal minority opinions can predominate during the hearing process, I think it is easier for any agency to ignore public input during a hearing than it is to ignore a vote that reflects the feelings of the majority. Consequently, requiring a vote, even though it is advisory only, would probably go a long way towards addressing the concerns of Mr. Nelson. Even without ultimate legal control over an annexation issue, the majority would exert considerable political influence on the outcome.

The drawbacks to this approach would be the added expense of holding elections and additional delay this would inevitably cause in implementing an annexation. The expense could be reduced, of course, by limiting the scope of the election requirement. For example, perhaps only one election in the area to annexed needs to be held rather than holding an election in each of the three areas proposed by Mr. Nelson. Also, since the issue at hand involves an annexation, perhaps this bill could be limited to annexation procedures only and not affect other types of boundary changes. If the approach of requiring an advisory vote of some kind is taken, I believe that only procedures for annexation under AS 29.68.010(a) for which legislative review is required need to be altered. No changes will be needed to procedures for annexations by local action under AS 29.68.010(b), since that type of annexation necessarily reflects the desires of the local people. Enclosed you will find copies of administrative regulations 19 AAC 10.450 -. 590 and 19 AAC 10.630 -. 790 which Mr. Nelson requested. Please let me know if I can be of further assistance.

TBC:csh
w2/117

cc: Mr Louis O. Nelson

(2) the petitioner or his representative; and

(3) any person, entity, or municipality who has filed an answering brief pursuant to 19 AAC 10.390. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.980

19 AAC 10.410. REPLY BRIEF. Before the hearing described in 19 AAC 10.400 is held, the petitioner may file a brief in reply to any new matter raised in an answering brief. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.980

19 AAC 10.420. HEARING. (a) At a hearing held pursuant to 19 AAC 10.400, the petitioner shall first proceed to support the petition through exhibits, testimony, and other means which bear upon the issues raised by the petition. The presentation shall proceed in substantially the following manner:

(1) the presentation shall be conducted by the petitioner or his designated representative;

(2) the presentation shall be opened with a brief discussion of the reason for and the nature of the proposed incorporation;

(3) at the conclusion of the opening statement, the petitioner shall submit a list of the persons who will give statements in support of the petition; and

(4) the petitioner shall proceed to conduct his presentation in the manner indicated in his outline; however, the chairman of the commission may allow the petitioner to deviate from his outlined presentation.

(b) Upon completion of the petitioner's presentation, each respondent shall proceed, in the manner established by the chairman and in the same manner as prescribed for the petitioner, to present his views. The respondent's presentation shall include the information and arguments which the respondent wishes to advance in rebuttal of the petitioner's presentation.

(c) The petitioner may rebut the respondent's

presentation. Upon completion of the petitioner's rebuttal, the commission will hear views of interested persons who are not petitioners or respondents. To obtain the floor, a person must be recognized by the chairman and must state his name, address, and the nature of his interest. A person purporting to speak on behalf of a municipality shall demonstrate his authority to do so. The chairman may impose a reasonable limitation of the time allotted to each speaker and may curtail repetitive and irrelevant statements.

(d) Members of the commission may at any time pose questions or comment on matters raised during the hearing. Representatives of the department, with consent of the chairman, may pose questions or comment on matters raised during the hearing.

(e) The chairman may temporarily suspend the order of proceedings set forth in this section to allow rebuttal, counterrebuttal, or general public comment on a particular issue or issues. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.980

19 AAC 10.430. DECISIONAL MEETING. (a) Within 90 days after a public hearing held pursuant to 19 AAC 10.400, the commission shall convene a decisional meeting to examine all aspects of the written and oral testimony before it, to consider other relevant and reliable information available to it, and to enter a decision. A majority of the total membership of the commission voting in favor of accepting a proposed incorporation is needed to decide the issue. The votes for and against the proposed incorporation shall be recorded. A petition is rejected if not accepted. If unable to meet as one body, the commission will, in its discretion, provide for a conference telephone or radio phone decisional meeting open to the public at a time and place to be determined by the commission.

(b) The commission will keep written minutes summarizing its decisional meetings. The minutes approved by the commission are a public record. The votes taken by the commission shall be entered into the minutes.

(c) Within 30 days after the date of reaching its decision, the commission will prepare a written statement of its decision, including an explanation of the major considerations upon which it relied in reaching its decision.

(d) The commission will immediately mail its written decision to the petitioner and to other interested parties who give written notice that they desire a copy of the decision. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.980

19 AAC 10.440. PUBLIC MEETINGS. The commission will, in its discretion and before consideration of a petition requesting incorporation of a municipality, require a petitioner to conduct informational meetings or hearings in the area proposed for incorporation to acquaint the residents of the area with the purposes sought to be accomplished and the benefits which are expected to be derived by the residents should the incorporation be made and to solicit public opinions on the proposed incorporation. The commission will, in its discretion, require that transcripts or minutes be taken of the meetings or hearings for the commission's use and require that the petitioner's representative certify to the commission that the meetings or hearings were conducted as directed by the commission. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.980

**ARTICLE 13.
PROCEDURES FOR BOUNDARY
CHANGES REQUIRING LEGISLATIVE
REVIEW**

Section

- 450. Applicability
- 460. Petition
- 470. Petitioner
- 480. Form and contents
- 490. Exhibits
- 500. Briefs
- 510. Service
- 520. Review of petition
- 530. Notice of petition
- 540. Call for hearing
- 550. Answering brief
- 560. Reply brief

- 570. Department report
- 580. Hearing and decisional meeting
- 590. Noncompliance
- 600. Determination of procedure
- 610. Certification of boundary changes
- 620. Public meetings

19 AAC 10.450. APPLICABILITY. The provisions of 19 AAC 10.460 – 19 AAC 10.620 apply to an annexation or detachment proceeding initiated pursuant to AS 44.47.567(b)(2) and AS 29.68.010(a). (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

19 AAC 10.460. PETITION. A request for a local government boundary change under 19 AAC 10.450 – 19 AAC 10.620 is initiated by filing an original and six copies of a petition and supporting brief with the commissioner. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.460 is based on a former version of 19 AAC 10.010.

19 AAC 10.470. PETITIONER. (a) A petition may be initiated by

(1) the governing body of a municipality whose boundaries are to be changed;

(2) the governing body of an organized borough in which the territory is located;

(3) at least 10 percent of the registered voters residing in the territory to be annexed or detached, in the municipality to be dissolved, or in each municipality to be merged or consolidated;

(4) the commissioner.

(b) The person or entity initiating the petition shall be designated the petitioner. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.470 is based on a former version of 19 AAC 10.020.

19 AAC 10.480. FORM AND CONTENTS. (a)

The petition shall be addressed to the commission and shall bear a caption which clearly identifies the nature of the boundary change and the municipality or municipalities whose boundaries are to be changed.

(b) The petition shall contain the following information about the territory:

(1) the name and residence address or mailing address of each petitioner;

(2) the name, telephone number, and mailing address of the representative designated by the petitioner to receive service, notice, and other correspondence relating to the proceedings on behalf of the petitioner;

(3) a legal boundary description;

(4) a legal description of the boundaries of the municipality should the boundary change be effected;

(5) the assessed or estimated value of taxable property, giving separate totals for real and personal property;

(6) the number of residents in the territory;

(7) the rate or rates at which real and personal property are taxed;

(8) the rate or rates of sales and use taxes levied and collected;

(9) the amount and a full explanation of the outstanding bonded indebtedness for which the territory is wholly or partially responsible;

(10) the population and area of the municipality affected by the proposed boundary change. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.480 is based on a former version of 19 AAC 10.030.

19 AAC 10.490. EXHIBITS. (a) The petitioner shall append to the petition the following exhibits:

(1) a map or maps showing

(A) the present boundaries of the municipality whose boundaries are to be changed and the boundaries of the municipality if the proposed boundary change becomes effective; and

(B) sufficient detail to define the streets and roadways of the municipality;

(2) an affidavit of the petitioner, or his representative who prepared the petition, indicating the source from which the information contained in the petition was acquired and stating that a census or other reliable enumeration of the territory was conducted by him or under his direct supervision, specifying the dates when the census or enumeration was begun and completed and verifying that it was taken accurately;

(3) a copy of the agreements, if any, entered into with another municipality regarding the transitional provision of services and distribution of assets and liabilities;

(4) a certified copy of the resolution or ordinance authorizing the municipality to file the petition if the petitioner is a municipality;

(5) the affidavit of the petitioner or his representative that service of the petition has been made in compliance with 19 AAC 10.510.

(b) Maps submitted as exhibits to copies of the petition shall conform in color and other distinguishing markings to the original exhibit.

(c) If an official census has been made of the territory by the federal, state, or municipal government within three years of the date of the petition, a copy of that census may be appended to the petition in lieu of the census affidavit required under (a)(2) of this section. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.490 is based on a former version of 19 AAC 10.040.

19 AAC 10.500. BRIEFS. The petition must be accompanied by a written brief. The brief shall fully set forth the reasons supporting the boundary change and shall demonstrate that the boundary change meets the applicable standards established in this chapter for annexation or detachment. The commission will, in its discretion, require additional information which it determines will be useful for evaluation of the petition. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.500 is based on a former version of 19 AAC 10.050.

19 AAC 10.510. SERVICE. (a) The petitioner shall, by certified mail, serve a copy of the petition and brief, together with accompanying exhibits, upon every municipality in or adjoining the territory. The service shall be made at the same time that the petition is filed with the commissioner.

(b) The petitioner shall arrange that the petition, exhibits, and brief will be available for inspection by the general public at a designated place in or near the territory. The affidavit required under 19 AAC 10.490 shall specify the exact location where and when the petition is available for inspection. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.510 is based on a former version of 19 AAC 10.060.

19 AAC 10.520. REVIEW OF PETITION. (a) The department will review the petition and brief and determine whether they

- (1) are in substantially the proper form; and
- (2) contain the factual information required by this chapter.

(b) If the department determines that the petition or brief is deficient as to form or content, it will return the defective petition or brief for correction or completion. If the department determines that the petition and brief are in substantial compliance with these regulations, it will notify the petitioner that the petition

and brief have been accepted. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.520 is based on a former version of 19 AAC 10.070.

19 AAC 10.530. NOTICE OF PETITION. (a) Upon receipt of notice from the department that the petition and brief have been accepted, the petitioner shall cause notice of the filing of the petition to be published in a newspaper of general circulation in the territory. The notice shall be in the form specified by the commissioner; shall include a brief explanation of the proposed boundary change, the name of the petitioner, and the name of each municipality whose boundaries are to be changed; and shall indicate the place where the petition and brief may be inspected by the public as provided in 19 AAC 10.510. Additionally, the notice shall advise persons that they may file an answering brief pursuant to 19 AAC 10.550 in response to the proposal or that they may submit written comments to the department.

(b) The petitioner shall furnish the commissioner with proof of compliance with (a) of this section. Upon receipt of the proof, the commissioner shall submit the petition and brief to the commission.

(c) A petition filed with the commissioner may not be considered to be pending before the commission until the petition and brief have been submitted to the commissioner pursuant to this section. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.530 is based on a former version of 19 AAC 10.080.

19 AAC 10.540. CALL FOR HEARING. The commission will establish a time and place for a hearing concerning a proposed boundary change which shall be held in or near the territory. The commission will publish notice of the hearing at least 15 days before the date of the hearing at least three times in a newspaper of general circulation in the territory, through other news media, or by posting in a public

place, whichever is most feasible. At least 15 days before the date of the hearing, the commission will give public notice of the hearing and cause notice of the hearing to be served by certified mail upon

(1) the municipalities specified in 19 AAC 10.510;

(2) the petitioner or his representative; and

(3) any person or municipality who has filed an answering brief pursuant to 19 AAC 10.550. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.540 is based on a former version of 19 AAC 10.090.

19 AAC 10.550. ANSWERING BRIEF. (a) A person or entity residing or owning property in the territory, or the governing body of a municipality affected by a proposed boundary change may file a brief in opposition to the proposed boundary change. The original of the brief shall be filed with the commissioner together with proof that one copy was served upon the petitioner or his designated representative.

(b) A person, entity, or municipality filing an answering brief shall be designated a respondent.

(c) The answering brief shall indicate the factual information thought to be incorrectly or incompletely presented in the petition or the petitioner's brief and shall demonstrate the manner in which the proposed boundary change fails to satisfy the appropriate standards prescribed in this chapter. The brief shall include a discussion of the considerations set forth in 19 AAC 10.500. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.550 is based on a former version of 19 AAC 10.100.

19 AAC 10.560. REPLY BRIEF. Before a hearing is held pursuant to 19 AAC 10.540, the petitioner may file a brief in reply to any new

matter raised in an answering brief. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.560 is based on a former version of 19 AAC 10.110.

19 AAC 10.570. DEPARTMENT REPORT. The department will prepare a report on the proposed boundary change. The report will summarize the issues raised in the petition and briefs and may comment upon those issues or any other issue which the department considers relevant to the proposal. The report will contain recommendations to the commission. The report will be filed with the commission before the date of the hearing established under 19 AAC 10.540. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.570 is based on a former version of 19 AAC 10.120.

19 AAC 10.580. HEARING AND DECISIONAL MEETING. The commission's public hearing and decisional meeting concerning a proposed boundary change will be conducted in the manner set forth in 19 AAC 10.420 - 19 AAC 10.430. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.580 is based on former versions of 19 AAC 10.130 and 19 AAC 10.140.

19 AAC 10.590. NONCOMPLIANCE. The commission will, in its discretion, waive compliance with the regulations of this chapter if substantial rights of interested parties are not prejudiced by the waiver. A deviation from the procedures set forth in this chapter is waived by the commission unless the commission or a party objects. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.590 is based on a former version of 19 AAC 10.150.

19 AAC 10.600. DETERMINATION OF PROCEDURE. If there are alternative procedures for effecting a boundary change, the commission will select the procedure which it considers most appropriate under the circumstances. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.600 is based on a former version of 19 AAC 10.160.

19 AAC 10.610. CERTIFICATION OF BOUNDARY CHANGES. Within 30 days after a boundary change becomes effective, the department will prepare a certificate of the new boundaries. The department will transmit duplicate originals of the certificate to the municipality or municipalities whose boundaries have been changed. The department will also record a copy of the certificate in the recording district in which the boundary change has taken place. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.610 is based on a former version of 19 AAC 10.170.

19 AAC 10.620. PUBLIC MEETINGS. The commission will, in its discretion, and before considering a petition requesting a boundary change, require municipalities whose boundaries are proposed to be changed to conduct meetings or hearings in the area to acquaint residents with the purposes sought to be accomplished and the benefits which are expected to be derived by residents should the boundary change be made and to solicit public opinions on the proposed boundary change. The commission will, in its discretion, require that transcripts or minutes be taken of the meetings or hearings for the commission's use and require that the municipality certify to the commission that such meetings or hearings were conducted as directed by the commission. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.620 is based on a former version of 19 AAC 10.180.

ARTICLE 14. PROCEDURES FOR BOUNDARY CHANGES BY LOCAL ACTION

Section

- 630. Application of provisions
- 640. Filing of petition
- 642. Department review of petition
- 645. Review by local boundary commission
- 650. Annexation without election
- 660. Annexation or detachment by election
- 670. Notice of election
- 680. Conduct of election
- 690. Form of ballot
- 700. Canvassing of election
- 710. Effective date of boundary change
- 720. Annexation of municipally owned property
- 730. Timeliness

19 AAC 10.630. APPLICATION OF PROVISIONS. The provisions of 19 AAC 10.460 – 19 AAC 10.530 apply to boundary changes under 19 AAC 10.630 – 19 AAC 10.730. However, at least 25 percent of the registered voters of the territory must petition for a boundary change under 19 AAC 10.630 – 19 AAC 10.730, rather than the 10-percent requirement provided by 19 AAC 10.470(3). The provisions of 19 AAC 10.630 – 19 AAC 10.730 apply to local boundary changes authorized under AS 29.68.040(b). (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.630 is based on former versions of 19 AAC 15.010, 19 AAC 15.020, 19 AAC 15.030, 19 AAC 15.170, 19 AAC 15.180 and 19 AAC 15.190.

19 AAC 10.640. FILING OF PETITION. A petition initiated by 25 percent or more of the registered voters of the territory shall be filed with the clerk of the municipality affected by the proposed boundary change. Within 14 calendar days of the receipt of the petition, the governing body of the municipality shall conduct a public review of the petition. Within 14 calendar days following the public review, the municipality shall forward the petition, exhibits, and related materials, together with a report of its findings and recommendations concerning the petition, to the department. A petition initiated by the governing body of a

municipality shall be forwarded, along with other required materials, directly to the department. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.640 is based on former versions of 19 AAC 15.050 and 19 AAC 15.210.

19 AAC 10.642. DEPARTMENT REVIEW OF PETITION. (a) The department shall review the petition and brief and determine whether they are in substantially the proper form and contain the factual information required by 19 AAC 10.630 – 19 AAC 10.730. If the department determines that the petition is deficient as to form or content, it will return the defective petition for correction or completion. If the department determines that the petition is in substantial compliance with these regulations, it will so notify the petitioner.

(b) The action required by the department in (a) of this section will be accomplished in no more than 30 working days from the date the department receives the petition. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.642 is based on former versions of 19 AAC 15.060 and 19 AAC 15.220.

19 AAC 10.645. REVIEW BY LOCAL BOUNDARY COMMISSION. (a) A decision of the commission on a petition submitted under 19 AAC 10.630 – 19 AAC 10.730 will be rendered within 30 days of receipt of the petition from the department. The commission will, in its discretion, act by telephone or mail. However, noncompliance with the time limit established in this subsection for commission action will not affect the validity of a resulting boundary change.

(b) Notwithstanding other provisions of this chapter, if the commission determines that a proposed boundary change is of compelling public importance or if the interests of an individual or organization may not be properly protected the commission will, in its discretion and without limitation, require that the petition be acted upon pursuant to 19 AAC 10.450 – 19 AAC 10.620. If the determination is made,

the commission will schedule public hearings within 45 days, and will notify the petitioner of its determination. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.645 is based on former versions of 19 AAC 15.070 and 19 AAC 15.230.

19 AAC 10.650. ANNEXATION WITHOUT ELECTION. (a) Notwithstanding the provisions of 19 AAC 10.660 – 19 AAC 10.710, an area adjoining a municipality may be annexed by ordinance of the municipality if all property owners and registered voters within the area petition the assembly or council for annexation.

(b) If an annexation petition is submitted pursuant to AS 29.68.010(b)(3) and this chapter, the department will determine whether the requisite signatures have been obtained. The department shall notify the assembly or council whether the petition is in accordance with this section and if it is in accordance with this section and the commission does not object to the annexation within 30 days, the annexation is effective upon the date of the notification.

(c) For the purposes of this section, "property owners" means all persons or entities necessary to convey fee title to the real property in question but does not include mortgagees, trustees, beneficiaries under deeds of trust, or the federal, state, or any municipal government. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.650 is based on a former version of 19 AAC 15.140.

19 AAC 10.660. ANNEXATION OR DETACHMENT BY ELECTION. Not less than 60 nor more than 90 days after the notification required by 19 AAC 10.670, the assembly or council shall submit the proposition to the voters in the area proposed to be annexed or detached. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.660 is based on former versions of 19 AAC 15.080 and 19 AAC 15.240.

19 AAC 10.670. NOTICE OF ELECTION. The assembly or council of a municipality which receives a petition for a boundary change under 19 AAC 10.660 - 19 AAC 10.710 shall give notice of an election by publication in a newspaper of general circulation in the territory proposed to be annexed or detached once each week for a period of three successive weeks before the election, and by posting notice in three public and prominent places within the territory proposed to be annexed or detached during the same period. If no newspaper of general circulation is available, public posting of the notice will suffice. Posting of the notices and initial publication of the notice in the newspaper shall be at least four weeks before the date of the election. The notice shall state

- (1) the proposition to be submitted;
- (2) the boundaries of the territory to be annexed or detached; and
- (3) any provision or agreement governing distribution of liabilities or assets. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.670 is based on a former version of 19 AAC 15.090.

19 AAC 10.680. CONDUCT OF ELECTION. Except as otherwise provided in this chapter, the assembly or council of the municipality affected by the proposed boundary change shall conduct the election in the manner prescribed by its election code. The municipality whose boundaries would be affected shall pay the election costs. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.680 is based on former versions of 19 AAC 15.100 and 19 AAC 15.260.

19 AAC 10.690. FORM OF BALLOT. The assembly or council shall place upon the ballot the following proposition: "Shall the following described territory be annexed (detached) to (from) the (name of municipality)

. ? Yes or No." (Eff. 2/21/82, Reg. 81)
Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.690 is based on former versions of 19 AAC 15.110 and 19 AAC 15.270.

19 AAC 10.700. CANVASSING OF ELECTION. The assembly or council shall meet within 10 days of the election and canvass the votes cast. The assembly or council shall issue a certificate showing the number of votes cast in favor of the proposal and the number of votes cast against. The certificate, together with the ballots cast, shall immediately be filed with the clerk of the municipality and a copy forwarded to the department. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.700 is based on former versions of 19 AAC 15.120 and 19 AAC 15.280.

19 AAC 10.710. EFFECTIVE DATE OF BOUNDARY CHANGE. A boundary change is effective upon the approval by a majority of the voters voting on the question residing within the territory and upon the subsequent filing of the certificate required by 19 AAC 10.700. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.710 is based on former versions of 19 AAC 15.130 and 19 AAC 15.290.

19 AAC 10.720. ANNEXATION OF MUNICIPALY OWNED PROPERTY. (a) Notwithstanding other provisions of this chapter, municipally owned property adjoining the municipality may be annexed by ordinance without voter approval.

(b) Within five days of adoption of an ordinance annexing territory pursuant to (a) of this section, one certified copy of the ordinance, giving the date of adoption, shall be filed with the department. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.720 is based on a former version of 19 AAC 15.150.

19 AAC 10.730. TIMELINESS. A proposal under this chapter which is defeated in an election may not be included in a like proposal covered by a subsequent petition under this chapter filed within one year after the first petition. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.730 is based on former versions of 19 AAC 15.160 and 19 AAC 15.300.

ARTICLE 15. PROCEDURES FOR STEP ANNEXATION

Section

- 735. Applicability
- 740. Petition
- 750. Local election
- 760. Taxes
- 770. Voting
- 780. Ordinances
- 790. Borough services

19 AAC 10.735. APPLICABILITY. The provisions of 19 AAC 10.740 – 19 AAC 10.790 apply to annexation proceedings initiated pursuant to AS 44.47.567(a)(4). (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

19 AAC 10.740. PETITION. An annexation petition submitted to the commission may request that during each of not more than five full fiscal years after the annexation takes effect, the rate of taxation for city services on the annexed properties shall be at a specified percentage of the full city tax rate. The proposal shall provide an increase from fiscal year to fiscal year until the percentage equals 100 percent of the full city tax rate. The city may not tax annexed property at a rate other than the percentage authorized for that year; however, the city pursuant to AS 29.53.405 may levy taxes on the annexed area at a different percentage from that authorized for the year in question, if the difference is attributed to the cost of provision in the territory of a special

service not supported by the general city levy. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.740 is based on a former version of 19 AAC 10.190.

19 AAC 10.750. LOCAL ELECTION. The commission will require the governing body of the city to which annexation is sought to submit the proposal to the voters in the area to be annexed. The city shall bear the expenses of the election and shall submit to the department or commission the information and reports that either may require before, during, or after the election. The election is not valid unless the notices pertaining to the election, the way in which the proposal is phrased on the ballot, and the timing of the election have been approved by the commissioner. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.750 is based on a former version of 19 AAC 10.200.

19 AAC 10.760. TAXES. The percentage of city taxes on newly annexed properties is determined as follows:

(1) city services to be provided during each year are scheduled by the petitioners or the commission in consultation with city officials;

(2) the cost of each service as a percentage of the gross general fund expenditure for the fiscal year immediately preceding the annexation is computed;

(3) newly annexed residents pay a percentage of the full city property tax rate equal to the total percentage cost of all services provided. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.760 is based on a former version of 19 AAC 10.210.

19 AAC 10.770. VOTING. Residents in the newly annexed territory have the same voting privileges as other city residents. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.770 is based on a former version of 19 AAC 10.220.

19 AAC 10.780. ORDINANCES. City sales-tax ordinances and all other city ordinances except those applicable to city services not yet provided in the territory are immediately effective in the annexed territory. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.780 is based on a former version of 19 AAC 10.230.

19 AAC 10.790. BOROUGH SERVICES. The city must accept immediate responsibility for non-area-wide borough services currently provided in the annexed territory. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.790 is based on a former version of 19 AAC 10.240.

ARTICLE 16.
PROCEDURES FOR MERGER OR
CONSOLIDATION OF MUNICIPALITIES

Section

- 800. Procedure for merger or consolidation
- 810. Effective date of merger or consolidation

19 AAC 10.800. PROCEDURE FOR MERGER OR CONSOLIDATION. (a) In considering a merger or consolidation petition, the commission will use the same process as set out in 19 AAC 10.630 - 19 AAC 10.700 for considering local action annexations except that the election on the question of merger or consolidation shall be counted in the following two categories:

- (1) votes cast within cities; and

- (2) votes cast outside cities.

(b) To pass, the merger or consolidation proposal must be approved in both categories set out in (1) and (2) of this section. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

19 AAC 10.810. EFFECTIVE DATE OF MERGER OR CONSOLIDATION. If the proposal to consolidate or merge two or more municipalities is approved as required by 19 AAC 10.800, the merger or consolidation is effective 90 days from the filing of the certificate of election results with the commissioner. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

ARTICLE 17.
MISCELLANEOUS PROVISIONS

Section

- 820. Severability of parts of regulations
- 830. General provisions
- 840. Definitions

19 AAC 10.820. SEVERABILITY OF PARTS OF REGULATIONS. The provisions of this chapter are severable, and if any provision of this chapter is declared invalid by a court of competent jurisdiction, the invalidity does not affect the remaining provisions of this chapter. (Eff. 2/21/82, Reg. 81)

Authority: Art. X, Sec. 12
Alaska Const.
AS 44.47.567

Editor's Note: 19 AAC 10.820 is based on a former version of 19 AAC 20.010.

19 AAC 10.830. GENERAL PROVISIONS. (a) Nothing in this chapter may be construed to require the commission to approve a boundary change which the commission determines not to be in the best interest of sound local government.

(b) The enumeration in this chapter of standards or factors for consideration may not be construed as exclusive of other factors which,

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

LOCAL BOUNDARY COMMISSION

March 7, 1985

Honorable Peter Goll
Chairman
House Community and Regional
Affairs Committee
State Capitol
Pouch V
Juneau, Alaska 99811

Dear Representative Goll:

Please accept my apologies for the delay in informing you of the Local Boundary Commission's thinking on H.B. 15 (with your penciled changes).

As I had indicated to you in Juneau on February 19, the Local Boundary Commission did discuss this subject during a work session held in Anchorage on February 25. Additional discussion also took place informally en route to a Local Boundary Commission hearing in Akiachak on March 2.

Basically, the Commission opposes requiring an advisory election to be held for legislative annexations. We feel that the legislative annexation process is a legitimate means for a municipality to annex territory and that adequate safeguards against the misuse of this process, i.e. Department of Community and Regional Affairs investigation and report, Local Boundary Commission hearing and decision, and Legislative review, already exist.

The Commission has no objection to a municipality undertaking opinion polls in areas proposed for legislative annexation. However, we do not feel that an advisory election should be mandated since the "popularity" of legislative annexations is not the primary issue which the Commission must consider in making a judgement in such cases.

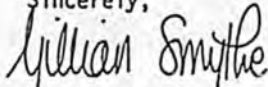
In am sorry I cannot be of more assistance to you on this subject as I realize it is one about which you are personally concerned. I would

- POUCH BH
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Honorable Peter Goll
March 7, 1985
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I like to thank you for the courtesy which you showed me and other Local Boundary Commission members in Juneau. It was very much appreciated.

Sincerely,


Gillian Smythe

GS:da

cc: DCRA, MRAD
LBC Commission Members

STATE OF ALASKA

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March 22, 1985

POSITION PAPER

RE: CSHB 15

SPONSORS: Representatives Peter Goll and Andre Marrou (by request)

Program Effects of the Bill (with Division of Election's involvement);

The Committee Substitute is substantially different from the original bill in two respects:

1. The Committee Substitute would require that an advisory election be conducted only in the area proposed for annexation. The original bill would also have required advisory elections in:
 - a) any municipality that includes the area proposed to be annexed; and
 - b) the municipality proposing annexation.
2. The Committee Substitute would no longer require the State to conduct the elections in those instances where a "legislative review" annexation petition is initiated by a municipality. However, our experience has been that such petitions are virtually always submitted by a municipality (although administrative regulations also permit such petitions to be submitted by residents or the Commissioner of the Department of Community and Regional Affairs).

Comments

The effects of these changes are to:

1. Reduce the fiscal impact of the bill by reducing the extent of the elections required;
2. Transfer this reduced fiscal impact from the State to municipal governments (again, our experience has been that legislative review annexation petitions are virtually always submitted by a municipality).

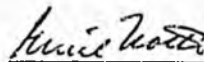
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As such, the philosophical issues concerning the aspects of this bill which do not relate to cost are basically the same as those expressed in the Department's position paper regarding the original bill.

Again, it must be recognized that the Legislative Review process for annexation has been a part of the State Constitution since its ratification by the people of Alaska in 1956. This process was included in the Constitution in order to provide municipal governments with the means to effect an annexation to accommodate a compelling public need or public interest in those circumstances where a majority of the residents in the territory proposed for annexation might not support it.

While CSHB 15 would not require that Legislative Review annexations gain approval from the voters, it does require that the Commission consider the results of the advisory election. Further, the results of the advisory election would, no doubt, enter into the deliberations of the Legislature. Again, the nature of Legislative Review annexations is such that they are seldom supported by the people proposed for annexation. As such, the implications of requiring an advisory election seem to conflict with the principles behind this process.

Therefore, the Department is opposed to this measure.



Emil Notti
Commissioner

March 6, 1985

POSITION PAPER

RE: HB 15

SPONSOR: Representative Peter Goll

Program Effects of Bill

The bill would add a new section (AS 44.47.582) to the laws governing the procedures of the Alaska Local Boundary Commission. The new section would require that before the Local Boundary Commission could act upon a petition for annexation pursuant to the Legislative Review process (i.e. AS 29.68.010(a)), an advisory election on the proposed annexation would have to be held and the results considered by the Commission. The required election would have to separately tally the votes of the residents of:

1. the area proposed to be annexed;
2. any municipality that includes the area proposed to be annexed; and
3. the proposed annexing municipality.

The bill requires the Division of Elections to supervise the election and for the State to pay all election costs.

Comments

There are four different means of annexing territory to a city. Three of the four methods require approval of the Local Boundary Commission and/or all of the property owners and/or resident voters before an annexation may be effected. The fourth means, the Legislative Review process, requires the approval of the Local Boundary Commission and the State Legislature. It is this fourth process which is the target of House Bill 15.

The Legislative Review process for annexation has been a part of the State Constitution since its ratification by the people of Alaska in 1956. This process was included in the Constitution in order to provide municipal governments with the means to effect an annexation to accommodate a compelling public need or public interest in those circumstances where a majority of the residents in the territory proposed for annexation might not support it.

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March 6, 1985
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While, HB 15 would not require that Legislative Review annexations gain approval from the voters, it does require that the Commission consider the results of the advisory election. Further, the results of the advisory election would, no doubt, enter into the deliberations of the Legislature. Again, the nature of Legislative Review annexations is such that they are seldom supported by the people proposed for annexation. As such, the implications of requiring an advisory election seem to conflict with the principles behind this process.

Interestingly enough, shortly before this bill was introduced, certain members of the Local Boundary Commission expressed a desire to have municipal governments conduct a poll of the residents of an area proposed for annexation through the Legislative Review process.

Other concerns we have regarding this bill are:

- ° that the requirements for the election could add from 45 to 90 days to the time required for the processing of a legislative review annexation petition;
- ° that presently, the State is not involved in conducting local elections within a municipal government, this may be considered by local governments as an infringement by the State on local responsibilities;
- ° the elections would require the expenditure of substantial amounts of money [note: Division of Elections to prepare fiscal note].

Of course, the last two concerns could be resolved by modifying the bill to require that the elections be conducted by the municipality to which the territory has been proposed for annexation.

Emil Notti, Commissioner

STATE OF ALASKA

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April 2, 1985

The Honorable Peter Goll, Chairman
Community and Regional Affairs Committee
Alaska State House
Pouch V
Juneau, Alaska 99811

Dear Representative *Peter* Goll:

RE: CSHB 15

You have requested our suggestions for improvements to CSHB 15, an Act requiring advisory elections for legislative review annexation proposals. We have identified three alternatives to advisory elections which we feel have substantial benefits over an election. These alternatives, in order of our preference, are mandatory public hearings by the Department, informational meetings conducted by the Local Boundary Commission and mandatory public opinion polls.

Our preference would be to add a new section to AS 29.68 which would require the Department to conduct a public hearing on petitions for annexation using the legislative review process. Such requirements would be similar to the provisions currently required by AS 29.18.070 for incorporation proposals.

The hearing could accomplish the same objective as that proposed by CSHB 15, in that it would enable residents of the territory to state their preference on the proposed annexation. In fact, a hearing would provide the residents with far greater opportunity than that provided by an advisory election to impact this agency's recommendation on proposed annexations. An advisory election would simply tally the number of voters in favor and the number opposed to the proposed annexation, whereas a hearing would enable individuals to articulate the rationale for their positions.

The fiscal impact of such requirements would not be great. I estimate that the costs relating to travel, per diem, providing public notice of the hearing and other direct expenses (excluding currently salaried personnel costs) would be approximately \$500 per hearing. Assuming five such annexation proposals per year, the fiscal impact of this requirement would be estimated at \$2,500 per year.

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As an alternative to a statutory mandate for the public hearing, the Committee could request the Department to begin, as a matter of policy, conducting hearings on such annexations in the manner discussed above. The Department could even include such provisions in the administrative regulations governing proceedings concerning legislative review annexations.

The second option would require, by either statute or regulation, that the Local Boundary Commission hold an informational meeting on the petition prior to the public hearing.

As the less preferred alternative, the Committee could propose adding a new section to AS 29.68 which would require that a public opinion poll be conducted in the territory proposed for annexation. As is the case with the public hearing, a proper public opinion poll could serve to provide the Department and the Local Boundary Commission with greater useful information than would be provided with a simple tally of votes from an advisory election.

Standards and procedures for the conduct of public opinion polls would have to be carefully developed to ensure that the poll was both accurate and creditable. For example, by requiring a poll of every registered voter in the territory proposed for annexation whose State Voter Number ends with an odd number, would ensure that the poll would be highly representative of the total number of registered voters and that the individuals polled were selected in an unbiased manner.

I feel that the burden for conducting the poll should be placed on the petitioner. As such, there would be no fiscal impact on the State for such requirements. Again, as an alternative to imposing such requirements by law, the Department could require public opinion polls through its administrative regulations.

Attached for your information is a list of questions which might be used in such a poll.