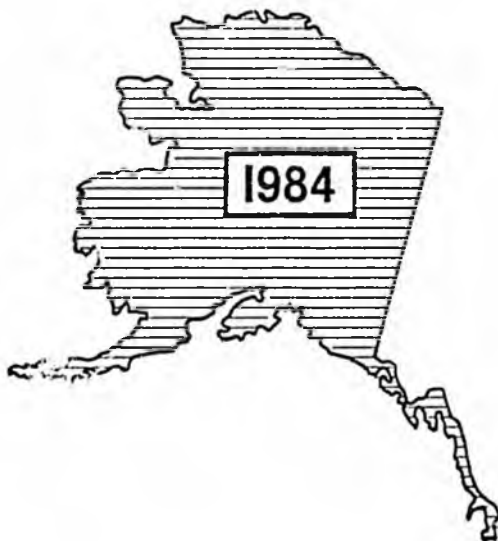


ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4471 HCRA HB 286 - HB 297

43

#5



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**THE ALASKA  
ECONOMIC AND  
STATISTICAL REVIEW**

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Economic Analysis Section  
Department of Commerce and  
Economic Development

**STATE OF ALASKA**

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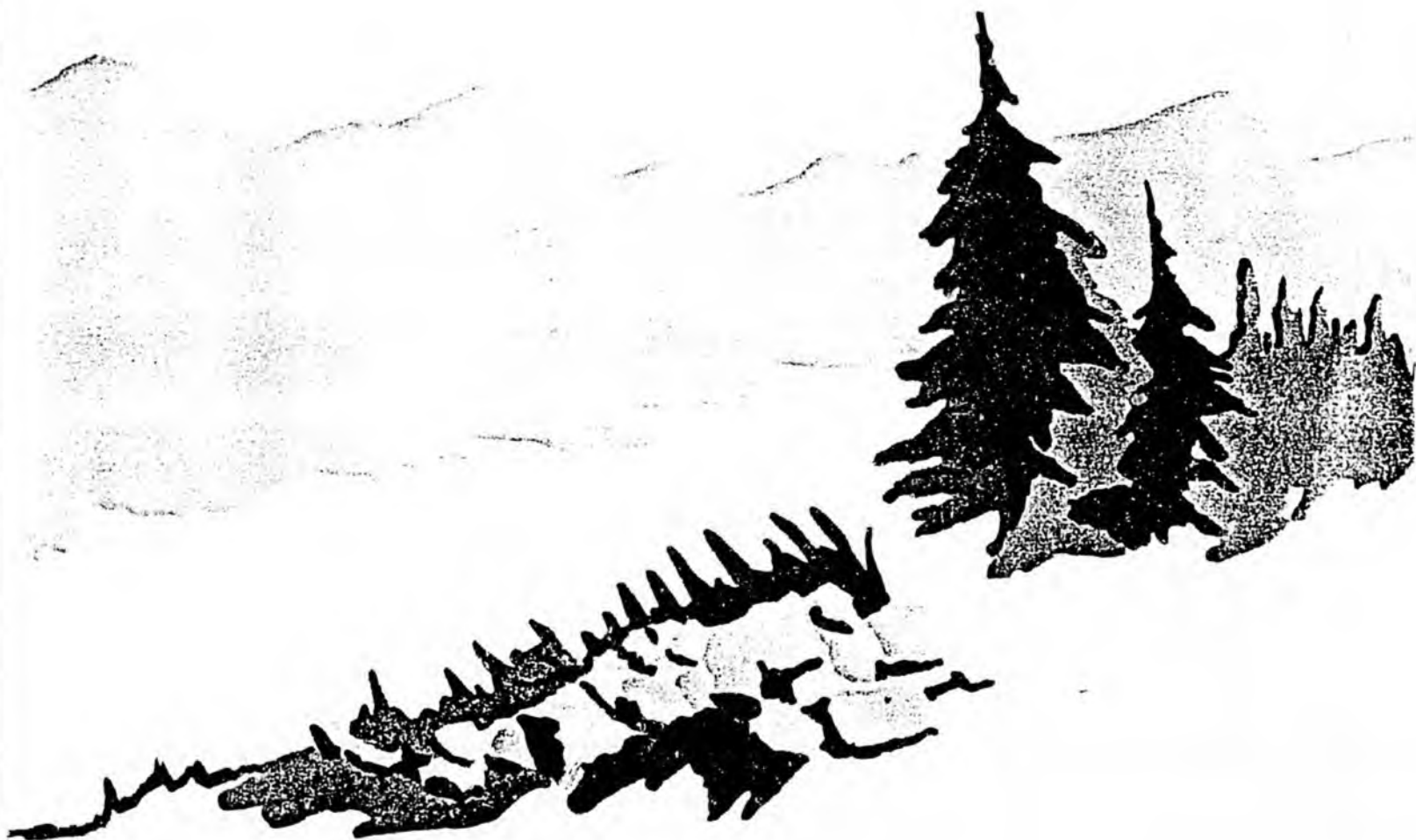
# 6

# A DELPHI FORECAST OF ALASKA'S DEVELOPMENT: THE YEAR 2000 & BEYOND

Report to

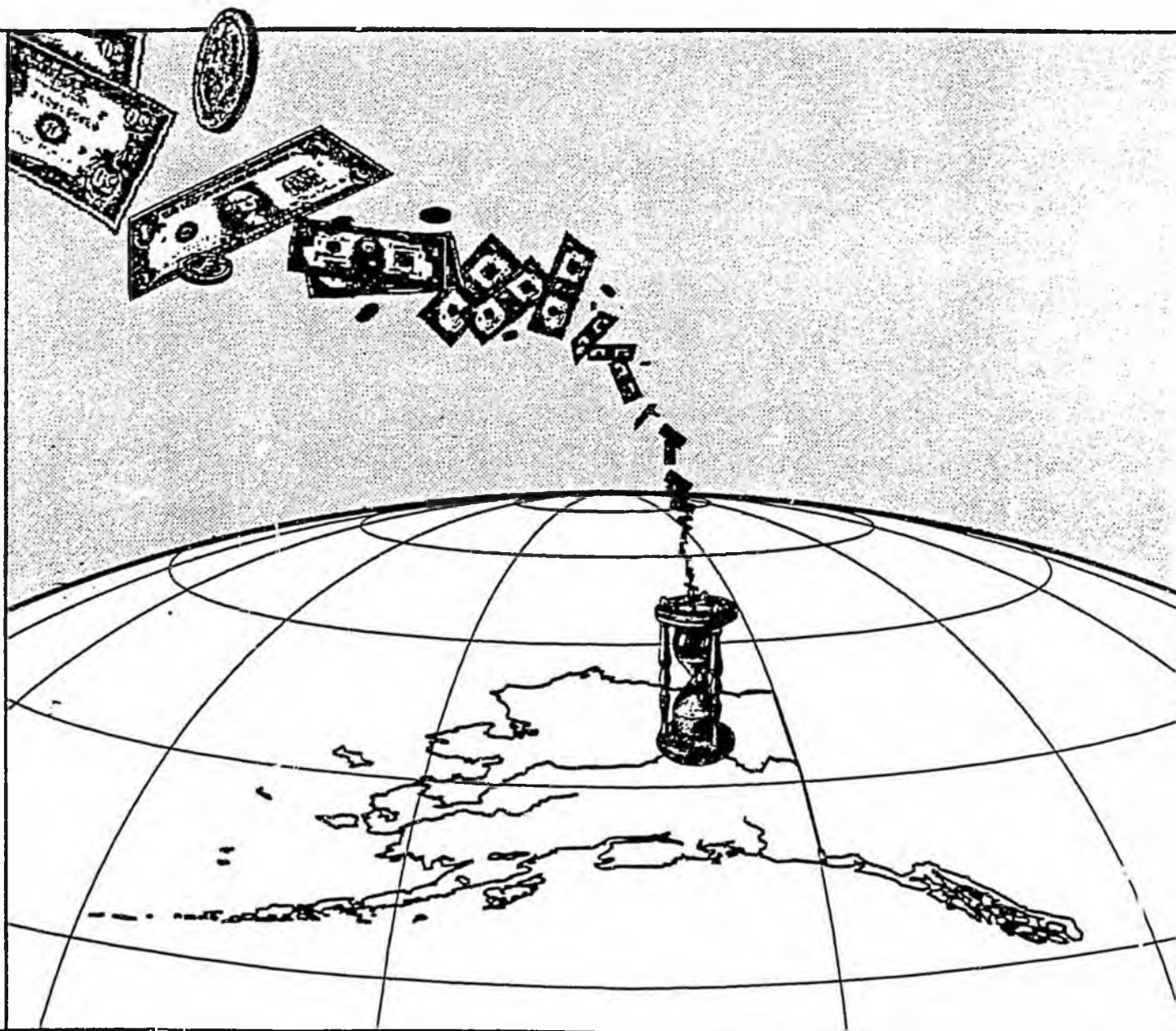
DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

STATE OF ALASKA



#6a

# Impacts of Declining Revenues On Alaska's Smaller Communities



State of Alaska  
Steve Cowper, Governor

Department of Community and Regional Affairs  
David G. Hoffman, Commissioner

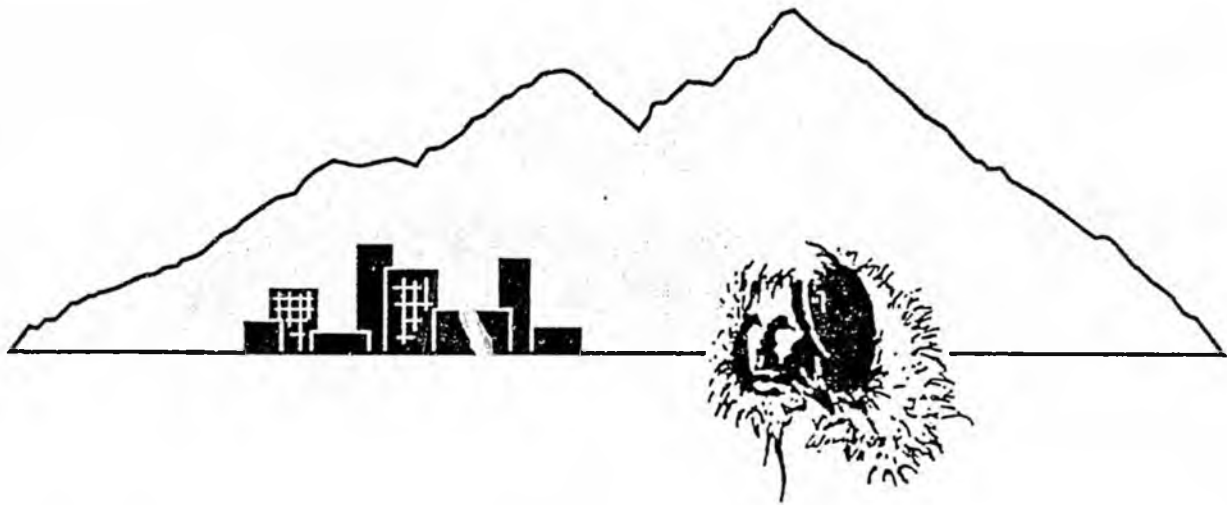
March 1988



#7

# Alaska Taxable

## 1987



**Municipal Taxation - Rates and Policies**

**Full Value Determination**

**Population and G.O. Bonded Debt**

State of Alaska  
Steve Cowper, Governor

Department of Community and Regional Affairs  
David G. Hoffman, Commissioner

Volume XXVII  
January 1988



# 8

REPORT  
OF THE  
GOVERNOR'S TASK FORCE  
ON  
FEDERAL-STATE-TRIBAL RELATIONS  
SUBMITTED TO  
GOVERNOR BILL SHEFFIELD

#9

**A NEW MANDATORY BOROUGH ACT:  
LOCAL EDUCATION COSTS AND POTENTIAL REVENUES  
OF NEWLY CREATED BOROUGHES**

**House Research Agency  
Alaska State Legislature  
February 1988**

**House Research Agency Report 88-A**

#10

ANALYSIS AND RECOMMENDATIONS  
ON LOCAL GOVERNMENT QUESTIONS  
AND ISSUES BEFORE THE  
TASK FORCE ON FEDERAL/STATE/TRIBAL RELATIONS  
DECEMBER 1985

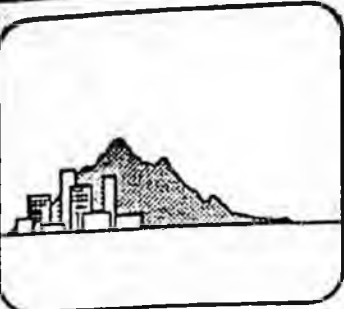
Prepared By  
Division of Municipal and Regional Assistance

State of Alaska  
Bill Sheffield, Governor

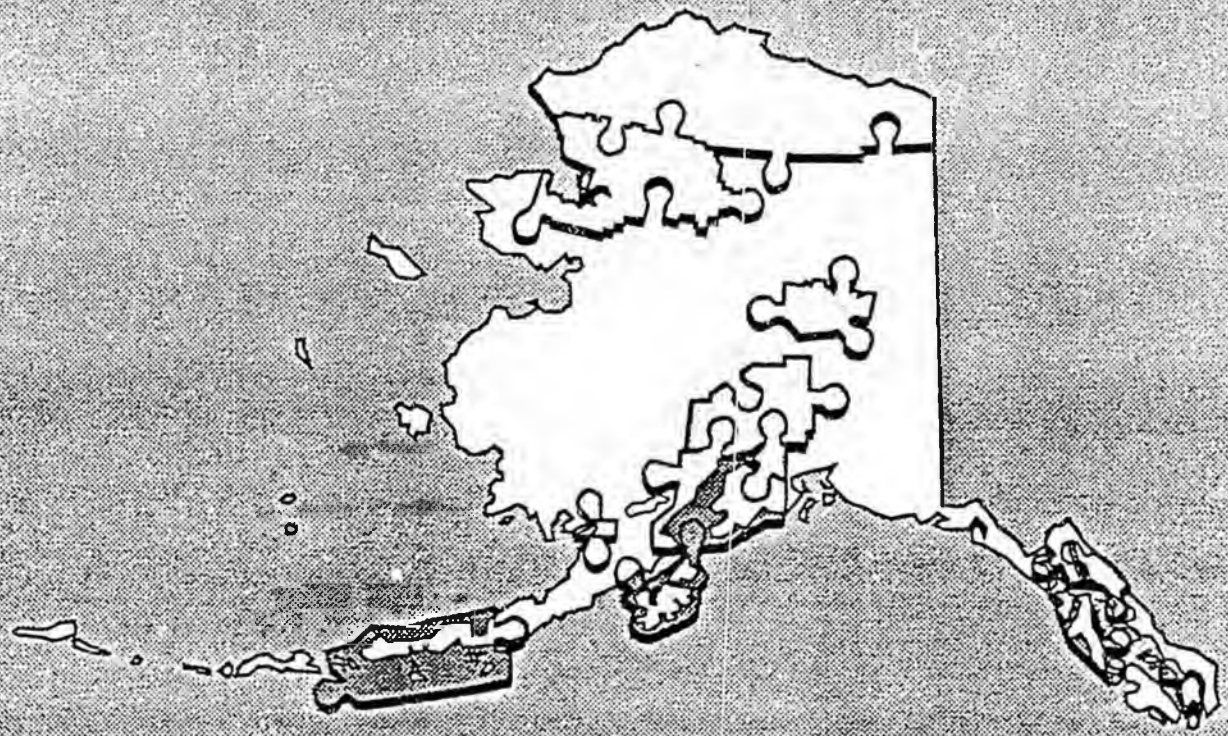
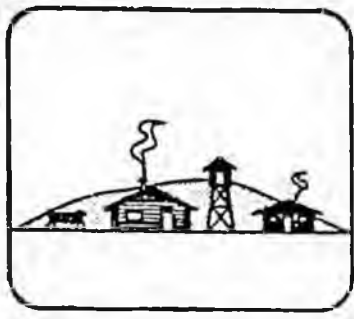
Department of Community  
and Regional Affairs  
Emil Notti, Commissioner

# 11

(20) SSHB1



# Regional Government Study



State of Alaska  
Steve Cowper, Governor

Department of Community and Regional Affairs  
David G. Hoffman, Commissioner

January 1988



# JUNEAU REPORT



The Juneau Report is published by Standard Alaska Production Company (SAPC) Government Affairs Department to provide an overview of issues and legislation as they relate to the petroleum industry. Opinions of authors expressed here do not necessarily reflect the opinions of the company. The Juneau Report is edited by Jim Palmer. Inquiries should be directed to him, SAPC Government and Public Affairs 564-5403.

### In this issue:

- *Commentary, "Coping with change," Page 2*
- *Standard Alaskans speak out, Page 2*

### Long term, gradual reduction

## \$358 million budget savings?

### How it can be done

Alaska's state operating budget could be reduced by \$275 million yearly in 10 years and as much as \$350 million in 15 years if current state loan and debt programs can be retired on the current schedules, and if state lawmakers can get one spending program — the Longevity Bonus — under control by adopting one of several spending modifications.

service will be dropping fast in increments of \$12 to \$30 million over the next several years. By 1998, state general obligation debt service will have dropped to \$1.4 million, and zero by 2001. While zero debt service is technically possible, it is politically unlikely because by then the state will probably have initiated a modest capital program tied

*Continued on page 6*

Savings could come under the following programs. State general obligation bond debt service, \$132 million less in 10 years and \$147 million less in 15; State school debt support payments, \$77 million less in 10 years, \$116 million less in 15; State student loan subsidies, \$45 million less in 10 years, \$54 million less in 15; Longevity Bonus program, assuming modifications are adopted, \$0-\$20 million savings in 10 years (depending on which proposal for modification is adopted) and \$40 million less in 15 years.

Debt service reductions are substantial, but it is likely that some new debt may be required, both on state and local levels, before 2005. This would require some amount of ongoing debt service, though at levels below those of today. However, potential savings in the student loan program and the Longevity Bonus program, if it is modified, are very likely.

### State Debt Service

State general obligation debt — for bonds sold to finance public buildings, roads and other state services — cost the state \$147.9 million in debt service during the current fiscal year. These bonds are on a rapid payoff schedule tied to the decline in Prudhoe Bay production. Annual debt

### 1988 session convenes

Alaska legislators convened in Juneau on January 11 for the 1988 legislative session. Major issues before the Legislature this spring include possible major changes in the state workmens' compensation laws and "tort" reform, which involve changes in civil liability procedures.

Workmens' compensation insurance costs have soared for Alaskan businesses and have become a major problem for companies amid the state's current recession. Senate and House Labor and Commerce Chairmen Senator Tim Kelly and Representative Dave Donley, both of Anchorage, have developed proposed changes to the law that would, hopefully, lower insurance costs for Alaskan firms.

*Continued on page 6*

### Tale of three cities

## How local governments handled budget problems

**Editor's Note:** This article discusses how three principal Alaska local governments, each with their own unique circumstances, have reacted to state budget cuts and reductions in state revenue sharing to local government coffers.

By Mike Bradner

This is an article about three Alaska local governments — Fairbanks, Kenai and the Matanuska-Susitna Borough. Like all Alaska local governments, these three governments have been impacted by major state budget cuts over the last several years. Local governments have been forced to react, using up fund balances and cash reserves, imposing budget cuts of their own, increasing existing local tax levies, and debating the prospects of new taxes. This is how three governments are coping.

### Changing Revenue Realities

Since statehood, and most certainly since the beginning of oil production in Cook Inlet, Alaska local governments were able to look to the state government for steadily increasing revenue support. This "rising revenue" expectation lasted until 1986.

Alaska's large oil revenues have meant local governments have had a steadily rising revenue curve for almost three decades. More significantly, for the last two decades local governments had the luxury of greatly increasing revenues, while at the same time being able to decrease their own tax loads.

In most state and local governments in this country, increasing spending while reducing individual taxes would be impossible, and in government theory, this is a contradiction. But among Alaska local governments this "contradiction" was a functioning reality.

Alaska local governments were not only able to lower taxes and increase spending at the same time, but during these years were even able to accrue considerable

"savings." In addition, increasingly in the 1980s local governments focused on another "perk" — the annual competition for state dollars to fund municipal capital needs.

Now this trend is reversed. The outlook is for a decline in state shared revenue with local governments, both in the near term and the longer term perspective. The ultimate decline of the immense Prudhoe Bay field has always meant a period of "adjustment" in Alaska's future.

The problem both state and local governments face is

that the sizable oil production drop, inherent in Prudhoe Bay oilfield decline, is unlikely to be offset by production from existing marginal fields, or even by significant new discoveries. The luxury of the Prudhoe Bay field is its huge size; the curse is that the production stream is so large that decline cannot realistically be offset. This does not mean Prudhoe decline cannot at some point or time be offset, but only that prudent exploration expectations would appear to set high odds against such a find, or make the

*Continued on page 3*



Representative Rands Phillips (R)—Chukchi-Eagle River and Representative Drue Pearce (R)—Anchorage, discuss legislation during a House floor recess.

Photo by Mark Bradner



# 14

ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

17-a SSHB 1

P.O. Box Y, State Capitol  
Juneau, Alaska 99811-3100  
Mail Stop 3100  
(907) 465-3991

October 9, 1987

MEMORANDUM

TO: Representative Henry Springer

ATTN: David Harrison

FROM: Karen Oakley  
Legislative Analyst

RE: Creation of Boroughs: Full Taxable Value and Effects on Public  
School Finance  
Research Request 88.041

You asked us to provide a rough estimate of the amount of property tax revenue that could, in theory, be generated within each third class borough proposed to be created under House Bill 1 and to determine how HB 1 would affect the financing of public schools within the new boroughs and within the state. You asked that we also discuss whether the amount of potential revenue justified the costs to collect the taxes and to evaluate the ability of residents in each new borough to pay such taxes.

In summary, we found:

- Under HB 1, 22 rural education attendance areas (REAs) and 21 city school districts would be reorganized into 20 third class boroughs. Of these new boroughs, 12 would be created from REAs alone, and eight would be created from combining city districts with their surrounding REA.
- The total taxable value of property in the proposed boroughs is about \$7.5 billion; the majority (78 percent) of this value is derived from the areas through which the TransAlaska Pipeline passes. In comparison, the taxable value of property in existing boroughs is \$48 billion.
- The "required local effort" for public education in the proposed boroughs would total \$19 million--given FY 88 basic need values. About \$11 million of this local effort would be generated by property in REAs that has not previously been taxed at the local level.



1000 Y. State Capitol  
Juneau, Alaska 99811  
(907) 465-3991

ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Clocks in #3

#15

February 28, 1986

MEMORANDUM

TU: Representative Don Clocksin

ATTN: Bob Cole

FROM: Brad Pierce *BP*  
Legislative Analyst

RE: Impact of State Grants, Loans, Municipal Assistance, Revenue Sharing, Rents, Leases, Office Supplies, Food and Fuel Expenditures  
Research Request 86-047

You requested this agency to provide an election district breakdown of the following categories of State expenditures during FY 85:

- State grants;
- State loans;
- Municipal Assistance;
- Revenue Sharing; and
- Rents, leases, office supplies, food and fuel.

We have been able to compile all but a portion of the final category (office supplies, food and fuel) into an election district format. Data on State expenditures for commodities are maintained by each individual department and are unavailable by election district at the present time. Commodity expenditures amounted to \$96.2 million statewide in FY 85, or approximately three percent of total operating expenditures. All departments have changed over to an automated accounting system for FY 86, which should enable us to compile this type of information on an election district basis in the future.

Table 1 summarizes the information you requested; it shows the distribution among election districts of \$1.056 billion in State grants; \$830 million in loan programs; \$60 million in Revenue Sharing; and \$90



#16

ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Clocksin #4

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

March 4, 1986

## MEMORANDUM

TO: Representative Don Clocksin

ATTN: Bob Cole .

FROM: *G. Keiser*  
Gretchen Keiser  
Legislative Analyst

RE: State Expenditures for Welfare Programs and Unemployment Insurance  
Research Request 86-046

You asked us to provide information about the distribution of State expenditures on several welfare programs. In addition, you requested an election district breakdown of State unemployment insurance payments. Finally, you asked us to discuss the spending patterns of welfare recipients and unemployment insurance claimants.

This memorandum summarizes the data which are available for these programs. Specifically, we provide a House election district breakdown of State FY 85 payments under the following programs:

- Adult Public Assistance
  - Old Age Assistance
  - Aid to the Blind
  - Aid to the Disabled
- Aid to Families with Dependent Children
- Medical Assistance
  - Medicaid
  - General Relief Medical
  - Catastrophic Illness
- Unemployment Insurance

Data Sources and Difficulties

Because you expressed interest in the general availability of and difficulties with the data required to address this request, this section briefly discusses the sources of data for this memorandum.



# Alaska State Legislature

## House of Representatives

### Committee on Community & Regional Affairs

(7) HB 286

Fouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4833

April 22, 1988

**DRAFT**

✓  
sp

The Honorable Steve Cowper  
Governor of Alaska  
P.O. Box A  
Juneau, Alaska 99811

Re: HB 286, Creating the Rural Governance Council

Dear Governor Cowper:

Yesterday this Committee received a request to hear HB 286, "An Act establishing the Rural Governance Council in the office of the Governor; and providing for an effective date."

This has come as a surprise to us and since I speculate that the late timing has some purpose following is the sequence of events:

The bill was introduced at your request and referred to the HCRA Committee on 4/22/87. I promptly scheduled it and had a first hearing on 5/6/87. Concern was raised over the cost, identification of geographic representation, a loose definition of the chairman's position and the general effectiveness of such an advisory council. Based on the testimony received from the DCRA (Doug Griffin) it was agreed that more work was necessary in the interim; DCRA was going to collect more baseline data in cooperation with Senator Hensley and your office.

Ever since the legislature reconvened in January, we have been in touch with the DCRA and Ms. Rosita Worl of your office. On 1/13/88 she told us that they were considering a new approach through a "Native Judicial Council," which was the case through February. During March they were "still working on it."

Two weeks ago we received a verbal request to schedule the bill and yesterday Jim Plasman from DCRA brought last year's identical position paper, an identical bill and the same fiscal note redated 1/19/88.

**DRAFT**

Governor Cowper

-2-

April 22, 1988

It is very obvious that no meaningful work has been done since the first hearing and now towards the end of the session the panic button is pushed and as a consequence, the HCRA Committee will be blamed for non-action.

The events clearly show that "it ain't so" and the inactivity occurred on the "third floor": I just want to keep things in the right perspective.

Sincerely,

Representative Henry Springer, Chairman  
HCRA

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-7

A RESOLUTION SUGGESTING THE ESTABLISHMENT  
OF A STATEWIDE ADVISORY COMMISSION  
TO CONSIDER THE ROLES AND RESPONSIBILITIES  
OF STATE AND LOCAL GOVERNMENT.

WHEREAS, during the past few years local governments have been faced with a variety of dramatic proposals concerning transfers of state responsibilities in areas ranging from judicial services to road maintenance, and

WHEREAS, each of these proposals has had the potential for significant impact on the delivery of basic services to many Alaskans, and

WHEREAS, no forum exists to adequately address the issues of state and local responsibilities in a comprehensive manner, and

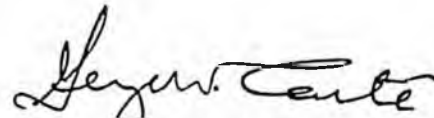
WHEREAS, this same problem has been recognized in other states and organizations such as the National Conference of State Legislators and the U.S. Conference of Mayors which are supporting the establishment of state/local advisory commissions as one means to address the issues;

NOW, THEREFORE, BE IT RESOLVED THAT the Alaska Municipal League urges:

1. That the Governor and the Legislature support the establishment of a commission to consider the roles and responsibilities of state and local governments and to advise the administration and the Legislature; and

2. That the commission membership should include administration officials, legislators, and representatives of local governments from urban and rural areas of the State.

Adopted this 13th day of November 1987.

  
George W. Carte, President

ATTEST:

  
Scott A. Burgess, Executive Director



1050 17th Street  
Suite 2100  
Denver, Colorado 80265  
303/623-7800

President David E. Nething  
Majority Leader  
North Dakota Senate

Executive Director  
Earl S. Mackey

## RECOMMENDATIONS OF THE TASK FORCE ON STATE-LOCAL RELATIONS

### PREAMBLE

We are on the brink of a period of significant change in the way state and local governments interact. One impetus for this change, along with other factors, is the federal government's withdrawal of financial support for state and local governments. Federal aid already has decreased substantially, and further large reductions appear likely. These changes create a vacuum that forces states to reassess their policies.

States have great power to influence the services provided by local governments and the manner in which they are financed. Along with that power comes a responsibility to enact policies that create the best possible system for delivering services, consistent with the resources available. Because of the impending changes in the federal system, it is incumbent upon legislators to reconsider the entire existing system of financing local governments.

John Shannon, one of the most respected observers of federal-state-local relations, has described the current period as one of "fend-for-yourself" federalism. Just as the federal government has limited resources to help state and local governments, the ability of the states to assist local governments financially is not unbounded. One of the major challenges facing the states is to find ways to help local governments without necessarily incurring heavy financial burdens for the states.

This NCSL Task Force on State-Local Relations has developed a set of recommendations that should be helpful to states as they reassess their policies toward local governments. We recognize that many proposed policies go beyond the existing practice in many states. This does not imply that there was anything wrong with past policies but rather that the changed times require new directions.

We recognize that each state must develop its state-local policies in accordance with its unique traditions and the preferences of its citizens. No grand design for state-local relations can be developed to apply in all states. We feel, however, that the recommended policies deserve serious consideration and that the issues raised ought to be debated. We trust that our recommendations will be helpful to legislators as they grapple with the difficult challenges of this new environment.

The bulk of our recommendations fall into two categories: approaches for improving the process of developing new state-local policies and substantive policies themselves. One recommendation underlies all of our other proposals: Legislators should place a higher priority on state-local issues than has been done in the past. The time has come for states to change their attitude toward local governments--to stop considering them as just another special interest group and to start treating them as partners in our federal system of providing services for citizens. Likewise, local governments should resist a "go-it-alone" attitude and should participate in the process as partners.

#### IMPROVING THE STATE-LOCAL POLICY DEVELOPMENT PROCESS

If a state is to have the necessary tools to improve its system of state-local relations, two elements are critical: (1) an organization dedicated to studying state-local issues and resolving problems and (2) good information about how local governments are faring.

### A State-Local Organization

A specific organization dedicated to state-local issues is needed because the profound changes in this area require ongoing study. States have research organizations and standing legislative committees capable of studying a particular problem and developing new policies to deal with it, but those existing entities have many other responsibilities and cannot continuously devote the attention that is required to state-local issues. Other reasons for creating a specific state-local organization are the complexity of the issues and the rapidity with which they are changing. The various local governments within a state differ significantly, local revenue systems are complicated, and solutions to problems must consider both revenue and spending ramifications. An organization that specializes in state-local issues is best able to study the nature of problems in this area and to suggest alternative policies for addressing those problems.

A state-local organization can perform four important functions: provide a forum for discussion of long-range state-local issues, a place where local officials can be heard and engaged in focused dialogue; conduct research on local developments and new state policies; promote experimentation in intergovernmental processes, both state-local and local-local; and develop suggested solutions to state-local problems.

No single model can be developed for such an organization because of differences in traditions and governmental structure among states, but a number of specific guidelines have been developed by the Task Force, based upon the experience of states with various approaches:

- o The organization should be created by statute rather than by executive order so that the legislature is involved in its design and operation.

- o The organization should be either a legislative commission with a strong role for local governments as advisers or a state Advisory Commission on Intergovernmental Relations (ACIR). (State ACIRs typically have members representing each major type of local government along with executive and legislative branch state officials.) If it is an ACIR, legislators should play a prominent role in it. The legislators should be drawn from among leadership and the chairmen of committees with responsibility for policies affecting local governments, including revenue, appropriations, and local affairs. It is essential that the organization have strong ties to the legislature so that (1) it is responsive to legislative concerns and (2) its proposals receive priority attention from the legislature. ACIR members should not be appointed by the governor, except for those who represent the executive branch.
- o The organization should be either part of the legislature or an independent entity, not part of the executive branch.
- o The organization should have an adequate budget and qualified staff. A recommended model for states having sufficient resources would be a minimum budget of \$200,000 and a staff of at least four persons. Local governments should participate in funding the organization.

These guidelines are at variance with most of the existing state-local organizations. According to the U.S. ACIR, 24 states have ACIRs or similar bodies, but most of them have smaller budgets and less influence than envisioned by the Task Force, and the role of legislators in most of them is too limited. We believe that state-local organizations can play a pivotal role in studying and resolving local government problems.

### An Improved Information Base

One of the most important tasks of a state-local organization should be to monitor local fiscal developments and to inform the public about significant trends in local finance. We envision creation of systems to keep track of changes in tax rates, expenditures, state and federal aid, tax bases, and fiscal stress, among other measures. An annual report on the state of local governments should be published, explaining in clear, simple language how the fiscal situation of local governments has been changing.

Such an information system will be vital over the next decade if, as appears possible, some local governments experience increasing fiscal stress. State officials are certain to hear complaints from local representatives about their fiscal predicament, and they will be in a much better position to respond to those complaints if a good monitoring system is in place. Improved information will make it possible to raise the level of discussion of state-local issues.

### IMPROVING STATE-LOCAL POLICIES

We have developed recommendations in three areas--local revenue systems, mandates imposed by states on local governments, and state aid to local governments, including "sorting out" responsibilities for various governmental functions. States need to reevaluate their policies in these areas for two reasons: federal aid to localities probably will continue to decrease, while increases in state aid to localities will be constrained by the state governments' own fiscal problems.

These recommendations should be viewed as a starting point for reassessing policies, not as an exhaustive list. Each state's agenda for improving its policies toward local governments will vary.

## Local Revenue Systems

State governments control the revenue sources that local governments have available to them. Traditionally, the property tax has been the mainstay of local revenue systems. While there has been a shift away from the property tax, it still accounts for 50 percent of tax revenue for municipalities, 76 percent for counties, and 94 percent for townships. While the property tax is properly an important component of a balanced state-local tax system, the heavy reliance on it in many states is undesirable because the property tax is so unpopular with the public. Local governments should not be forced to depend so heavily on the most disliked state-local tax.

States should give localities more discretion in raising revenues. Sales and income taxes should be among the options available to local governments because all other nonproperty taxes, while some of them are appropriate, have only limited revenue potential. States, however, should not adopt a no-strings-attached, "tax-anything" policy for local governments. The Task Force recommends that states consider a set of safeguards such as those proposed by the U.S. ACIR that can avoid problems arising from unfettered use of these taxes. The ACIR's safeguards call for state collection and administration of local sales and income taxes, conformance of local tax bases to the state base if the state imposes the tax, encouragement of uniform or widespread geographic coverage, limits on maximum and minimum local rates, some degree of equalization of revenue among jurisdictions with large and small tax bases, and sharing earnings taxes between place of work and residence.

Another aspect of revenue diversification is promotion of user charges when they are appropriate, particularly when beneficiaries of services are easily identified and charges do not impose an unacceptable burden on low-income households. Impact fees in developing areas are an example.

States should provide technical assistance to help local governments implement user charges. Part of such assistance should be to serve as a clearinghouse for information on user charges implemented by localities.

The recommendation in favor of revenue diversification does not imply that the property tax should be abandoned. It has a valid role to play in a balanced state-local tax system. States should, however, work to make the property tax more acceptable by improving assessment systems, adopting state-financed relief programs to shield the poor from excessive burdens, and enacting "truth-in-taxation" provisions to improve public understanding of why property tax payments may be increasing.<sup>1/</sup> Aspects of improving assessment systems include raising standards for assessors, providing adequate funding, having the state play a strong role in supervising assessments to ensure that laws are being followed, and basing assessments on the full value of property.

Most states limit local property taxes, total revenue, or spending in some manner. The Task Force takes no position either in favor of or against such restrictions, but it urges states to evaluate their system of limitations to assure that it does not prevent local revenue per capita from rising at least as fast as the inflation rate. Any limitations enacted should be flexible, both in that they respond to the local economy and in that they are subject to override by voter referendum. Even though the level of local taxes is the

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1. "Truth-in-taxation" provisions also are known as "full-disclosure" laws. They attempt to demystify property tax changes by requiring clear explanations of why tax bills are changing, including newspaper advertisements and statements sent out with tax bills as well as extra public hearings on budgets. They separate increases due to higher assessments from increases due to rate increases.

responsibility primarily of local rather than state officials, legislators often feel that they are held accountable by their constituents when local taxes increase, which is why they often find it necessary to enact limitations.<sup>2/</sup>

#### Mandates Imposed on Local Governments

State governments impose many costly requirements on local governments. In view of the harsh new fiscal environment faced by state and local governments, the Task Force recommends that states review their mandates placed on local governments. States should consider relaxing or eliminating those requirements and in some cases assuming the cost of complying with them. Some method should be developed, such as requiring fiscal notes, to assure that the costs of all prospective new mandates are taken fully in account before they are enacted.

The Task Force believes that the mandates deserving closest analysis are those prescribing local personnel policies, environmental standards, service levels, and tax base exemptions. Many other mandates set out standards of "good government," assuring high ethical standards, nondiscrimination, and full disclosure of government affairs to citizens. Such mandates are appropriately financed at the local level. They may, however, be reconsidered to assure that they are not unnecessarily restrictive.

One of the undesirable effects of mandates is that they may inhibit positive innovations by local governments, either in terms of cutting costs or delivering services most effectively. In weighing the desirability of particular mandates, states should be aware of this danger.

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2. If the price level fell, it could be appropriate to force local governments to reduce their tax revenue. If such a reduction were forced while prices were rising, it sooner or later would result in a lower level of local services.

## "Sorting Out" Responsibilities and State Aid to Local Governments

States have an important responsibility in a decentralized fiscal system such as ours to determine which services should be provided at the state rather than the local level and the extent, if any, to which local services should receive state financial aid. There is no single correct solution to this issue of "sorting out" responsibilities, since it depends on a state's size, diversity, wealth, and the desires of citizens, among other factors. Once established, the assignment of responsibilities usually changes only gradually if at all.

The Task Force urges that each state reevaluate its system of "sorting out" responsibilities in view of the new fiscal environment that lies ahead. This reevaluation should consider why each major program to aid local government was created and whether those reasons are still valid. It should determine the goals of specific programs and whether changes in the structure of the program might help to achieve those goals more effectively or at lower cost. The result of such a reevaluation of "sorting out" should be a simplification of the state-local system, with some programs expanded, others contracted, and still others combined or eliminated. In other words, states should take a step toward rationalizing the intergovernmental system that has developed incrementally over time, often with confusing results. In the process, some programs may be shifted from the state to the local level while others are transferred in the other direction.

The consideration of "sorting out" should be governed by certain general principles, such as keeping responsibility at the lowest level of government unless there is an important reason to do otherwise. A second important principle of federalism is that poverty-related services should be financed by the highest level of government possible, although local administration may or may not be desirable. A state or local government has no control over the

number of poor people within its borders, and there is an inverse relationship between the need for poverty-related programs and the ability to pay for them. This principle underlies NCSL's long-standing position that welfare and Medicaid programs should be national responsibilities and is reflected in the fact that most states have assumed the full cost of Aid to Families with Dependent Children (AFDC) and Medicaid programs in excess of that paid by the federal government. About half of the states also finance general assistance programs for those ineligible for categorical welfare programs. As part of the "sorting out" process, states should move in the direction of assuming major poverty-related costs from local governments.

States need to develop sophisticated formulas for distributing local aid. In a period of "fend-for-yourself" federalism, a danger exists that inequality will increase and that local governments with relatively small tax bases in relation to their populations will be unable to finance needed services, particularly if federal aid cutbacks affect them disproportionately. States should target assistance to jurisdictions with the lowest fiscal capacity, attempting to equalize resources to some extent among rich and poor communities. Aid formulas also should reflect needs for services and spillovers of benefits and costs among local jurisdictions.

By its very nature, the implementation of a process of "sorting out" will affect the relationships of local governments with the state and with one another. States should anticipate the difficulties this process will entail. They should develop procedures that provide the means of resolving the disputes that arise as "sorting out" takes place. Simplification, in other words, must be coupled with flexibility.

### Other Low-Cost Ways for States to Assist Local Governments

A theme running through many of the above recommendations is that states should search for methods of helping local governments without incurring heavy financial costs for state government itself. Allowing localities to tap new tax sources, relaxing mandates, providing technical assistance in implementing user charges--all of these do not cost states much money and yet could be beneficial.

Providing technical assistance is a low-cost activity that can pay big dividends, especially for small governments. State help is particularly appropriate when activities involve new functions or processes, when common issues are faced by a broad spectrum of local governments, and when economies of scale are significant. These conditions often exist when activities involve information and technical expertise. State-financed "circuit-rider" programs are popular with local governments in many states, as are bond banks and insurance pools in which the state combines the resources of a large number of small communities.

Approved: New Orleans, Louisiana  
August 5, 1986

NATIONAL CONFERENCE OF STATE LEGISLATURES  
TASK FORCE ON STATE-LOCAL RELATIONS

SUMMARY OF RECOMMENDATIONS  
August 1986

We are on the brink of a period of significant change in the way state and local governments interact, caused in part by the continuing reduction of federal financial support. These recommendations are intended as guides to states as they reassess their policies toward local governments in a period of "fend-for-yourself" federalism. We recognize that each state must develop state-local policies consistent with its unique traditions and that no grand design for state-local relations can be developed for all states. We feel that the recommended policies deserve serious consideration and that the issues raised ought to be debated.

1. Legislators should place a higher priority on state-local issues than has been done in the past. The time has come for states to change their attitude toward local governments--to stop considering them as just another special interest group and to start treating them as partners in our federal system of providing services for citizens. Likewise, local governments should resist a "go-it-alone" attitude and should participate in the process as partners.

Improving the State-Local Policy Development Process

2. Each state needs an organization dedicated to studying state-local issues and resolving problems, either a state advisory commission on intergovernmental relations or a legislative commission on state-local relations. It should be created by statute, have strong legislative representation, and have an adequate budget and staff.
3. States should develop systems to monitor local fiscal developments and to inform the public about significant trends in local finance.

Improving State-Local Policies

4. States should give localities more discretion in raising revenues. Sales and income taxes should be among the options available to local governments. Safeguards should be enacted to facilitate use of these taxes and to mitigate problems associated with them.
5. States should provide technical assistance to help local governments implement user charges.
6. The property tax should be made more acceptable by improving assessment systems, adopting state-financed relief programs to shield the poor from excessive burdens, and enacting "truth-in-taxation" provisions.
7. States should evaluate their system of limitations on localities to assure that it does not prevent local revenue per capita from rising at least as fast as the inflation rate.

8. States should review mandates placed on local governments, consider eliminating or relaxing them and in some cases assuming the cost of complying with them, and develop methods to assure that the costs of prospective mandates are taken fully into account before enactment.
9. Each state should reevaluate its system of "sorting out" responsibilities with its local governments. As part of this process, states should move in the direction of assuming major poverty-related costs from local governments.
10. States need to develop sophisticated formulas for distributing local aid, including targeting assistance to jurisdictions with the lowest fiscal capacity.
11. States should search for other low-cost methods of helping local governments, such as providing technical assistance and creating bond banks and insurance pools.

(2) No tax authorized by this part shall be levied unless the same shall be approved by a majority of the electors of each county, municipality, or other political subdivision, voting in elections to be held within the geographical area of the special tax district. A tax shall be authorized only in such political subdivisions as are approved by electors from within the counties or municipalities or other political subdivisions who are members of the regional authority.

History.—s. 6, ch. 71-373, s. 1, ch. 73-278

**163.571 Issuance of bonds.**—Any transportation authority created hereunder may issue bonds to carry out the authorized powers or purposes of this part. In the creation of bonded indebtedness the procedure therefor shall be in conformity with the constitution and laws of the state.

History.—s. 7, ch. 71-373, s. 1, ch. 73-278

**163.572 Expansion of area.**—Upon a resolution adopted by the governing body of any adjoining county, municipality, or other political subdivision, the authority may, subject to the provisions of s. 163.567(1), by a majority vote of its membership, include such territory in its regional transportation area.

History.—s. 8, ch. 71-373, s. 1, ch. 73-278

PART V

ADVISORY COUNCIL ON INTERGOVERNMENTAL RELATIONS

- 163.701 Short title.
- 163.702 Findings and purpose.
- 163.703 Council created.
- 163.704 Membership.
- 163.705 Functions and duties.
- 163.7055 Relationship to federal-state intergovernmental relations and activities.
- 163.706 Meetings, hearings, committees.
- 163.707 Staff.
- 163.708 Finances.

**163.701 Short title.**—This part shall be known and may be cited as the "Advisory Council on Intergovernmental Relations Act."

History.—s. 1, ch. 77-340

**163.702 Findings and purpose.**—

(1) The Legislature finds and declares that there is a need for an official body to:

(a) Involve local and state officials in an advisory capacity to the executive and legislative branches of state government.

(b) Study problems of the intergovernmental aspects of governmental structure, finance, functional performance, and relationships at the local, regional, state, and interstate levels.

(c) Recommend solutions to intergovernmental problems.

(d) Establish a regular system of reporting to state and local public officials on the progress of Florida and its political subdivisions toward meeting their intergovernmental responsibilities.

(e) Encourage and recommend methods of effective and efficient delivery of services at the state and local levels through services integration and combination of complementary services delivery functions.

(f) Assume such responsibilities for administering, coordinating, or providing intergovernmental services as may be required by the Legislature or Governor.

(g) Provide the Legislature, the Governor, and other interested parties with advice on intergovernmental concerns.

(2) It is the purpose of this part to improve the coordination and cooperation among the state and its local governments, other states, and the Federal Government through the establishment of a permanent Florida Advisory Council on Intergovernmental Relations.

History.—s. 1, ch. 77-340

**163.703 Council created.**—There is hereby created a Florida Advisory Council on Intergovernmental Relations, hereafter referred to as the "council."

History.—s. 1, ch. 77-340

**163.704 Membership.**—

(1) The council shall be composed of 17 members as follows:

(a) Four members of the Senate appointed by the President of the Senate.

(b) Four members of the House of Representatives appointed by the Speaker of the House of Representatives.

(c) Nine members appointed by the Governor from elected and appointed state and local officials and other interested citizens.

(2) Each member of the council who is a public officer shall perform the duties of a member of the council as additional duties required of him in his other official capacity.

(3) Legislative members shall be appointed to terms which correspond to their terms of office. All other members shall be appointed to staggered 4-year terms. All members may be reappointed.

(4) The council shall elect a chairman from among its legislator members and a vice chairman and such other officers as it may deem necessary. The chairman and vice chairman shall serve for 1 year and may be reelected. If both the chairman and vice chairman are absent at any meeting, the voting members present shall elect a temporary chairman by a majority vote.

(5) If a representative of the counties or of the cities or a legislator ceases to be an officer or member of the unit he is appointed to represent, his membership on the commission shall terminate immediately and there will be a vacancy in the membership. Within 30 days, such vacancy shall be filled in the manner of the regular appointment, and the person so appointed shall serve only to the end of the unexpired term and until his successor is appointed and qualified.

(6) The presiding officers of the Legislature should be guided in their appointments by consideration of the legislators' expertise, interest, and experience, including legislative committee service in the field of intergovernmental relations.

(7) Nine of the members of the council shall constitute a quorum.

History.—s. 1, ch. 77-340, s. 1, ch. 78-241, s. 80, ch. 79-400.

#### 163.705 Functions and duties.—

(1) The council is authorized to:

(a) Serve as a forum for the discussion and study of intergovernmental problems.

(b) To the extent not otherwise provided by law, evaluate on a continuous basis the interrelationships among local, regional, state, interstate, and federal agencies in the provision of public services to the citizens of Florida and, as appropriate, prepare studies and recommendations to improve organizational structure, operational efficiency, allocation of functional responsibilities, delivery of services, and related matters.

(c) Analyze the structure, functions, revenue requirements, and fiscal policies of Florida and its political subdivisions; conduct studies of economic, administrative, tax, and revenue matters for all levels of state government; and make recommendations for improvement.

(d) Examine proposed and existing federal and state programs, assess their impact upon Florida and its political subdivisions, and provide such assessments and recommendations, when appropriate, to the Legislature, the Governor, or any other group, public or private, whose activities affect intergovernmental relations.

(e) Encourage and, when appropriate, coordinate studies relating to intergovernmental relations conducted by universities; state, local, and federal agencies; and research and consulting organizations.

(f) Review the recommendations of national commissions studying federal, state, and local government relationships and problems and assess their possible application to Florida.

(g) Issue annual reports of its findings and recommendations to be transmitted to the Governor and the presiding officer of each house of the Legislature not less than 30 days prior to the convening of each regular session of the Legislature. Such reports shall set forth the reasons and supporting data for each recommendation and shall include draft legislation to implement such recommendations. Recommendations regarding economic and taxation issues shall be accompanied by supportive analyses of economic data. The council may issue special or interim reports on specific subjects as it may deem appropriate.

(h) Review and assess the work and recommendations of the federal Advisory Commission on Intergovernmental Relations and report such assessments to that body.

(2) The council is authorized to apply for, contract for, receive, and expend for its purposes any appropriations or grants from the state or its political subdivisions, the Federal Government, or any other source, public or private.

(3) As soon as practicable after the enactment or adoption of any new state program or increase in the level of services rendered in an existing program, which action substantially increases the expenditures of or reduces the revenue or revenue-producing ability of counties or municipalities, the council shall analyze such action. The council shall send its analysis and report there-

on to the Governor and presiding officers of the Legislature no later than 30 days prior to the convening of the next regular legislative session. Each analysis shall include the council's recommendation and its identification of new sources of revenue required to fund the increased cost of, or to offset the revenue loss incurred because of, the action.

History.—ss. 1, 2, ch. 77-340, s. 2, ch. 78-241.

**163.7055 Relationship to federal-state intergovernmental relations and activities.—**The primary role of the council shall be to study the relationships between state and local government. To the extent that these relationships affect federal-state intergovernmental relations, the council is directed to coordinate and cooperate with the Executive Office of the Governor and any other agency or activity concerned with federal-state relationships.

History.—s. 1, ch. 77-340, s. 92, ch. 79-190.

#### 163.706 Meetings, hearings, committees.—

(1) The council shall hold meetings at least semiannually at the call of the chairman and may meet at such other times as it deems necessary. The council may hold hearings from time to time on matters within its purview that it deems to be in the public interest. All meetings and hearings shall be open to the public and shall be conducted in accordance with the provisions of chapter 286.

(2) Each officer, board, commission, council, department, or agency of state government and each political subdivision of the state shall, when not inconsistent with any law, rule, or regulation regarding confidentiality, make available all facts, records, information, and data requested by the council and in all ways cooperate with the council in carrying out the functions and duties imposed by this part.

(3) The council may establish committees as it deems advisable and feasible, the membership of which may or may not be made up, in whole, from members of the council.

(4) The council shall promulgate rules of procedure governing its operations in accordance with the provisions of chapter 120.

History.—s. 1, ch. 77-340, s. 3, ch. 78-241.

#### 163.707 Staff.—

(1) The council shall employ and set the compensation of an executive director, who shall serve at its pleasure. Within available funds, the executive director may employ and set the compensation of professional, technical, legal, or clerical staff as may be necessary, and may remove these personnel. The executive director, with the consent of the council, may acquire the services of consultants and enter into contracts on behalf of the council.

(2) The staff of the council shall be governed by the same rules as are the personnel of the Legislature and shall receive the same rights and benefits accruing to legislative personnel. The council staff shall be members of the Florida Retirement System, and the council shall make employer contributions for this purpose.

(3) Upon request of the council, the Joint Legislative Management Committee is directed to provide such of-

office space and equipment as the council deems necessary.

History.—s. 1, ch. 77-340.

#### 163.708 Finances.—

(1) A member of the council is not entitled to a salary for duties performed as a member of the council, except that the members, other than public officers, shall receive the per diem authorized for legislators, and each member is entitled to reimbursement for travel and other necessary expenses incurred in the performance of official duties.

(2) Political subdivisions of the state are authorized to appropriate funds to the council to share in the cost of operations.

(3) Any requests by the Legislature for the performance of specific functions or studies requiring additional staff or expenses beyond the basic annual appropriations shall be accompanied by funds for such purposes.

(4) After the initial appropriation for the first year, the funding of this council will be part of the continuing legislative appropriation.

History.—s. 1, ch. 77-340; s. 81, ch. 79-400.

### PART VI

#### METROPOLITAN TRANSPORTATION AUTHORITY ACT

- 163.801 Short title.  
 163.802 Intent and purposes.  
 163.803 Definitions.  
 163.804 Creation of metropolitan transportation authorities; membership; appointments; executive director.  
 163.805 Regional ground transportation plans.  
 163.806 Purposes of metropolitan transportation authorities.  
 163.807 Powers and duties.  
 163.8075 Levy of ad valorem taxes by authority.  
 163.808 Bonds of the authority.  
 163.809 Remedies of the bondholders.  
 163.81 Department may be appointed agent of authority for construction.  
 163.811 Acquisition of lands and property.  
 163.812 Cooperation with other units, boards, agencies, and individuals.  
 163.813 Covenant of the state.  
 163.814 Eligibility for investments and security.  
 163.815 Exemption from taxation.  
 163.816 Conflict with local transportation agencies.  
 163.817 Conflict with other statutes.  
 163.818 Consolidation with expressway authorities.  
 163.819 Exception.

**163.801 Short title.**—This act shall be known and may be cited as the Metropolitan Transportation Authority Act.

History.—s. 82, ch. 85-180.

**163.802 Intent and purposes.**—It is the finding of the Legislature that the powers conferred by this part are for public uses and purposes for which public funds may be expended, and the necessity in the public inter-

est for the provisions of this part is hereby declared as a matter of legislative determination.

History.—s. 82, ch. 85-180.

#### 163.803 Definitions.—As used in this act:

(1) "Regional ground transportation system" means the following in the regional ground transportation area established under this part:

- (a) Bus systems;
- (b) The state highway system as defined in s. 334.03;
- (c) That portion of the county road system made up of all urban minor arterials not in the state highway system;
- (d) Those roads subject to an agreement between the authority and another agent or unit of government as provided in s. 163.806.

(2) "Authority" means a metropolitan transportation authority created pursuant to this part.

(3) "Member" means a member of the authority pursuant to s. 163.804.

(4) "Regional ground transportation area" means that area the boundaries of which are identical to the boundaries of the political subdivisions or other legal entities which constitute the authority.

(5) "Metropolitan planning organization" means an entity defined in s. 339.175 which is eligible for attributed Urban System funds in accordance with Title 23, United States Code and which is composed entirely of counties which have adopted a 4-cent gas tax pursuant to s. 336.025. For purposes of this part, the term includes all of a county any portion of which is within such entity.

(6) "Regional ground transportation plan" means the plan adopted pursuant to s. 163.805.

(7) "Department" means the Department of Transportation.

History.—s. 82, ch. 85-180.

**163.804 Creation of metropolitan transportation authorities; membership; appointments; executive director.**—

(1) In each metropolitan planning organization, there is hereby created a local governmental body as a public body corporate and politic to be known as the "\_\_\_\_ Metropolitan Transportation Authority." Each such authority is constituted as a public instrumentality for the purposes of implementing a regional ground transportation plan, and the exercise by an authority of the powers conferred in this part shall be deemed and held to be the performance of an essential public purpose and function. No authority shall transact any business or exercise any power hereunder until and unless the governing boards of two or more contiguous counties in such a metropolitan planning organization, of which one of such counties is the most populous county in the metropolitan planning organization, by proper resolution shall declare that there is a need for an authority to function in such metropolitan planning organization or unless by law enacted simultaneously with, or subsequent to, this act there is declared to be a need for such an authority to function. If a metropolitan planning organization is composed of only one county, the authority shall not transact any business or exercise any power hereunder

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

Spr / CRA  
(12) HB 286

APR 29 1988

April 28, 1988

The Honorable Henry Springer  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Springer:

Governor Cowper has requested that I provide you the full background leading to our request to your committee to hear HB 286 "An Act Establishing the Rural Governance Council in the Office of the Governor."

I would first of all like to express my apologies for any misapprehension that our request to hear the bill may have caused you. I fully appreciate the interest and concern you have in the issue of rural governance.

In early July 1987, I began the initial work on the issue of rural governance. I evaluated the work conducted under the Sheffield administration to ensure that our proposed council would not replicate Governor Sheffield's Task Force on Federal-State-Tribal Relations. My analysis confirmed that the proposed council was necessary and the enclosed work plan was formulated.

Opposition to the Rural Governance Council was expressed during our summer visits to a number of rural communities. Opponents feared that the proposed council would be another body to study the problems and not result in any changes. Since membership on the council was intended to be comprised primarily of public members, it seemed imperative that we enjoy a measure of support from the constituents it was designed to serve. As this point, Governor Cowper directed that we reassess our efforts.

In late February 1988, Governor Cowper met with the RuralCap Village Participation Conference where support for the Rural Governance Council was expressed. This growing statewide support was reaffirmed during the Alaska Federation of

April 28, 1988

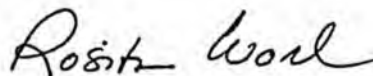
Natives Retreat in early March. This office, as well as several legislators, began to receive an increasing number of telephone calls in regard to the establishment of the Council.

During the last several weeks, the need for a Rural Governance Council became increasingly clear. Conflicts between federal tribal council and state City Councils are occurring in a number of villages. The dissolution of city governments in favor of the IRA Councils is expected to occur. In addition, we have been dealing with a number of village governments that are experiencing a variety of financial and technical difficulties.

The growing support for the establishment of a Rural Governance Council, the increasing conflicts and problems in local governance and the conviction that the state, rather than the federal government, can best serve its citizens were the impetus for the move to request action on the establishment of a Council. The Governor has a clear policy that resolution for local problems must be derived from local initiatives. We believe that the Rural Governance Council provides the best forum to coordinate such participation.

I apologize for any inconvenience on our part that our request to hear the bill might have had.

Sincerely,



Rosita Worl  
Special Staff Assistant  
to the Governor

Enclosure

H B

297

FILE CONTENTS

FILE NAME HB 297

Ref. 4/29/87

#	Date In	Doc. Type	Date	Subject	DESCRIPTION	From	Distrib.
①	4-29-7	Bill	4/29/7	HB 297		Doc	✓
②	5-8-7	FN.	4-29-7	Corrections		Th	✓
③	5-8-7	Pos PR FN	5-8-7	DUR Paper. + FN		Th	✓
④	5-8-7	paper.	5-8-7	Community Council Wolf Bill		Th	✓
⑤	5-8-7	Statute	5-8-7	existing statutes		Th	✓
⑥	5-11-7	Ltr +	5-8-7	To: Spr. Fr. Sharrock (ABC)	12 pgs.	Th.	✓
⑦	5-11-7	Memo.	5-8-7	To: Spr. Fr. Donley		Th	✓
A	5-11-7	W.S.	5-11-7	Work Sheet.		Th	✓
⑧	5-11-7	Pos P.	5-11-7	Pos. Paper DOT		Th	
⑨	5-11-7	Ltr	5-9-7	testimony - Federation of Council		Th	✓
⑩	5-11-7	P.P.	5-11-7	Pos. Paper DOT IPP		DOT	✓
⑪	5-11/7	CS	5-11-7	Work Draft CS HB297 ( )		Donley	✓
⑫	5-11-7	Sec.	5-11-7	Sec Analysis		Pouchot	✓
⑬	5-11-7	CS	5-11-7	Work Draft CS HB297 (CRA)		Donley	✓
B	5-12-7	W.R.	5-11-7	Wit. Reg.		3	✓
C	5-14-7	Min	5-11-7	Minutes	Zawacki Pouchot Hansen	3	✓
14				Se. Analysis			
15				WD 5-0839 L	Donley's bill remove PM.		
<del>16</del>				WD 5-0839 B	remove pocket word edit Len		
⑭	5-15-7	Cum Rpt.	5-16-7	Committee Rpt.		3	✓
⑮	5-15-7	CS HB297	5-16-7	Com. Sub. HB 297		3	✓
D	5-15-7	W.R.	5-15-7	Wit Reg		3	✓
E	5-17-7	Notice	5-5-7	Notice of Prop. Chgs - Regs - ABC		Th.	h
F	5-21-7	Min	5-15-7				

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY  
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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House	C+RA	5-11-87	3:00 p.m.
"	"	5-15-87	3:00 p.m.

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

SPW / CRA  
STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400

January 27, 1988

The Honorable Heinrich Springer  
Chair, House Community and  
Regional Affairs Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

JAN 27 1988

Dear Representative Springer:

Subject: CSHB 297 - An Act relating to the notification to community and nonprofit community councils of certain state actions.

Position: The Department of Natural Resources (DNR) supports the concept and intent of CSHB 297 but recommends that the committee consider technical modification to Sec. 7(c) of the CS, as described below.

Background: The department takes hundreds of actions each year that require public notice and sends out thousands of notices. Anyone who requests notice of an action is provided with it, and municipalities are provided with notices of activities which will occur within municipal boundaries.

As previously stated in the department's May 8, 1987, position paper on HB 297, community councils are created under municipal charter or ordinance. There is no statewide federation of councils that can supply information about council locations, contacts or geographic boundaries. Neither community councils nor coordinating bodies are subject to statewide statutory requirements to identify their existence, geographic boundaries, or a contact person. Although, at least in Anchorage there appears to be a Federation of Community Councils, there is no state statute requiring a federation of community councils.

Therefore, the department is concerned that this bill will impose a statutory requirement of notification to bodies whose existence, contacts, and location may be difficult or impossible to verify. This bill, in its present form, would seem to require department personnel to ferret out the existence of community councils or coordinating bodies

Representative Springer

-2-

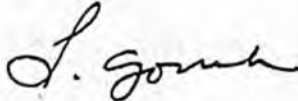
January 27, 1988

before taking any action in an area. While this may be relatively easy in the Anchorage area, which has a well established system of community councils, it may prove to be much more difficult in other areas of the state.

Recommendation: Therefore, the Department of Natural Resources would suggest that, in addition to the above bill, the committee consider language requiring community councils and coordinating bodies which wish to be noticed under AS 38.05.945(c) to register a map and current address and contact on an annual or biannual basis with the appropriate state agency. We also suggest that a provision be added which states that a failure to provide notice does not invalidate the proposed action (see AS 44.62.190(c)).

We look forward to working with the committee and staff on this legislation.

Sincerely,



Judith M. Brady  
for Commissioner

cc: Sponsors  
Committee Members  
Rod Swope  
Bob Evans

FISCAL NOTE

REQUEST:

Revision Date: 1/26/88  
Title: Notice to Community Councils & Postmasters of Certain State Actions  
Sponsor: Donlev, Barnes, Brown, et.al.  
Requestor: House Community & Regional Affairs

Agency Affected: Natural Resources  
BRU: Land & Water Management/ and Mining Management  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		2.8	2.8	2.8	2.8	2.8
TRAVEL						
CONTRACTUAL		2.0	2.0	2.0	2.0	2.0
SUPPLIES		1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		5.8	5.8	5.8	5.8	5.8

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		5.8	5.8	5.8	5.8	5.8
FEDERAL FUNDS						
OTHER						
TOTAL		5.8	5.8	5.8	5.8	5.8

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: Janet Burleson  
Division: Land and Water Management

Phone: 465-3400  
Date: 1/26/88

Approved by Commissioner: [Signature]  
Agency: Natural Resources

Date: \_\_\_\_\_

Distribution (by preparer):

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

ANALYSIS: 1988 Legislative Session  
Fiscal Note - HB 297  
Page 2 of 2

	<u>FY 89</u>	<u>FY 90-93</u>
<u>100 Personal Services</u>		
Natural Resource Officer I / 1 Month	2.8	2.8
<u>300 Contractual</u>		
Certified Mailing/Duplication, postage	2.0	2.0
<u>400 Supplies</u>		
Paper/Envelopes	1.0	1.0
	<hr/>	<hr/>
TOTAL	5.8	5.8

Each year would require the equivalent of one month of a Natural Resource Officer I to meet the notice requirement. These are estimated Department wide costs. Clerical staff would also be impacted, but we do not know the extent.

No information is available concerning costs to the State for failing to notify a council of a proposed action.

These estimates are made with the following assumptions:

- 1) That maps, current mailing addresses, and contacts for community councils established by municipal charter or ordinance are provided to DNR. This can be implemented by amending AS 29.20.640 to add:
  - (6) maps, current addresses, and contacts for community councils established by municipal charter or ordinance to advise the municipal governing body
- 2) That the Department of Community and Regional Affairs provides the above information [pursuant to AS 29.20.640(6)] to DNR on a regular basis (annually) for DNR's AS 38.05.945 notice. This can be accomplished by amending AS 44.47 to include the notice to DNR.

MAY 11 1987

NOTICE OF THE PROPOSED CHANGES  
IN THE REGULATIONS OF THE  
ALCOHOLIC BEVERAGE CONTROL BOARD  
(Department of Revenue)

NOTICE IS HEREBY GIVEN that the Alcoholic Beverage Control Board, under authority vested by AS 04.06.100, proposes to adapt and amend regulations in title 15, chapter 104 of the Alaska Administrative Code to implement and clarify Title 4 of the Alaska Statute titled "Alcoholic Beverages." This action is not expected to require an increased appropriation. The proposals are described below:

1. 15 AAC 104.105(e) is amended to change license application fees to conform to funding requirements submitted in the board's operating budget for fiscal year ending June 30, 1988.
2. 15 AAC 104.305 is amended to change and clarify criteria for designation of restaurant or eating place licensed premises and place limitations on when, to whom, and where alcoholic beverages may be sold, served, and consumed under such a license.
3. 15 AAC 104.525(a) is amended to provide that whether notices of violation will be issued is at the staff's discretion, and to clarify the effect and use of notices of violations.
4. 15 AAC 104.690 is amended by adding a new section to establish a "club license caterer's permit" to enable holders of a club license to sell alcoholic beverages at club events not open to the public and held off a club's primary licensed premises for a specific day, event, and time.

NOTICE IS ALSO GIVEN that any interested person may present oral or written statements or arguments relevant to the proposed action. The Board will hold a public hearing for receiving public comments at the Federal Building, Room C121 at 701 "C" Street, Anchorage, Alaska, at 10:30 a.m. on May 28, 1987. Written comments may be made by mailing them to the Alcoholic beverage Control Board at 550 W. Seventh Avenue, Anchorage, Alaska 99501. Written comments must be received at the Board's office by June 17, 1987.

Copies of the proposed regulations may be obtained by writing to the ABC Board, 550 W. Seventh Avenue, Anchorage, Alaska 99501 or by calling the Anchorage office collect at 277-8638. Copies are also available at the Board's offices at the following locations: 550 W. Seventh Avenue, Anchorage, Alaska 99501; 675 Seventh Avenue, Fairbanks, Alaska 99501.

On or after July 8, 1987, the Alcoholic Beverage Control Board, upon its own motion or at the instance and any interested person, may after the hearing and written comment period adopt proposals within the scope of this notice without further notice or may decide to take no action on them.

DATE:

May 5 1987

Patrick L. Sharrock by C. Robertson  
Patrick L. Sharrock, Director  
Alcoholic Beverage Control Board

DISCUSSION DRAFT

PROPOSED CHANGES IN THE REGULATIONS OF THE  
ALCOHOLIC BEVERAGE CONTROL BOARD

FOR

PUBLIC HEARING - 10:30 a.m., MAY 28, 1987  
ROOM C121, FEDERAL BUILDING, 701 "C" STREET  
ANCHORAGE, ALASKA

1. 15 AAC 104.105(e) is amended to read: (e) a non-refundable application fee of \_\_\_\_\_ must accompany all applications for new licenses, renewals of licenses, or transfers of licenses. This subsection becomes effective on October 1, 1987.
2. 15 AAC 104.305 is repealed and readopted to read: RESTAURANT OR EATING PLACE LICENSE. (a) In AS 04.11.100 and this section, a "bona fide restaurant or eating place" is an establishment, or portion of an establishment, at which the patrons' principal activity is dining. Without limitation, a portion of a business operated as a dance hall, billiard parlor, or night club is not a "bona fide restaurant or eating place."
  - (b) The board will determine the portion of a licensed business that constitutes a bona fide restaurant or eating place, and will license only that portion for the sale and consumption of alcoholic beverages. The board may require the licensed premises to be separated from the unlicensed portion in a manner acceptable to the board.
  - (c) Gross receipts from the sale and service of food within the licensed premises shall constitute no less than 50 percent of the gross receipts from the sale of beer, wine, and food within the designated premises. The board may identify one or more licensed premises within the business to which the gross receipts limitation applies.
  - (d) The board will, in its discretion, designate that area of an applicant's premises under (a) of this section in which food from a menu or menus approved by the board is served and consumed. Food from one or more approved menus must be available to patrons during all operating hours when beer and wine is being consumed in the licensed premises.
  - (e) Changes in the structure, layout, or use of any portion of the licensed premise must have the prior approval of the board.
3. 15 AAC 104.525(a) is amended to read: NOTICES OF VIOLATION (a) Investigative personnel of the board [shall] may issue a notice of violation to a licensee whenever a violation of the laws related to alcoholic beverages is observed on or about a licensed premises or is reported by a peace officer. A copy of the notice of violation must be delivered to the licensee and filed with the board.
4. 15 AAC 104.690 is amended by adding a new section to read: CLUB LICENSE CATERER'S PERMIT (a) A club license caterer's permit authorizes an organization licensed under AS 04.11.110 to sell or dispense alcoholic beverages at events or affairs held off the organization's licensed premises. The permit may only be issued for designated premises for a specific occasion for a specific day and for a limited period of time identified in an application.

Original sponsors: Donley, Barnes,  
Brown, et al.

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 297 (C&RA)

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 the notification to community  
7 councils and nonprofit community councils of certain  
8 state actions."

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

10 \* Section 1. AS 04.06.050 is amended to read:

11 Sec. 04.06.050. MEETINGS. The board shall meet at the call of  
12 the chairman. The board shall also meet at least once each year in  
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15 The board shall send a copy of the agenda of each board meeting not  
16 less than 10 days before the meeting of the board to each community  
17 council. The board shall also send a copy of the agenda of each board  
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20 (b) Upon receipt of an application for the issuance, renewal,  
21 relocation, or transfer of ownership of a license for premises or  
22 proposed premises that are located within one-half mile of the boun-  
23 dary [WITHIN AN AREA OF A MUNICIPALITY UNDER THE JURISDICTION] of a  
24 community council established by municipal charter or ordinance [TO  
25 ADVISE THE MUNICIPAL GOVERNING BODY, OR WITHIN AN AREA ADJACENT TO  
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29 (2) at least 10 days before the date set for board action

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27 (3) if a petition containing the signatures of 35 percent  
28 of the adult residents having a permanent place of abode outside of  
29 but within two miles of an incorporated city or an established village

# **CORRECTION**

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

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(b) Restrictions and prohibitions for club licenses enumerated under AS 04.11.110 apply at premises designated in the application for permit. No more than three permits may be granted to an organization in any one calendar year.

(c) Application for permit must be on forms provided by the board. The application must be signed by the presiding officer and secretary of the organization. A permit may only be granted for a designated premises located within the boundaries of the local municipality having authority to protest the organization's club license under AS 04.11.480. The written approval of the law enforcement agency having jurisdiction over the designated premises of the occasion for which the permit is sought must also be obtained and accompany the application.

(d) An application fee of \$100.00 shall accompany an application for permit.

(e) A club license caterer's permit may not be transferred, relocated, or renewed.

(f) A permit issued under this section must be surrendered to the board's offices within 48 hours of its expiration time. Failure to surrender the permit is cause for denial of applications for permits made in the future by the permittee.

Original sponsors: Donley, Barnes,  
Brown, et al.

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20 (b) Upon receipt of an application for the issuance, renewal,  
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22 not required under [(1), (3), OR (4) OR] this subsection and the board  
23 shall send notice of a hearing conducted under this paragraph 20 days  
24 in advance of the hearing to each community council established within  
25 the municipality and to each nonprofit community organization that  
26 requests notice;

27 (3) if a petition containing the signatures of 35 percent  
28 of the adult residents having a permanent place of abode outside of  
29 but within two miles of an incorporated city or an established village

1 is filed with the board, the board shall hold a public hearing on the  
2 question of whether the issuance, renewal, or transfer of the license  
3 in the city or village would be in the public interest;

4 (4) if a protest to the issuance, renewal, transfer of  
5 location or transfer to another person of a license made by a local  
6 governing body is based on a question of law, the board shall hold a  
7 public hearing.

8 \* Sec. 4. AS 04.11 is amended by adding a new section to read:

9 Sec. 04.11.525. NOTICE TO COMMUNITY COUNCIL. On receipt of an  
10 application for the issuance, renewal, relocation, or transfer of the  
11 ownership of a license, the board shall provide written notice of the  
12 proposed action and the time and place of the meeting to each communi-  
13 ty council entitled to notice under AS 04.11.310(b). The notice shall  
14 be provided to each community council not less than 10 days before the  
15 date of the meeting.

16 \* Sec. 5. AS 33.30 is amended by adding a new section to read:

17 Sec. 33.30.025. SITING OF PRISON FACILITIES. The commissioner  
18 shall notify each community council established by municipal charter  
19 or ordinance of the department's plans to locate a prison facility or  
20 to contract for the operation of a prison facility, community residen-  
21 tial facility, or other rehabilitation program if the facility or  
22 proposed facility will be within one-half mile of the boundary of the  
23 area represented by a community council.

24 \* Sec. 6. AS 35.30.010(a) is amended to read:

25 (a) Except as provided in (b) of this section, before commencing  
26 construction of a public project,

27 (1) if the project is located in a municipality, the de-  
28 partment shall submit the plans for the project to the planning com-  
29 mission of the municipality for review and approval;

1 (2) if the project is located within two miles of a vil-  
2 lage, the department shall submit the plans to the village council for  
3 review and comment;

4 (3) if the project is located within one-half mile of the  
5 boundary of an area represented by a community council established by  
6 municipal charter or ordinance, the department shall submit the plans  
7 to the community council for review and comment.

8 \* Sec. 7. AS 38.05.945(c) is amended to read:

9 (c) Notice at least 30 days before action under (a) of this  
10 section shall also be given to the following:

11 (1) to a municipality if the land is within the boundaries  
12 of the municipality, to a coordinating body established by community  
13 councils in a municipality, and to each community council established  
14 by municipal charter or ordinance that requests notice;

15 (2) to a regional corporation if the boundaries of the  
16 corporation as established by sec. 7(a) of the Alaska Native Claims  
17 Settlement Act encompass the land and the land is outside a municipal-  
18 ity;

19 (3) to a village corporation organized under sec. 8(a) of  
20 the Alaska Native Claims Settlement Act if the land is within six  
21 miles of the village for which the corporation was established and the  
22 land is located outside a municipality;

23 (4) to the postmaster of a permanent settlement of more  
24 than 25 persons located within six miles of the land if the land is  
25 located outside a municipality, with a request that the notice be  
26 posted in a conspicuous location.  
27  
28  
29

HOUSE COMMITTEE REPORT

(16) HB 297

(5)

Date referred: 4/29/87

FURTHER REFERRALS: State Affairs Finance

DATE: 05/15/87

The Community and Regional Affairs Committee has considered HB 297

"An Act relating to the notification to community councils and postmasters of certain state actions."

RECOMMENDS:

- [ ] replace with CSHB 297(C&RA) [ ] the same title
[ ] attached amendment(s) [XXX] a new title
[XXX] do pass
[ ] do not pass
[ ] no recommendation
[ ] individual recommendations
[ ] additional referral to the Committee

ADOPTS: [ ] letter of intent

ATTACHES NEW FISCAL NOTE(S):

- (2) [XXX] fiscal impact [ ] same as previous fiscal note published
(1) [XXX] zero fiscal note [ ] same as previous zero fiscal note published
[ ] zero with analysis

SIGNING DO PASS:

Handwritten signatures: Beth Vato, Catho, Heidi Springer, Springer

SIGNING OTHER RECOMMENDATIONS:

Handwritten signature: Cecilia Walker, Collins

Springer Heidi Springer Chairman's signature

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Bill Version: HB 297  
Publish Date: 04-29-87

Revision Date: \_\_\_\_\_

Agency Affected: Department of Corrections

Title: "An Act relating to the notification to community councils and postmasters.."

BRU: \_\_\_\_\_

Sponsor: Rep Donley, Barnes, et al.

Comments: \_\_\_\_\_

Requestor: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

<b>CAPITAL</b>	0	0	0	0	0	0
----------------	---	---	---	---	---	---

<b>REVENUE</b>	0	0	0	0	0	0
----------------	---	---	---	---	---	---

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

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

**ANALYSIS : (Attach a separate page if necessary)**

\_\_\_\_\_

Prepared by: Susan E. Knighton, Research Analyst IV  
Division: Statewide Programs

Phone: 465-3376  
Date: 05-07-87

Approved by Commissioner: Susan Humphrey-Barnett  
Agency: Department of Corrections

Date: 05-07-87

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)
  - Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

REQUEST: \_\_\_\_\_

Bill Version: HB 297

Publish Date: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
 Title: Notification to Community Councils  
 & Postmasters of Certain State Actions  
 Sponsor: Donley, et. al.  
 Requestor: House Community and Regional  
 Affairs

Agency Affected: Natural Resources  
 BRU: Land and Water Management,  
 Minerals Management  
 Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		9.2	2.8	2.8	2.8	2.8
TRAVEL						
CONTRACTUAL		2.0	2.0	2.0	2.0	2.0
SUPPLIES		1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		12.2	5.8	5.8	5.8	5.8

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		12.2	5.8	5.8	5.8	5.8
FEDERAL FUNDS						
OTHER						
TOTAL		12.2	5.8	5.8	5.8	5.8

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: Tom Hawkins, Director Land & Water Management Phone: 465-2400  
 Division: Commissioner's Office Date: 5/8/87

Approved by Commissioner: *Julia M. B...* Date: \_\_\_\_\_  
 Agency: Department of Natural Resources

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)  
 Senate Secretary

<u>100 Personal Services</u>	<u>FY 88</u>	<u>FY 89-92</u>
Natural Resource Officer II 2 months	6.4	
Natural Resource Officer I 1 month	<u>2.8</u>	<u>2.8</u>
	9.2	2.8
<u>300 Contractual</u>		
Certified Mailing and Duplication	2.0	2.0
<u>400 Supplies</u>		
Paper and Envelopes	<u>1.0</u>	<u>1.0</u>
Total Costs	12.2	5.8

DISCUSSION:

The first year would require two months of an existing partially funded Natural Resource Officer II to compile the necessary information base and procedures for notifying community councils. Each year would require the equivalent of one month of a Natural Resource Officer I to meet the notice requirement. These are estimated department-wide costs.

No information is available concerning the costs to the state for failing to notify a council of a proposed action.

5-0839L  
Bradley  
5/15/87

Original sponsors: Donley, Barnes,  
Brown, et al.

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15 date of the meeting.

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17 Sec. 33.30.025. SITING OF PRISON FACILITIES. The commissioner  
18 shall notify each community council established by municipal charter  
19 or ordinance of the department's plans to locate a prison facility or  
20 to contract for the operation of a prison facility, community residen-  
21 tial facility, or other rehabilitation program if the facility or  
22 proposed facility will be within one-half mile of the boundary of the  
23 area represented by a community council.

24 \* Sec. 6. AS 35.30.010(a) is amended to read:

25 (a) Except as provided in (b) of this section, before commencing  
26 construction of a public project,

27 (1) if the project is located in a municipality, the de-  
28 partment shall submit the plans for the project to the planning com-  
29 mission of the municipality for review and approval;

1 (2) if the project is located within two miles of a vil-  
2 lage, the department shall submit the plans to the village council for  
3 review and comment;

4 (3) if the project is located within one-half mile of the  
5 boundary of an area represented by a community council established by  
6 municipal charter or ordinance, the department shall submit the plans  
7 to the community council for review and comment.

8 \* Sec. 7. AS 38.05.945(c) is amended to read:

9 (c) Notice at least 30 days before action under (a) of this  
10 section shall also be given to the following:

11 (1) to a municipality if the land is within the boundaries  
12 of the municipality, to a coordinating body established by community  
13 councils in a municipality, and to each community council established  
14 by municipal charter or ordinance that requests notice;

15 (2) to a regional corporation if the boundaries of the  
16 corporation as established by sec. 7(a) of the Alaska Native Claims  
17 Settlement Act encompass the land and the land is outside a municipal-  
18 ity;

19 (3) to a village corporation organized under sec. 8(a) of  
20 the Alaska Native Claims Settlement Act if the land is within six  
21 miles of the village for which the corporation was established and the  
22 land is located outside a municipality;

23 (4) to the postmaster of a permanent settlement of more  
24 than 25 persons located within six miles of the land if the land is  
25 located outside a municipality, with a request that the notice be  
26 posted in a conspicuous location.  
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29

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

May 15, 1987

SUBJECT: Certain notifications  
[CSHB 297(C&RA)]

TO: Representative Dave Donley

FROM: Richard A. Bradley  
Legislative Counsel *RB*

Katie McHugh has requested a committee substitute for HB 297.

In addition to certain substantive changes within the bill, she has requested that the term "municipal" in two instances on pages 1 and 2 of the bill be changed to "city and borough". I note that her initial request to us was that the phrase read "municipal and borough" and I suggested that that was inappropriate.

There was an attempt when AS 29 was reenacted several years ago to come to terms with the various usages in this area. The solution was that whenever both cities and boroughs were being described, the term that was to be used was, as appropriate, "municipal" or "municipality". Thus AS 01.10.060(4) provides that

Sec. 01.10.060. DEFINITIONS. In the laws of the state, unless the context otherwise requires,

\* \* \*

(4) "municipality" means a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough, or a unified municipality;

\* \* \*

Representative Dave Donley

Page 2

May 15, 1987

Thus it seems clear that the term "municipal charter or ordinance" includes every possible "charter or ordinance" that can be enacted in the state.

And while I do not mean to overstate my concerns, there is a potential question latent in the "city and borough" usage: Does it include the "unified municipality" such as, for example, Anchorage? You will note that that question is answered if the term "municipal" is used.

And, as I suggested to Katie McHugh, this usage, if consistently followed, will enable those who search the statutes by computer not to miss the particular section.

If I may be of further assistance, please advise.

RAB:lmb  
M12/024

Enclosure







(13) HB 297

5-0839B  
Bradley  
5/11/87

Original sponsors: Donley, Barnes,  
Brown, et al.

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 297 (C&RA)

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 the notification to community  
7 councils and postmasters of certain state actions."

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

9 \* Section 1. AS 04.06.050 is amended to read:

10 Sec. 04.06.050. MEETINGS. The board shall meet at the call of  
11 the chairman. The board shall also meet at least once each year in  
12 each judicial district of the state to study this title and to modify  
13 existing board regulations in light of statewide and local problems.  
14 The board shall send a copy of the agenda of each board meeting not  
15 less than 10 days before the meeting of the board to each community  
16 council. The board shall also send a copy of the agenda of each board  
17 meeting to each nonprofit community organization that requests a copy.

18 \* Sec. 2. AS 04.11.310(b) is amended to read:

19 (b) Upon receipt of an application for the issuance, renewal,  
20 relocation, or transfer of ownership of a license for premises or  
21 proposed premises that are located within one-half mile of the boun-  
22 dary [WITHIN AN AREA OF A MUNICIPALITY UNDER THE JURISDICTION] of a  
23 community council established by municipal charter or ordinance [TO  
24 ADVISE THE MUNICIPAL GOVERNING BODY, OR WITHIN AN AREA ADJACENT TO  
25 SUCH AN AREA], the board shall

26 (1) immediately provide to the community council written  
27 notice of the application; and

28 (2) at least 10 days before the date set for board action  
29 on the application provide to the community council written notice of

1 the proposed action and the time and place for a hearing.

2 \* Sec. 3. AS 04.11.510(b) is amended to read:

3 (b) The board may review an application for the issuance, renew-  
4 al, transfer of location, or transfer to another person of a license  
5 without affording the applicant notice or hearing, except

6 (1) if an application is denied, the notice of denial shall  
7 be furnished the applicant immediately in writing stating the reason  
8 for the denial in clear and concise language; the notice of denial  
9 shall inform the applicant that the applicant is entitled to an in-  
10 formal conference with either the director or the board, and that,  
11 if not satisfied by the informal conference, the applicant is then  
12 entitled to a formal hearing before the board; if the applicant re-  
13 quests a formal hearing, the board shall adhere to AS 44.62.330 -  
14 44.62.630 (Administrative Procedure Act); all interested persons may  
15 be heard at the hearing and unless waived by the applicant and the  
16 board, the formal hearing shall be held in the area for which the  
17 application is requested;

18 (2) the board may, on its own initiative or in response to  
19 an objection or protest, hold a hearing to ascertain the reaction of  
20 the public or a local governing body to an application if a hearing is  
21 not required under [(1), (3), OR (4) OR] this subsection and the board  
22 shall send notice of a hearing conducted under this paragraph 20 days  
23 in advance of the hearing to each community council established within  
24 the municipality and to each nonprofit community organization that  
25 requests notice;

26 (3) if a petition containing the signatures of 35 percent  
27 of the adult residents having a permanent place of abode outside of  
28 but within two miles of an incorporated city or an established village  
29 is filed with the board, the board shall hold a public hearing on the

1 question of whether the issuance, renewal, or transfer of the license  
2 in the city or village would be in the public interest;

3 (4) if a protest to the issuance, renewal, transfer of  
4 location or transfer to another person of a license made by a local  
5 governing body is based on a question of law, the board shall hold a  
6 public hearing.

7 \* Sec. 4. AS 04.11 is amended by adding a new section to read:

8 Sec. 04.11.525. NOTICE TO COMMUNITY COUNCIL. On receipt of an  
9 application for the issuance, renewal, relocation, or transfer of the  
10 ownership of a license, the board shall provide written notice of the  
11 proposed action and the time and place of the meeting to each communi-  
12 ty council entitled to notice under AS 04.11.310(b). The notice shall  
13 be provided to each community council not less than 10 days before the  
14 date of the meeting.

15 \* Sec. 5. AS 33.30 is amended by adding a new section to read:

16 Sec. 33.30.025. SITING OF PRISON FACILITIES. (a) The commis-  
17 sioner shall notify each community council established by municipal  
18 charter or ordinance of the department's plans to locate a prison  
19 facility or to contract for the operation of a prison facility, commu-  
20 nity residential facility, or other rehabilitation program if the  
21 facility or proposed facility will be within one-half mile of the  
22 boundary of the area represented by a community council.

23 (b) The commissioner shall provide a notice to the postmaster of  
24 each community of more than 25 persons located within six miles of a  
25 proposed prison facility, community rehabilitation facility, or other  
26 rehabilitation program that is to be located outside of a municipali-  
27 ty. The commissioner shall request the postmaster to post the notice  
28 in a conspicuous place within the community.

29 \* Sec. 6. AS 35.30.010(a) is amended to read:

1 (a) Except as provided in (b) of this section, before commencing  
2 construction of a public project,

3 (1) if the project is located in a municipality, the de-  
4 partment shall submit the plans for the project to the planning com-  
5 mission of the municipality for review and approval;

6 (2) if the project is located within two miles of a vil-  
7 lage, the department shall submit the plans to the village council for  
8 review and comment;

9 (3) if the project is located within one-half mile of the  
10 boundary of an area represented by a community council established by  
11 municipal charter or ordinance, the department shall submit the plans  
12 to the community council for review and comment;

13 (4) if the project is located outside a municipality, the  
14 department shall submit a description of the project to the postmaster  
15 of each permanent settlement of more than 25 persons that is located  
16 within six miles of the proposed project, and the department shall re-  
17 quest the postmaster to post the notice describing the project in a  
18 conspicuous place within the community.

19 \* Sec. 7. AS 38.05.945(c) is amended to read:

20 (c) Notice at least 30 days before action under (a) of this  
21 section shall also be given to the following:

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23 of the municipality, to a coordinating body established by community  
24 councils in a municipality, and to each community council established  
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27 corporation as established by sec. 7(a) of the Alaska Native Claims  
28 Settlement Act encompass the land and the land is outside a municipal-  
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(3) to a village corporation organized under sec. 8(a) of the Alaska Native Claims Settlement Act if the land is within six miles of the village for which the corporation was established and the land is located outside a municipality;

(4) to the postmaster of a permanent settlement of more than 25 persons located within six miles of the land if the land is located outside a municipality, with a request that the notice be posted in a conspicuous location.

*from Rep. Pouchot's  
office*

(12) HB 297

HB 297 - NOTIFICATION TO COMMUNITY COUNCILS

HB 297 broadens state statutes designating entities entitled to receive notification of certain proposed actions or projects to include community councils. Boards or agencies affected are as follows:

- ABC Board - liquor licensing
- Department of Corrections - siting of prison facilities
- DOT - public construction projects
- DNR - actions involving state land

Section 1. AS 04.06.050. MEETINGS.

Adds requirement for board to send a copy of the agenda to each community council 10 days prior to board meeting; and to each nonprofit that requests a copy.

Rationale:

- 1) Community councils have a legitimate interest in any proposal to modify existing board regulations and should be notified so that they have a chance to comment.
- 2) Because board meetings are not always held in the same city where a premise or proposed premise is located, it is important that community councils receive a copy of the agenda so that they may provide written comment on those items affecting them.
- 3) Applies only to agendas, NOT BACKUP MATERIAL.
- 4) Sharrock suggests that this section would also prevent the board from adding items to the agenda at the last minute (10 days or less prior to the meeting); he further states that this could cause a hardship to the applicants because the board only meets every 5 to 7 weeks.

If the board is allowed to change the agenda at the last minute, it would appear to effectively circumvent the intent of the notification process.

Section 2. AS 04.11.310(b). NOTICE OF APPLICATION.

Clarifies current language regarding notification to community councils. Requires board to notify each community council whose boundary is within 1/2 mile of the premises or proposed premises.

Rationale: In the past the board has had a problem interpreting the current language (Price Savers).

Section 3. AS 04.11.510 (b) (2). PROCEDURE FOR ACTION ON LICENSE APPLICATIONS, SUSPENSIONS, AND REVOCATIONS.

IF the board decides to hold a hearing (hearings are held in response to objections or protests) - adds language requiring the board to notify community councils or nonprofits entitled to notification under Section 2 at least 20 days prior to hearing.

Rationale: Current language allows the board to hold a hearing in response to an objection or protest even if a hearing is not required under this subsection.

- 1) IF the board decides to hold a hearing, it is evident a problem exists and that community councils are likely to have a vital interest in the hearing.
- 2) In instances where a problem exists, notification should be 20 days prior to a hearing, to allow ample time for councils to contact their members and prepare written comment for the board's consideration.

Section 4. AS 04.11. BOARD PROCEDURES.

Adds new section requiring notification to community councils of proposed action 10 days prior to board meeting.

Note: [Omitted original language in bill (page 3, line 11) "of the hearing". Because "hearing" is the term used when a protest or objection is being heard, the language was confusing since it appeared to put AS 04.11.525 in conflict with AS 04.11.510 (b) (2) above.

Section 5. AS 33.30

Adds new section titled SITING OF PRISON FACILITIES. Requires department of corrections to notify community councils whose boundary is within 1/2 mile of the site of a proposed facility.

Requires commissioner to notify postmaster of each community of more than 25 persons located within 6 miles of a proposed facility.

Rationale: Provides notification procedures so that community councils or a community can comment on the impact of the proposed location of a correctional facility.

Section 6. AS 35.30.010 (a).

Amends DOT/PF statutes relating to REVIEW AND APPROVAL BY LOCAL PLANNING AUTHORITIES to include notification to community councils whose boundary is within 1/2 mile of the site of a proposed public construction project.

Requires commissioner to notify postmaster of each community of more than 25 persons located within 6 miles of a proposed public construction project.

Rationale: Provides notification procedures so that community councils or a community can comment on the impact of a proposed construction project.

Section 7. AS 38.05.945 (c).

Amends DNR statutes relating to NOTICE to include notification to community councils coordinating body of actions involving classification or reclassification of state land; zoning; or the sale, lease or disposal of an interest in state land or resources.

Adds provision that in the event there is no community council coordinating body, the community council has the responsibility for notifying the DNR of their desire to receive notification of above actions.

Rationale:

- 1) Provides notification procedures so that community councils or a community can comment on the impact of a proposed action involving state land or resources.
- 2) The language has been changed at the request of DNR to remove a perceived threat (in the event of failure to give proper notification) of litigation stemming from the section immediately following AS 38.05.945 which prohibits interference with bidding and establishes penalties.

(11)  
HB 297

5-0839B ✓  
Bradley  
5/11/87

Original sponsors: Donley, Barnes,  
Brown, et al.

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 297 ( )  
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 the notification to community  
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17 meeting to each nonprofit community organization that requests a copy.

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21 proposed premises that are located within one-half mile of the boun-  
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24 ADVISE THE MUNICIPAL GOVERNING BODY, OR WITHIN AN AREA ADJACENT TO  
25 SUCH AN AREA], the board shall

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27 of the adult residents having a permanent place of abode outside of  
28 but within two miles of an incorporated city or an established village  
29 is filed with the board, the board shall hold a public hearing on the

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8 Sec. 04.11.525. NOTICE TO COMMUNITY COUNCIL. On receipt of an  
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11 proposed action and the time and place of the meeting <sup>from hearing</sup> to each communi-  
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21 facility or proposed facility will be within one-half mile of the  
22 boundary of the area represented by a community council.

23 (b) The commissioner shall provide a notice to the postmaster of  
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25 proposed prison facility, community rehabilitation facility, or other  
26 rehabilitation program that is to be located outside of a municipali-  
27 ty. The commissioner shall request the postmaster to post the notice  
28 in a conspicuous place within the community.

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(a) Except as provided in (b) of this section, before commencing construction of a public project,

(1) if the project is located in a municipality, the department shall submit the plans for the project to the planning commission of the municipality for review and approval;

(2) if the project is located within two miles of a village, the department shall submit the plans to the village council for review and comment;

(3) if the project is located within one-half mile of the boundary of an area represented by a community council established by municipal charter or ordinance, the department shall submit the plans to the community council for review and comment;

(4) if the project is located outside a municipality, the department shall submit a description of the project to the postmaster of each permanent settlement of more than 25 persons that is located within six miles of the proposed project, and the department shall request the postmaster to post the notice describing the project in a conspicuous place within the community.

\* Sec. 7. AS 38.05.945(c) is amended to read:

(c) Notice at least 30 days before action under (a) of this section shall also be given to the following:

(1) to a municipality if the land is within the boundaries of the municipality, to a coordinating body established by community councils in a municipality, and to each community council established by municipal charter or ordinance that requests notice;

(2) to a regional corporation if the boundaries of the corporation as established by sec. 7(a) of the Alaska Native Claims Settlement Act encompass the land and the land is outside a municipality;

1 (3) to a village corporation organized under sec. 3(a) of  
2 the Alaska Native Claims Settlement Act if the land is within six  
3 miles of the village for which the corporation was established and the  
4 land is located outside a municipality;

5 (4) to the postmaster of a permanent settlement of more  
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10 HB 297



Dept. of Transportation & Public Facilities

POSITION PAPER

BILL NO: House Bill No. 297

APPROVED: *js* Mark S. Hickey  
Commissioner

TITLE: An Act relating to the notification to community councils and postmasters of certain state actions

DATE: May 11, 1987

The department has no objection to the language within Section 6 which would amend AS 35.30.010(a). The department takes this position on the following assumptions.

With respect to the language of subparagraph (3), lines 9-12 page 4, the department must assume that the community councils are established by municipal charter or ordinance and that the charter or ordinance provides for resolving differences of opinion on a local level. Furthermore it is assumed that a single local entity will be empowered to represent the community as a whole and that DOT&PF would look solely to this entity for approval. Based on the validity of these assumptions the department perceives no significant fiscal impact.

The department has no objection to the inclusion of subparagraph (4), lines 13-18 as such notification would not create any undo procedural or fiscal hardship.

It is suggested that the term "community council" as noted in subparagraph (3) be defined in a manner commensurate with the language provided within Section 7, lines 23 and 24 page 4, to read, "...community council established by municipal charter or ordinance..."



FEDERATION OF COMMUNITY COUNCILS  
Community Councils Center

Abbott Loop  
Airport Heights  
Rayehora/Klatt  
Birchwood  
Campbell Park  
Chuglak  
Downtown  
Eagle River  
Eagle River Valley  
Eklutna  
Fairview  
Girdwood Valley  
Glen Alps  
Government Hill  
Hillside East  
Huffman/O'Malley  
Mid-Hillside  
Northeast  
North Mt. View  
North Star  
Old Seward/Oceanview  
Rabbit Creek  
Rogers Park  
Russian Jack Park  
Sand Lake  
Scenic Park Area  
South Addition  
South Fork  
Spenard  
Taku/Campbell  
Tudor Area  
Turnagain  
Turnagain Arm  
University Area

May 9, 1987

House Committee on  
Community and Regional Affairs  
P.O. Box V  
Juneau, AK 99811

MAY 11 1987

Att: Henry Springer, Chairman

Re: House Bill No. 297  
Notification of Actions to Community Councils

Dear Sirs:

Although I will be unable to attend the committee hearing on the above referenced bill, I would appreciate this letter being read into the record at that hearing. As Chairman of the Federation of Community Councils, I urge committee support and speedy passage of HB 297. I commend the sponsors of the bill for their efforts to increase public awareness of a variety of state actions.

I would counter protests of affected state agencies that the required notification is cumbersome with the assertions that such notification can become routinized; public input in the decision making process will contribute to better, more easily accepted policies; prior awareness of the actions will alleviate after-the-fact protestations and possible legal action; and the types of state actions affected should be afforded public scrutiny.

Community Councils in Anchorage are neighborhood associations authorized by Municipal Charter. They are a tool for providing local citizens with a method of expressing and obtaining action on issues of interest and concern to them and fellow members of their community. The Federation of Community Councils is made up of one member of each of the 36 community councils in Anchorage.

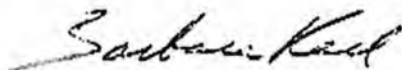
While the Federation Board has not had the opportunity to formally address this bill, staff members and I have reviewed it and make the following suggestions. Perhaps a definition of the term "community council" should be included for clarification of comparable community groups

House Committee on  
Community and Regional Affairs  
May 9, 1987  
Page 2

that are referred to by different names. Page 1, line 23, should be changed to read: "community council established by municipal or borough charter or ordinance." Other sections of the bill that refer only to a municipality should be amended to include the term "borough."

I shall make the full Federation Board aware of HB 297 at our upcoming meeting on May 13. If we can provide further information to you that will assist passage of this bill, I encourage you to contact staff or me.

Sincerely,



Barbara Karl  
Chairman

cc: Rep. B. Cato  
Rep. A. Herrmann  
Rep. V. Collins  
Rep. J. Zawacki  
Rep. D. Donely  
Rep. R. Barnes  
Rep. K. Brown  
Rep. J. Ellis  
Rep. M. Gruenberg  
Rep. T. Martin  
Rep. D. Pearce  
Rep. P. Pourchot  
Rep. K. Menard  
Rep. H. A. Boucher

BILL WORKSHEET

Bill #: HB 297  
 Date Sched.: HCRA Committee, Monday, May 11, 1987  
 Title: "An Act relating to the notification to community councils and postmasters of certain state actions"  
 Sponsors: Donley, Barnes, Brown, Ellis, Gruenberg, Martin, Pearce, Pourchot, Menard, Zawacki and Boucher

Info Attached: Copy of Bill  
 Fiscal Note - Corrections  
 Position Paper - DNR  
 Fiscal Note - DNR  
 Existing statutes  
 Package from Alcohol Beverage Control Board  
 - cover letter  
 - fiscal note  
 - current notice form  
 - supreme court ruling  
 Correspondence From Sponsor

**Sponsor's Briefing, Intent/purpose:**

Bill is a response to community council's long standing desires to be adequately informed of pending state decisions in order to participate in decisions affecting their communities.

**Effect of Bill:**

Sections 1 - 4 amend notice requirements of the Alcohol Beverage Control Board for issuance, renewal or transfer of licences. Section 5 requires notice to communities and councils by the Department of corrections of plans for facilities or programs in local areas. Section 6 requires notice to community councils and postmasters (for communities outside municipalities) by the Dept. of Transportation regarding projects scheduled for local areas. Section 7 amends notice requirements of Natural Resources regarding land transactions, classifications and reclassifications.

**Fiscal Impact:**

Corrections - 0 (Zero)  
 Natural Resources - \$12,200  
 Revenue - \$27,200

**Proponents:** Anchorage and Mat-Su legislators

**Opponents:** Natural Resources indicates that it cannot support this bill due to "the difficulties in identifying names locations and boundaries of community councils" and potential liability for failure to give notice.

The Alcohol Beverage Control Board also opposes the bill as placing onerous requirements upon them.

**Analysis of Bill's effect, by staff:**

This bill recognizes that critical decisions affecting an area are often made by agencies of higher levels of government. It provides for public notice to communities of state agency acts which affect them in substantial ways (liquor licences, correctional institutions, state land transactions, and public facility contracts).

The sponsor has been working with DNR to overcome departmental resistance to the bill and may offer amendments.

Page 2, line 22 requires a 20 day notice which appears to be inconsistent with the rest of the bill which requires 10 day notice.

**Committee Report:**

18 MAY 11 1987 HB297



Dept. of Transportation & Public Facilities

POSITION PAPER

BILL NO: House Bill No. 297

TITLE: An Act relating to the notification to community councils and postmasters of certain state actions

APPROVED: *for* Mark S. Hickey  
Commissioner  
DATE: May 6, 1987

The department does not support the language within Section 6 which would amend AS 35.30.010(a). The language of subparagraph (3), lines 9-12 page 4, will place the department into "no win" situations when encountering a community council whose viewpoint is divergent from that of the local planning commission. Such conflicts should be resolved within the local governmental body. The department needs to be able to rely on the position of a single local entity which is empowered to represent the community as a whole. Therefore we suggest that it should be a requirement of the local government that they provide the Community Council an opportunity for comment. This could be accomplished by inserting the words "municipality or local government" for the word " department" on line 10 page 4.

Due to the wide range of cost related assumptions arising from the incorporation of subparagraph (3), the department cannot attempt to prepare a fiscal note. The impacts however could result in cost overruns (due to delays of award) of significant magnitude and eventual project consolidation or cancellation.

The department has no objection to the inclusion of subparagraph (4), lines 13-18 as such notification would not create any undo procedural or fiscal hardship.

If subparagraph (3) is retained, then the term "community council" should be defined in a manner commensurate with the language provided within Section 7, lines 23 and 24 page 4, to read, "...community council established by municipal charter or ordinance..."