

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672

5604 HOUSE COMMUNITY & REGIONAL AFFAIRS

H

B

1

7

4

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act...suspension or a municipal ordinance..."
 Sponsor: House C&RA Committee
 Requestor: _____

Agency Affected: Community & Regional Affairs
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

Jim Plasman

Prepared by: Jim Plasman, Deputy Director
 Division: Municipal & Regional Assistance

Phone: 465-4750
 Date: April 3, 1989

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

Date: 4-3-89

Distribution (by preparer):

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



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: ALL MEMBERS
HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

FROM: REPRESENTATIVE EILEEN P. MACLEAN, CHAIRMAN *Eileen P. Maclean*
HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

DATE: February 13, 1989

RE: Proposed Committee Legislation

Please review the enclosed legislation and information pertaining to it. I plan to introduce this legislation on Wednesday, February, 15th as a committee bill unless there is objection from members on the committee. The legislation would clarify in statute that an ordinance or resolution is suspended if a referendum petition is filed before the operative date of the ordinance or resolution.

cc: Representative Peter Goll, Co-Chair
Representative Max Gruenberg, Co-Chair
House Judiciary Committee

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 1, 1989

SUBJECT: Municipal Referendums
(Work Order No. 16-0722A)

TO: Representative Eileen MacLean, Chairman
Community and Regional Affairs Committee

FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

You have asked for a draft bill that incorporates the substance of the decision, Interior Taxpayers Association, Inc. v. Fairbanks North Star Borough, 742 P.2d 781 (Alaska 1987). A copy of that case is enclosed for your reference. That case held, in essence, that even when a referendum petition is filed against an ordinance that has already gone into legal effect, that ordinance is suspended if it has not yet become operative. At issue was a sales tax which had been enacted, but collection of the tax had not yet begun at the time the referendum petition was filed.

Existing law now provides for suspension when a petition is filed before the effective date. This draft expands that section to provide for suspension of ordinances or resolutions to when a petition is filed before the operative date of the ordinance or resolution. Please contact me if you would like any changes.

TBC:gc
W6/071

Enclosure(2)

AS 29.26.180(b)

THE EFFECTIVE DATE OF THE SUSPENSION OF AN ORDINANCE BEING REFERRED IS EXAMINED.

The Supreme Court of Alaska held that "effective date of the matter referred" refers to the date when the ordinance becomes operative rather than the date when the ordinance becomes law; the law requires that when a petition for a referendum is filed, the ordinance that is the subject of the referral is suspended pending the referendum vote if the "petition is certified before the effective date of the matter referred". The court noted that the term "effective date of the matter referred" can reasonably have at least two meanings: either when the ordinance becomes law or when the ordinance becomes operative. The ordinance in question had become law but did not yet require the collection of the new sales tax. The court noted that under the procedure of the borough, an ordinance takes effect as an ordinance on the first business day after it is adopted; the automatic suspension procedure would be completely meaningless unless the effective date is interpreted to mean when the ordinance becomes operative. The court also agreed that the term "matter referred" is vague." Interior Taxpayers Ass'n. Inc. v. Fairbanks North Star Borough, 742 P.2d 781.

While the decision of the court clarifies the vague phrase, review is recommended.

INTERIOR TAXPAYERS ASSOCIATION, INC., an Alaska non-profit corporation, Petitioner,

v.

FAIRBANKS NORTH STAR BOROUGH, Respondent.

No. S-2315.

Supreme Court of Alaska.

Sept. 15, 1987.

After borough refused to suspend collection of sales tax pending referendum on sales tax ordinance that had been scheduled, suit was brought to enjoin collection. The Superior Court denied motion for preliminary injunction and review was sought. The Supreme Court held that "effective date of the matter referred," within meaning of statute requiring suspension of ordinance against which petition for referendum is filed if such petition is certified before such date, refers to when ordinance becomes operative, rather than when ordinance becomes law.

Order reversed, case remanded with instructions.

1. Statutes \S 301, 341

Initiative and referendum powers set forth in Alaska Constitution, and laws implementing those powers, should be liberally construed.

2. Municipal Corporations \S 108.10

"Effective date of the matter referred," within meaning of statute requiring suspension of ordinance or resolution against which a petition for referendum is filed if petition is certified before such date, refers to when ordinance becomes operative such that compliance with its terms is required, rather than when ordinance becomes effective. AS 29.26.180(b).

See publication Words and Phrases for other judicial constructions and definitions.

Peter J. Aschenbrenner, Fairbanks, for petitioner.

Eugene P. Hardy, Asst. Borough Atty., Fairbanks, for respondent.

Before RABINOWITZ, C.J., and BURKE, MATTHEWS, COMPTON and MOORE, JJ.

ORDER

This petition for review involves a referendum petition on a sales tax for the Fairbanks North Star Borough. The petition for referendum was certified as meeting the requirements of law by the clerk of the borough on July 23, 1987. AS 29.26.180(b) provides:

If a petition is certified before the effective date of the matter referred, the ordinance or resolution against which the petition is filed shall be suspended pending the referendum vote.

The referendum vote is scheduled for October 6, 1987. However, the borough refused to suspend the collection of the sales tax which was to begin on August 1, 1987. The petitioner sued to enjoin collection and moved for a preliminary injunction. The trial court denied the motion for a preliminary injunction on the grounds that the effective date of the ordinance reimposing the sales tax was June 15, 1987 even though the sales tax was not to go into effect until August 1. Thus, the court reasoned, certification of the referendum petition occurred after, rather than before, the effective date of the matter referred and suspension was not required under the statute. Petitioner seeks review of this ruling.

The court has previously stayed collection of the sales tax pending a decision on the petition for review. We now grant the petition and order entry of a preliminary injunction for the reasons that follow.

The term "effective date of the matter referred" can reasonably have at least two meanings. Under one meaning the term may refer to when the ordinance becomes law. Alternatively, the term may refer to when the ordinance becomes operative, that is, when compliance with its terms is

nal Rule 11(h)(2).
use, we hold that
err in finding that
h a fair and just
plea.

IRMED.



143

required.¹ The trial court adopted the first meaning. In our view the second meaning is to be preferred for several reasons.

[1,2] First, initiative and referendum powers are set forth in our constitution and the laws implementing them should be liberally construed. *Municipality of Anchorage v. Frohne*, 568 P.2d 3, 8 (Alaska 1977). "To that end 'all doubts as to technical deficiencies or failure to comply with the exact letter of procedure shall be resolved in favor of the accomplishment of that purpose.'" *Id.* (citing *Boucher v. Engstrom*, 528 P.2d 456, 462 (Alaska 1974), quoting *Cope v. Toronto*, 8 Utah 2d 255, 332 P.2d 977, 979 (1958) (footnote omitted)).

Second, the referendum process can not start without having an ordinance which has been passed by the municipality in question. Under the Fairbanks North Star Borough procedure, an ordinance takes effect on the first business day following the day it is passed. There is obviously no case where AS 29.26.180(b) could operate with respect to Fairbanks North Star Borough ordinances if "effective date" means merely when the ordinance becomes law. Thus, the automatic suspension statute could be made completely meaningless if we interpret "effective date" as did the trial judge.

Third, the purpose of the "before the effective date" limitation on suspension seems to be to avoid public confusion, as where the public first must comply with a new law, then the need for compliance is eliminated because of certification of a referendum petition, and then compliance is required because of voter approval at the referendum election. Interpreting effective date in the sense of operative date is consistent with this purpose.

Fourth, "matter referred" is a vague term. Its use suggests that the legislature did not mean that it would be necessarily synonymous with "ordinance or resolution against which the petition is filed." If so, the distinction is between the ordinance on the one hand and its subject matter on the

other. Accepting this distinction, one may readily say in the context of this case that while the effective date of the ordinance is the day after it was passed, the effective date of the subject matter, the tax, is when the tax is first levied.

The petition for review is granted, the order denying the motion for preliminary injunction is reversed, and this case is remanded to the superior court with instructions to grant the motion for preliminary injunction and for further proceedings.



Douglas A. CARSON, Petitioner.

v.

STATE of Alaska, Respondent.

No. S-2262.

Supreme Court of Alaska.

Sept. 17, 1987.

Appeal from the District Court, Third Judicial District; James C. Hornaday, Judge.

Kevin F. McCoy, Asst. Public Defender, Kenai, Dana Fabe, Public Defender, Anchorage, for petitioner.

James V. Gould, Asst. Atty. Gen., Anchorage, Grace Berg Schaible, Atty. Gen., Juneau, for respondent.

Before RABINOWITZ, C.J., and BURKE, MATTHEWS, COMPTON and MOORE, JJ.

ORDER

On consideration of the petition for hearing filed July 6, 1987, and response thereto,

IT IS ORDERED:

The petition for hearing is denied.

comes operative, is *City of Plantation v. Mason*, 170 So.2d 441, 442 (Fla.1964).

1. A case which demonstrates that "effective date" does not necessarily mean the date on which the law becomes law, but when it be-

CO
NOW
In
decid
ing s
than
quest
court
citize
from
ful d
I wo
pella
is th
shou
In
that
thre
pect
may
not
deac
that
offi
chee
dear
defi
opp
for
(Al
I
phy
dec
sto
fen
sib
to
lav
ma
giv
ma
leg
1.

6-0722A /
Cook
2/1/89

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to suspension of a municipal ordi-
7 nance or resolution against which a referendum peti-
8 tion is filed."

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

10 * Section 1. AS 29.26.180(b) is amended to read:

11 (b) If a petition is certified before the effective date of the
12 ordinance or resolution against which the petition is filed or before
13 the operative date when compliance with the ordinance or resolution is
14 required [MATTER REFERRED], the ordinance or resolution [AGAINST WHICH
15 THE PETITION IS FILED] shall be suspended pending the referendum vote.
16 During the period of suspension, the governing body may not enact an
17 ordinance or resolution substantially similar to the suspended mea-
18 sure.

HB

193



Alaska State Legislature

House of Representatives
Community & Regional Affairs

A G E N D A

TUESDAY, APRIL 11, 1989, 1:30 P.M.

- HB 193 "AN ACT RELATING TO VACANCIES ON AND REALLOCATION OF ELECTIVE BOARD SEATS IN AREAS OF THE UNORGANIZED BOROUGH." - GOVERNOR
- HB 253 "AN ACT MAKING A SPECIAL APPROPRIATION FOR PAYMENT AS A GRANT TO THE CITY OF FAIRBANKS FOR REPLACEMENT OF TECHITE SEWER PIPE; AND PROVIDING FOR AN EFFECTIVE DATE." - BOYER
- HB 259 "AN ACT RELATING TO MUNICIPAL PETITIONS AND ELECTIONS, AND TO APPOINTMENT TO FILL CERTAIN MUNICIPAL OFFICES." - DAVIDSON
- HB 266 "AN ACT RELATING TO LIENS ON REAL PROPERTY TO SECURE PAYMENT FOR SERVICES BY A UTILITY OWNED BY A MUNICIPALITY." - SHULTZ
- CSSB 173 C&RA "AN ACT RELATING TO MUNICIPAL PETITIONS AND ELECTIONS, AND TO APPOINTMENT TO FILL CERTAIN MUNICIPAL OFFICES." - ADAMS

HB 193

"AN ACT RELATING TO VACANCIES ON AND REALLOCATION OF ELECTIVE BOARD SEATS IN AREAS OF THE UNORGANIZED BOROUGH." - GOVERNOR

HOUSE BILL 193 WAS INTRODUCED BY THE GOVERNOR. THIS LEGISLATION WOULD DECLARE VACANT REAA SCHOOL BOARD SEATS WHERE NO CANDIDATE FILES FOR ELECTION. IN SUCH A CASE THE REMAINING SCHOOL BOARD MEMBERS WOULD ELECT A CANDIDATE TO FILL THE EMPTY SEAT.

THIS PROCEDURE WOULD ALSO BE ENACTED IN REGARDS TO COASTAL RESOURCE SERVICE AREA BOARDS.

ANOTHER ASPECT OF THE BILL WOULD ALLOW THE LIEUTENANT GOVERNOR TO REALLOCATE SEATS WHEN THE CENSUS STATISTICS UPON WHICH THEY ARE BASED ARE MORE THAN 5 YEARS OLD AND WHERE OTHER MORE RELIABLE CENSUS DATA EXISTS.

THERE ARE ZERO FISCAL NOTES FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS AND THE DIVISION OF ELECTIONS IN YOUR FILES, ALONG WITH THE GOVERNOR'S TRANSMITTAL LETTER.

HERE TO SPEAK ON BEHALF OF THE LEGISLATION IS LINDA EDGEWORTH FROM THE DIVISION OF ELECTIONS.

ALSO HERE TO TESTIFY IS STEVE HOLE FROM THE DEPARTMENT OF EDUCATION

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 193 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to vacancies on and reallocation of
7 elective board seats in areas of the unorganized
8 borough."

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

10 * Section 1. AS 14.08.041(d) is amended to read:

11 (d) Subject to (f) of this section, a regional school board
12 member shall be elected at large by the qualified voters of the commu-
13 nities receiving educational services in the entire regional educa-
14 tional attendance area. However, each seat on the regional school
15 board shall be designated by letter or number, and when the declara-
16 tion of candidacy or other nomination papers of a candidate for the
17 regional school board are filed those papers must indicate the seat
18 that the candidate seeks. A newly elected board member takes office
19 at the first regional school board meeting after certification of the
20 election. If no candidate files for election to a seat on the
21 regional school board, the seat is considered vacant at the time a
22 newly elected member would have taken office.

23 * Sec. 2. AS 14.08.051(c) is amended to read:

24 (c) If a regional educational attendance area has been divided
25 into sections, the commissioner shall recast the boundaries of the
26 sections within 90 days following the official reporting of the decen-
27 nial federal census in accordance with (a) of this section. If the
28 census is five years old or older and other reliable population data
29 establishes that board members do not represent as nearly as

1 practicable equal numbers of people under the allocation of seats to a
2 multi-member section under (d) of this section, the commissioner may
3 reallocate the seats among the sections if reallocation will achieve
4 as nearly as practicable equal representation. Reallocation of seats
5 takes effect at the next regular board election after the realloca-
6 tion.

7 * Sec. 3. AS 46.40.140(e) is amended to read:

8 (e) The lieutenant governor shall provide for the election of
9 the members of coastal resource service area boards. The first elec-
10 tion of board members shall occur at the same time as the [NOT LESS
11 THAN 60 NOR MORE THAN 90 DAYS AFTER CERTIFICATION OF THE RESULTS OF
12 AN] organization election under AS 46.40.130(b) [IN WHICH A MAJORITY
13 OF VOTES CAST FAVORS ORGANIZATION OF THE COASTAL RESOURCE SERVICE
14 AREA].

15 * Sec. 4. AS 46.40.140(f) is amended to read:

16 (f) Except for the first election of members of coastal resource
17 service area boards, elections shall be held annually on the date of
18 election of members of regional educational attendance area boards
19 under AS 14.08.071(b). For an election under this subsection or under
20 (e) of this section, a newly elected board member takes office at the
21 first coastal resource service area board meeting after certification
22 of the election. If no candidate files for election to a seat on the
23 coastal resource service area board, the seat is considered vacant at
24 the time a newly elected member would have taken office.

25 * Sec. 5. AS 46.40.140(g) is amended to read:

26 (g) A vacancy on a coastal resource service area board shall be
27 filled by appointment as provided in AS 14.08.041(e) [AS 14.08.041(a)]
28 for vacancies in the membership of regional educational attendance
29 area boards.

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 193

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to vacancies on and reallocation of
7 elective board seats in areas of the unorganized
8 borough."

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

10 * Section 1. AS 14.08.041(d) is amended to read:

11 (d) Subject to (f) of this section, a regional school board mem-
12 ber shall be elected at large by the qualified voters of the communi-
13 ties receiving educational services in the entire regional educational
14 attendance area. However, each seat on the regional school board
15 shall be designated by letter or number, and when the declaration of
16 candidacy or other nomination papers of a candidate for the regional
17 school board are filed those papers must indicate the seat that the
18 candidate seeks. A newly elected board member takes office at the
19 first regional school board meeting after certification of the elec-
20 tion. If no candidate files for election to a seat on the regional
21 school board, the seat is considered vacant at the time a newly elect-
22 ed member would have taken office.

23 * Sec. 2. AS 14.08.051(c) is amended to read:

24 (c) If a regional educational attendance area has been divided
25 into sections, the commissioner shall recast the boundaries of the
26 sections within 90 days following the official reporting of the decen-
27 nial federal census in accordance with (a) of this section. If the
28 census is five years old or older and other reliable population data
29 establishes that board members do not represent ^{equal} equal numbers of

1 people under the allocation of seats to a multi-member section under
2 (d) of this section, the commissioner may reallocate the seats among
3 the sections if reallocation will achieve ~~equal~~ representation. Real-
4 location of seats takes effect at the ^{as nearly as practicable,} next regular board election
5 after the reallocation.

6 * Sec. 3. AS 46.40.140(e) is amended to read:

7 (e) The lieutenant governor shall provide for the election of
8 the members of coastal resource service area boards. The first elec-
9 tion of board members shall occur at the same time as the [NOT LESS
10 THAN 60 NOR MORE THAN 90 DAYS AFTER CERTIFICATION OF THE RESULTS OF
11 AN] organization election under AS 46.40.130(b) [IN WHICH A MAJORITY
12 OF VOTES CAST FAVORS ORGANIZATION OF THE COASTAL RESOURCE SERVICE
13 AREA].

14 * Sec. 4. AS 46.40.140(f) is amended to read:

15 (f) Except for the first election of members of coastal resource
16 service area boards, elections shall be held annually on the date of
17 election of members of regional educational attendance area boards
18 under AS 14.08.071(b). For an election under this subsection or under
19 (e) of this section, a newly elected board member takes office at the
20 first coastal resource service area board meeting after certification
21 of the election. If no candidate files for election to a seat on the
22 coastal resource service area board, the seat is considered vacant at
23 the time a newly elected member would have taken office.

24 * Sec. 5. AS 46.40.140(g) is amended to read:

25 (g) A vacancy on a coastal resource service area board shall be
26 filled by appointment as provided in AS 14.08.041(e) AS [14.08.041(a)]
27 for vacancies in the membership of regional educational attendance
28 area boards.



Alaska State Legislature

House of Representatives Community & Regional Affairs

TABLE OF CONTENTS

HOUSE BILL 193

ITEM 1:	0 Fiscal Note - Department of Education
ITEM 2:	0 Fiscal Note - Department of Community & Regional Aff.
ITEM 3:	0 Fiscal Note - Division of Elections
ITEM 4:	Governor's Transmittal Letter
ITEM 5:	Letter of Support - State Review Board
ITEM 6:	Letter of Support - Kashunamiut School District
ITEM 7:	Letter of Support - Chugach School District
ITEM 8:	HB 193

#1

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 193
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Vacancies on and Reallocation of
Elective Board Seats
Sponsor: Rules
Requestor: House CGRA

Agency Affected: Education
BRU: K-12 Support
Components: Foundation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Mary Hakala
Division: Commissioner's Office
Approved by Commissioner: William G. Demmert
Agency: Education

Phone: 465-2800
Date: 3/28/89
Date: 3/28/89

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

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 193
PUBLISH DATE: HOUSE 2/24/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act..representation & elections
in..unorganized borough."
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Community & Regional Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-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: Jim Plasman, Deputy Director
 Division: Municipal & Regional Assistance
 Phone: 465-4750
 Date: 2/6/89

Approved by Commissioner: [Signature] DC, CRA
 Agency: Community & Regional Affairs
 Date: 6 Feb 89

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

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Representation and Elections
In the Unorganized Borough
Sponsor: Rules
Requestor: -Governor

Agency Affected: Office of the Governor
BRU: Elections
Components: I - Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Linda Edgeworth
Division: Division of Elections

Phone: 465-4611
Date: 1-12-89

Approved by Commissioner: *Sandra Stout*
Agency: Division of Elections

Date: 1/13/89

Distribution (by preparer):

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

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 24, 1989

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

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to elections in areas of the unorganized borough. The bill addresses problems identified by the division of elections (division) in administering elections in regional educational attendance areas (REAA's) and coastal resource service areas (CRSA's) in the unorganized borough.

Frequently, no candidate files for election to an REAA or CRSA seat. When this happens, numerous names are written in by the voters and must be tallied by the division. A person whose name is written in by only a few voters may be elected to fill a seat. Sections 1 and 4 of the bill amend AS 14.08.041(d) and AS 46.40.140(f), respectively, to provide that, if no candidate files for election to an REAA or CRSA seat, the seat is considered vacant at the time the new member would have taken office. Once a seat is vacant, current law provides that the remaining members of the board shall appoint a person to fill the vacancy until the next regular election, when a successor shall be elected to serve the balance of the term.

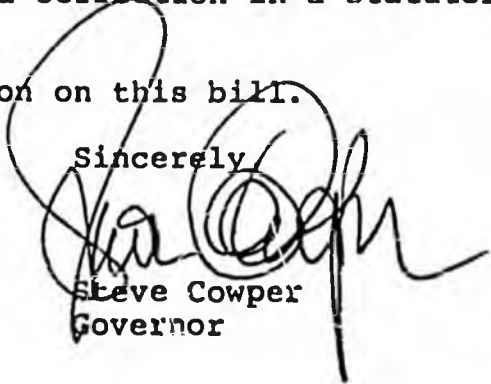
Recently, due to population shifts in an REAA, a multi-member section was overrepresented by board members. Reallocation of one of the seats of the multi-member section to another section would have resulted in more equal representation. Section 2 of the bill provides that, if census data is five or more years old and other reliable population data establishes that representation is unequal under the allocation of seats to multi-member districts, the commissioner of education may reallocate seats if reallocation will achieve equal representation. A reallocation under this provision will not affect the boundaries of the sections, which are required to be established with regard to community, cultural, and geographic considerations.

Under current law, two elections must be conducted before a CRSA is established and can function -- first, an election to determine whether the CRSA will be established (AS 46.40.130(b)), and second, an election to elect board members (AS 46.40.140(e)). In contrast to this cumbersome and time-consuming procedure, statutes concerning incorporation of municipalities provide for election of initial municipal officers at the same time an election is held to determine whether a municipality will be incorporated. This approach is more reasonable and economical. Section 3 of the bill amends AS 46.40.140(e) to provide that the election of initial members of a CRSA board occurs at the same time as the election on the issue of whether the CRSA should be organized.

Section 5 makes a technical correction in a statutory reference.

I urge your favorable action on this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name below.

Steve Cowper
Governor

3-27-89

Dear Representative Maclean:

We, as the State Review Board, have been watching the progress of H.B.193. We are in favor of the bill and would like to share a few observations with you.

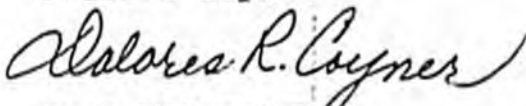
In the last Rural Education Attendance Area, (REAA)/Coastal Resource Service Area, (CRSA) election, we found ourselves filling out an election spreadsheet for races for which no one had filed. In one race, the write-ins were 90 different names and in the other race, there were 120 names. We went thru this exercise only after the precincts had done their jobs. We found the voters were very confused about the ballot and the process of filling the REAA/CRSA vacancies.

A major problem was that the candidates were nominated by sections but were elected at large. This meant that some voters knew no candidate name to write in, but felt they should put in something, so they wrote in the Village name to be represented. The winner usually got no more than a handful of votes. To say the people spoke, would not be an honest representation of the facts.

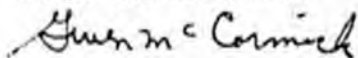
We would appreciate your serious consideration of this bill.

Thank You,

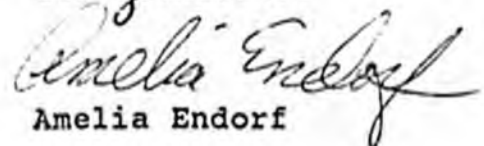
Dolores Coyner



Gwen McCormick



Terry Shattuck



Amelia Endorf

Kashunamiut School District
Chevak, Alaska 99563

March 27, 1989

Linda Edgeworth, Information Officer
Divisions of Elections
Office of the Governor
Pouch AF
Juneau, Alaska 99811-9974

re: House Bill #. 193

Dear Ms. Edgeworth:

I have had the opportunity to review and consider House Bill No. 193. In my opinion the passage of this bill makes good since. For example, several times, I have seen situations where no one filled for a seat on a REAA board. When it came time to vote numerous people received several votes. Once I recall someone being seated on the school board with as few as twelve votes! In this particular election several hundred people had cast their votes. Obviously the "people" hadn't made a choice. There are numerous cases I could give you that would demonstrate my point.

Passage of House Bill No. 193 would help resolve some of the problems of REAA school board elections.

I strongly support passage of this legislation. Should you need any other help or support for this bill please feel free to contact me.

Sincerely,



Alex P. Tatum
Superintendent

7

Division of Elections
Attn: Linda Edgeworth
Fax: 465-3203

RE: HOUSE BILL NO. 193

DISTRICT POSITION

The Chugach School District supports the passage of HB193, an Act relating to vacancies on and reallocation of elective Board seats in the REAA attendance areas.

REASONS

We believe that if a qualified candidate for a school Board seat does not file for election, a write-in candidate could be seated on the Board with a few votes and not have hardly any district support. This would be contrary to the process. Appointment by the existing Board would be more representative than a write-in with 3-4 votes.

Our District is characterized by our two sections. One being over-represented and the other under represented. HB193 would provide the mechanism to correct that problem with the Commissioner having the authority to allocate the seats based upon new data if the census is five years old or older.

SUMMARY

HB 193 is a good bill for education in the unorganized boroughs. The Chugach School District strongly supports its passage into law.

Sincerely,



Robert T. Brown
Superintendent

RTB/nam

HOUSE COMMITTEE REPORT

(5)

Date Referred: February 24, 1989

FURTHER REFERRALS: HESS

Date of Committee Action: 4/11/89

The COMMUNITY & REGIONAL AFFAIRS Committee considered: HB 193

HOUSE BILL NO. 193 [REAA SCHOOL BOARD MEMBERSHIP]
"An Act relating to vacancies on and reallocation of elective board seats in areas of the unorganized borough."

RECOMMENDS:

- [] replacing with CS HB 193 C+RA [] the same title
- [] the attached amendment(s) [] a new title
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- [] fiscal impact
- [] zero fiscal note
- [] zero with analysis

APPROVES PREVIOUS:

- [] fiscal note(s) published: _____
- 2 [] zero fiscal notes(s) published:
C+RA - 2-24-89, Div of Elections 2-24

SIGNING DO PASS:

Chris Davis
[Signature]
Eileen P. MacLean

SIGNING OTHER THAN DO PASS: (Do Not Pass, No Recommendation, Amend)

Richard [Signature] NOR

Eileen P. MacLean
 Chairman's signature

sched

HB 193 "An Act relating to vacancies on and reallocation of elective board seats in areas of the unorganized borough." - GOVERNOR

We have been requested to hear this legislation as soon as possible. It was introduced because in many REAA's there are seats in which no one is running for election not even the incumbent. In these cases it is common for people to write in candidates. There may be 10 or more written candidates each only receiving an hand full of votes. These must be counted by the Division of Elections. Then they must ascertain if the person who has received the vote even wants to be a member of the School Board. It is not uncommon that the person when contact has no idea that they have been elected and is not even interested. All this costs the state and does not result in the best representation of the REAA.

What the bill would do is consider those seats empty on the first school board meeting. The School Board would then elect a candidate to fill the seat.

I think we should schedule it Thursday next week or Tuesday the following. The Division of Election will provide more information by that time.

H B

2 2 3

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Community & Regional Affairs
 Title: "An Act authorizing municipal clerks to take oaths, affirmations.." BRU: _____
 Sponsor: Rep Cato Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-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: Jim Plasman, Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 3-27-89
 Approved by Commissioner: [Signature] Date: 3-27-89
 Agency: Community & Regional Affairs

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

CITY OF SEWARD

2-5 301 1st
SEWARD, ALASKA 99664



- Main Office (907) 224-3331
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- Telecopier (907) 224-3248

February 22, 1989

THE HONORABLE BETTE CATO
ALASKA STATE HOUSE OF REPRESENTATIVES
PO Box V
Juneau, AK 99811

Dear Bette:

I am hoping that you can solve a minor problem for municipal clerks throughout the state.

Most clerks have Code or Charter provisions requiring that they attest to the Manager's or Mayor's signature on all contracts, deeds, plats and other official city documents. Many of these same documents then have to be recorded with the District Recorder's Office.

The Recorder's Office requires that all documents recorded be signed and the signature notarized or witnessed. AS 09.63.010 lists the officials who may witness documents for recordation. Since "municipal clerk" is not one of the designated witnesses, the Recorder's Office will not accept the Clerk's attestation as a valid witness. In fact, since the Clerk's signature appears on the document, both the Manager or Mayor and the Clerk must have their signatures notarized before a document can be recorded.

This extra step often involves adding another sheet of paper to the document which must be recorded, thus adding extra recording costs as well as extra time and aggravation to what should be a very simple task.

I have talked to representatives from the four districts and have been assured that if "municipal clerk" is added to the designated witnesses in AS 09.63.010, the clerk's signature will be recognized as a valid witness.

I would very much appreciate your help in getting a bill through this session with such a provision. Thanks for your help.

Article 5. Other Officials and Employees.

Section	Section
360. Appointment of officials	390. Municipal treasurer
370. Municipal attorney	400. Departments
380. Municipal clerk	410. Personnel system

Effective date of article. — Section 90, ch. 74, SLA 1985 provides: "This Act takes effect January 1, 1986."

Sec. 29.20.360. Appointment of officials. Unless otherwise provided by ordinance, the municipal clerk, attorney, treasurer, and police chief are appointed by the chief administrator. Unless otherwise provided by ordinance, an official described in this section serves at the pleasure of the appointing authority and, if appointed by the chief administrator, must be confirmed by the governing body. (§ 7 ch 74 SLA 1985)

Sec. 29.20.370. Municipal attorney. The municipal attorney is the legal advisor of the governing body, the school board, and the other officials of the municipality. The municipal attorney represents the municipality as attorney in civil and criminal proceedings. The school board may hire independent counsel when in its judgment independent counsel is needed. (§ 7 ch 74 SLA 1985)

Sec. 29.20.380. Municipal clerk. (a) The municipal clerk shall

- (1) give notice of the time and place of meetings of the governing body to the governing body and to the public;
- (2) attend meetings of the governing body and keep the journal;
- (3) arrange publication of notices, ordinances, and resolutions;
- (4) maintain and make available for public inspection an indexed file containing municipal ordinances, resolutions, rules, regulations, and codes;
- (5) attest deeds and other documents;
- (6) perform other duties specified in this title or prescribed by the chief administrator or by the governing body.

(b) The governing body may combine the office of clerk with that of treasurer. If the offices are combined, the clerk-treasurer shall, as required of the treasurer, give bond to the municipality for the faithful performance of the duties as clerk-treasurer. (§ 7 ch 74 SLA 1985)

H B

2 2 6



Alaska State Legislature

House of Representatives Community & Regional Affairs

TABLE OF CONTENTS

HOUSE BILL 226

ITEM 1:	Sponsor Memo
ITEM 2:	0 Fiscal Note - Department of Community & Regional Aff.
ITEM 2B:	Fiscal Note - Division of Elections
ITEM 3:	Sectional Analysis
ITEM 4:	Position Paper - Division of Elections (Opposing)
ITEM 5:	Overview - Division of Elections
ITEM 6:	Resolution & Position Paper - Alaska Association of Municipal Clerks (Opposing)
ITEM 7:	Resolution Kodiak Island Borough (Opposing)
ITEM 8:	Resolution City of Seward (Opposing)
ITEM 9:	HB 226

State of Alaska

Committees

CO-CHAIR, HOUSE JUDICIARY
VICE-CHAIR, HOUSE LABOR AND COMMERCE
HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES



P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4712
465-4968/4986
(SESSION)
914 CLAY COURT
ANCHORAGE, ALASKA 99503
(907) 276-6844

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

April 5, 1989

MEMORANDUM

TO: Members of the House Community and Regional Affairs
Committee

FROM: Representative Max Gruenberg *MFG*

RE: "HB 226, An Act creating an incentive for
municipalities to conduct municipal elections at the
same time as state elections."

I introduced HB 226 in order to make the voting process more convenient for voters and increase the overall efficiency of the electoral process in our state.

HB 226 encourages municipalities to hold local elections at the same time as state general or primary elections. The state will pay the costs of the municipal election if they do so.

This bill attempts to thereby increase participation in both state and local elections.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act, municipalities, to conduct municipal elections, same time, state."
 Sponsor: Reps Gruenberg, MacLean, etc
 Requestor: _____

Agency Affected: Community & Regional Affairs
 BRU: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-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: Jim Plasman, Deputy Director
 Division: Municipal & Regional Assistance

Phone: 465-4750
 Date: 3-27-89

Approved by Commissioner: David C. Hoffman
 Agency: Community & Regional Affairs

Date: 3-27-89

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

STATE OF ALASKA
THE LEGISLATURE

POURCY STATE CAPITOL
BUREAU ALASKA 99811
907 465 3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 30, 1989

SUBJECT: Incentive for municipalities to conduct elections at time of state elections (HB 226)

TO: Representative Eileen P. MacLean

FROM: Richard A. Bradley
Legislative Counsel 

Louanne Christian has requested a sectional analysis of the above described bill.

Please note that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1 of the bill amends AS 15.10.105(a) (Administration of Elections). The section establishes the general authority for the conduct of state elections. Its amendment authorizes the director of elections to conduct "local elections." The amendment in this section is not substantive; the election code defines a local election as one held for a borough, city, school district, or regional educational attendance area. See AS 15.60.010(13).

Section 2 of the bill adds a new subsection to AS 15.10.105. It provides the mechanism by which a municipality brings itself under the option that the state conduct the election of the municipality at the same time as the state primary or general election. The director of elections would conduct the municipal election only at times when the state is also conducting a state primary or general election.

Section 3 of the bill amends AS 29.26.010 (Administration); section 4 of the bill adds a subsection to AS 29.26.010. The amendments permit the governing body of a municipality to request the director of elections to conduct the elections of the municipality under AS 15.10.105(c).

RAB:mi
wkmi3/092

COMMENTS IN OPPOSITION TO
HOUSE BILL 226

Prepared by
Division of Elections
March 31, 1989

BASIC FINDINGS

In its review of House Bill 226, the Division focused on the bill's intent, analyzed its potential impact on existing election programs and procedures, and attempted to determine its potential fiscal consequences. Towards these ends the Division surveyed 27 boroughs and municipalities of varying sizes, populations and forms of government, in order to better understand the scope of the municipal election process, and to come to a better appreciation of the magnitude of the administrative impact on the Division if the conduct of municipal elections was taken over by the state.

It is fully understood that the bill creates no mandate for local governments; it merely allows each municipality to make its own choice as to how and when it wants its regular elections to be held. However, a mandate is imposed on the state, because the choice is solely in the hands of municipalities, and once that choice is made the state must comply. Depending on the number and type of communities which would choose to exercise their rights under this bill, the impact could be minimal, or it could be extraordinarily significant. Therefore, the Division has had to look at the bill in terms of its full potential impact, even though there is no way to anticipate exactly when and if that full impact will ever be realized. Based on its analysis of the potential impact the Division came to the following determinations:

1. Question: Would it be possible for the Division to conduct municipal elections?

Answer: An apprehensive YES.

2. Question: Could the state conduct municipal elections with existing permanent and temporary staffing?

Answer: Not Likely.

3. Question: Could municipal elections be conducted by the state under existing policies, programs and procedures?

Answer: NO.

4. Question: Could the state conduct municipal elections within the constraints of existing budget considerations?

Answer: Absolutely NO.

Therefore, the Division of Elections submits that passage of this bill is not be practical at this time.

WHAT THE BILL DOES

House Bill 226 is enabling legislation which would allow municipalities to turn over administration of their local elections to the state if, by ordinance, they select the date of the primary or general election as the date for their municipal elections. The state would also bear all the costs for the administration of their elections.

Regarding implementation of this program, Section 2 of the bill contains 3 provisions:

1. The Director will regulate the date by which each municipality would have to advise the Division of its decision to have the state conduct its election.
2. The Director will regulate the date by which the municipal ty would have to provide the Division with its ballot information.
3. Municipal elections conducted by state would be administered under Title 15, rather than Title 29, the Municipal Code.

INTENT OF THE LEGISLATION

Increased Voter Turnout: It is the understanding of the Division of Elections, that the purpose of this bill is to enhance voter participation in municipal elections by capitalizing on the greater number of voters already voting in the state election.

1. It should be noted that under AS 29.26.010, municipalities already have the option to select primary or general election dates as the date for their regular elections. Over a dozen municipalities already have ordinances to that effect. The authority to capitalize on the greater turnout on statewide election days is already within grasp of communities wishing to

resolve the lower municipal voter turnout dilemma. It is apparent to the Division that there are compelling reasons why more communities have not chosen to exercise their option under this provision.

2. It is also important to recognize that the beneficial impact would only be realized in even numbered years, which could result in dramatic fluctuations in voter turnout year to year. The potential influence of these fluctuations on municipal government and political strategy might merit review by local communities considering exercise of their rights under this bill.

Reduce the Total Combined Overall Costs of Elections Throughout the State: It is also our understanding that this bill is intended to lower the overall combined costs of all elections throughout the state by eliminating the conduct of state and municipal elections on separate days.

1. It is critical to point out, that in reality, the only major cost element normally incurred by municipalities which would be "saved" if the election was conducted by the state on primary or general election day would be those spent for polling places and election board workers. It is anticipated by the bill that savings would be realized because these officials would only work on one election day rather than two.

For the most part this might be true, however, it is more likely that the state would realize increased costs for its election workers above those which are already incurred for primary and general elections.

Among the most obvious considerations is the amount of time election workers and various review boards would be required to work. For example, it is anticipated that workers in hand tally precincts would work more hours because of the increase in the number of ballots to be handled and races to be tallied. In large urban precincts, it may be necessary to increase the size of boards to accommodate the increase in the number of ballots issued to each voter, the additional time spent by each voter considering as many as 3 to 4 times the normal number of ballots cards, and the complexity of determining which types of ballots are to be issued to each voter based on service areas and subdivisions covered by the same precinct.

Time spent or number of Data Processing Review Board Members, District Review Board Members and State Review Board Members would obviously increase because of the increase in the volume of ballot types and races which would have to be accommodated as they fulfill their various functions.

2. All other major costs would still be incurred such as those for ballot printing, advertising and voter outreach, computer programming and testing, shipping and transport of ballots and materials, etc. And, because the requirements for outreach, accountability, security, review and retention mandated by Title 15 far exceed those of Title 29, in many instances costs would be greater for the state than those experienced by the municipalities for the same functions. The only difference is that under this bill, these costs would be borne by the state instead of the municipality.

WHAT THE BILL DOES NOT ADDRESS

One of the most significant issues not adequately addressed in the bill is that the state only conducts primary and general elections every other year, while municipal elections are conducted annually. We believe that, as written, the bill is subject to 2 possible interpretations:

1. The state would only conduct the municipal election for those communities deciding to take advantage of the program every other year when primary or general elections are held.

Confusion to Voters, Candidates, and Municipal Officials: If this is the intent of the bill it would mean that one year, the municipality would conduct the local election under Title 29, and the next year the state would conduct the local election under Title 15. In virtually every aspect of the election process, there are dramatic differences between the demands of the two titles. And often, Title 29 leaves specific election procedures to the discretion of each municipality to be determined by ordinance. Those provisions determined by ordinance vary widely from one municipality to another. Some of the areas of variance are fundamental:

Voter Qualifications

Absentee and Questioned Voting
Procedures
Candidate Filing Requirements
Deadlines for Ballot Access
Initiative and Referendum Procedures
Election Calendar of Events
Public Notice Requirements
Ballot Counting and Certification

Because of the wide variances between the requirements of the two titles, the constant fluctuation in procedures and unstable calendaring of election events back and forth from one year to the next would result in chaos for election administrators and confusion for candidates and voters.

Preclearance: Additionally, each year the municipality and/or the state would have to submit a comprehensive report on the change of procedures which would be implemented in the conduct of that year's election to the U. S. Department of Justice for preclearance under Section 5 of the Federal Voting Rights Act.

2. The Division of Elections would take over the conduct of regular municipal elections annually for each community deciding to have the state conduct the municipal election under the tenants of this bill.

Additional Fiscal Impact: If this were determined to be the actual intent of the bill, it would mean that the state would incur costs for the conduct of these elections, at least equal to those incurred by the municipalities in even numbered fiscal years for which no state expenditure is currently required.

For example, the Municipality of Anchorage has reported that the cost of its regular election is \$250,000. If the state were required to conduct their election in odd numbered years when there is no primary or general election, the Division of Elections operating budget would have to be increased in those fiscal years as well as in primary and general election years. Of course there are no such budget increments for "off years" at present.

PROCEDURAL FUNCTIONS IMPACTED BY THIS BILL

Of major concern to the Division of Elections is the

apparent misunderstanding with regard to the magnitude of the impact on procedures currently utilized by the state. Contrary to what has been expressed in general discussions of this bill, exercise of its provisions would not simply be a matter of the state "printing a couple of extra ballots." In reality, virtually every aspect of the state's procedures and programs would be impacted.

Attached for the legislature's review is an overview which highlights of only some of the existing programs, policies and procedures which would have to be addressed in planning for implementation of this bill. Some of these issues have major implications, and others may seem trivial, but each would have to be modified, expanded, and equally important, funded. The items identified in the attached overview serve to illustrate the extent and depth of the considerations with which the Division would have to deal.

CONCLUSION

These comments and the overview attached are offered to assist members of the legislature in understanding the actual magnitude of the impact of this bill. Its implications are not simple, and they do not come without increased costs to the state. It is for the reasons presented here, that the Division of Elections does not support passage of this bill at this time.

OVERVIEW OF AFFECTED PROGRAMS
ANTICIPATED WITH PASSAGE OF HOUSE BILL 226

Prepared by
Division of Elections
April 3, 1989

What follows is an overview of some of the programs, policies and procedures which would have to be taken into consideration in preparing to accommodate the conduct of municipal election by the state. They are presented to lend some insight as to the actual extent of the impact on the Division of Elections, should this bill be enacted and implemented.

A. EXPERTISE IN MUNICIPAL GOVERNMENTS AND THEIR POLITICAL AND SERVICE AREA JURISDICTIONS

Right now, the state has no jurisdiction over municipal elections. It is important to understand that implementation of this bill would require state officials to develop expertise in municipal ordinances and procedures, as well as each municipality's political subdivisions and service areas.

There are currently 146 communities which could potentially turn conduct of their elections over to the state. And each of these municipalities operates under different sets of ordinances which impact voters and candidates, referenda and initiatives, service area issues and resolutions.

The Division is concerned that this bill could potentially require another layer of staff training and result in the addition of personnel who would specialize in the state's municipal election functions.

B. VOTER REGISTRATION AND ELECTION MANAGEMENT SYSTEM

1. Precincting System: The precincting system utilized in the state's computerized Voter Registration and Election Management System is designed to identify all election jurisdictions in which each voter is eligible to vote, based on the residence address. The system currently includes senate and house districts, judicial districts, REAA and CRSA districts and municipalities. If this bill were enacted, the VREMS program would have to undergo a major programming enhancement to also identify municipal election districts and service areas. The capacity of the data base would have to be vastly expanded to accommodate the dramatic increase in

the data which would have to be stored. Programming costs would be incurred, and extensive data entry would have to be accomplished.

A few examples illustrating the extent of the programming and input required are as follows:

Municipality	Assembly Dist.	Service Areas
Anchorage	6	20
Mat-Su Borough	7	100
Kenai Borough	4	12
FBX North Star Bor.	1	103

These enhancements would be critically important for the District Review of Absentee and Questioned ballots. Under municipal direction, absentee and questioned ballots are reviewed by the municipal clerk who makes the determination as to each voter's eligibility to have all or part of his or her ballot counted. The clerk is totally familiar with the municipal subdivisions of the community.

However, the state's absentee and questioned ballots are reviewed by regional district review boards who evaluate ballots received from voters over a wide geographic area which may contain many different cities and boroughs. And, because the number of absentee and questioned ballots voted in state elections is many times greater than that voted in municipal elections. Therefore, the state's board members would require the jurisdictions to be clearly identified on each voter's record to maintain accuracy.

2. Computerized Ballot Ordering System: The current program is designed to automatically calculate and track ballot quantities by precinct, the accountability ballot numbering system by prescored or unscored ballot types, and precinct/absentee site distribution report. Only three ballot types are utilized by the state. The program also identifies and incorporates in its numbering sequences the districts and precincts in which there are crossover judicial districts requiring preparation of two separate sets of ballot combinations.

Passage of this bill would require the expansion of the ballot ordering program to accommodate the further breakdown of ballot types and ballot set combinations for crossover assembly districts and

service areas in the same districts and/or precincts within a municipality.

C. BALLOT PRINTING

1. Complexity of Ballot Order: Based on our discussions with the various municipalities, it has become abundantly clear that the complexity and sheer number of different ballot types for which the state would have new responsibility for oversight and printing would have an enormous impact. What is perceived as involving "only a couple of extra ballots" could, in fact, result in the Division being responsible for literally scores of ballot types to accommodate the various combinations required to cover assembly districts and services areas.

Examples:

Anchorage reported a ballot order which included "18 candidates, 33 measures, and 80 different ballot type combinations in 1988.

Mat-Su Borough reported 28 candidates and 27 ballot measures in various combinations crossing their 100 services areas.

Kenai Borough reported 42 candidates among their 4 assembly districts.

Ketchikan City and Borough's ballot included 38 candidates. They have 8 services areas.

2. Maintaining Accountability: Regardless of the number of potential combinations which would potentially be required, each would have to be integrated into the state's overall numbering system in order that accountability of every ballot set issued to a voter could be maintained as is required by state law.
3. Proofreading and Accuracy of the Ballots: Proofreading ballots for the statewide election is already a mammoth undertaking because of the ballot rotation system required under state law. Each name on each ballot card and within each race is rotated equally and collated so that no two successive ballot cards on a pad display candidates in the same order. The Division is responsible for proofing and overseeing the correct printing and collating of every version of each ballot, the number of which depends on the

number of candidates appearing in each race. The task is already complex and labor intensive. The additional responsibility of proofing and overseeing the correct printing, numbering and collating would be amplified tremendously with the state's oversight and proofing the additional rotations required to accommodate the number of candidates filed for municipal offices as well.

4. In-state Ballot Printing: For over the two and a half years preceding the 1988 primary and general elections, the Division expended great effort to solicit an in-state vendor who could confidently handle the state's statewide ballot order. For first time since the Datavote program was instituted, an Alaska vendor was awarded the contract. With the additional complexities and demands of printing municipal ballots in conjunction with the state's ballots, the Division is very concerned that the strides in utilizing an Alaska vendor could be seriously jeopardized.

The printing of the ballots would be accomplished under the provisions of Title 15. Therefore, the printing of candidate cards could not begin under current law until 40 days prior to the election. That is the deadline for candidate withdrawals. Only 15 days later, all ballots must be available to election officials for distribution to the state's 438 precincts under state law. The vendor printing the statewide ballots for the 1988 elections accomplished the task based on the current ballot specifications. However, there is real concern as to whether the deadlines could still be met by an in-state vendor with the additional number of ballots, rotations, numbering, collating and packaging which would be required if municipal ballots were added to the burden at the same time..

D. BALLOT COUNTING AND CERTIFICATION

1. Datavote Programming: 63% of the state's ballots are counted by mainframe computer. The addition of municipal ballot counting in these areas of the state would require dramatic increases in design specifications and costs of Datavote programming and testing to accommodate for additional municipal races. Just as in the printing of ballots, the complexity of the program for ballot counting and summary reporting is geometrically proportionate to the number of races and rotations which must be accommodated. Programming is further complicated by the number

of partial count categories which must be broken down separately. With the addition of assembly districts and service areas the number of potential partial count categories would be greatly increased.

The Municipality of Anchorage estimates that the cost of computer programming for its election was about \$50,000, and it was accomplished by in-house staff. Costs to the state might be even greater because of the complications due to integration of municipal rotations, measures and partial count categories with those required for the state's election, and because the state is required to obtain these services from a contractor.

Additionally, municipal elections characteristically have more write-in candidacies than do state elections. Hand tally teams would be required at data centers to sort and count these write-in votes further delaying the reporting of election night returns.

Mat-Su Borough indicates that write-ins are very common in their elections, and frequently the write-in candidate is certified the winner of the election.

2. PEPS Counting Centers: 20% of the states ballots are counted on microcomputers consisting of automatic card readers, microprocessors and printers. PEPS units are used to count ballots in Ketchikan, Sitka, Homer, Soldotna, Valdez, Wasilla and Kodiak. The Division has been advised by our program contractor, that due to the limited capacity of these units, municipal elections could not be accommodated in a single program and counted simultaneously with the state election ballots. Two alternative plans would have to be considered:

- Purchase of card sorters which would sort municipal ballots from state ballots, combined with purchase of additional PEPS microcomputer systems to facilitate the programming and counting of state ballots separately from municipal ballots.
- These areas could revert to hand tallying which would seriously delay reporting of precinct results for these regions on election night.

3. Certification: Under the provisions of local ordinances, most municipalities certify their elections within a week of the election. Because of the certification procedures required under Title 15, and the 15 day delay for receipt of overseas absentee ballots, state certification is not usually accomplished until about 3 weeks after the election. Audit and review of municipal results could delay the certification process even longer. Any delay caused by the addition of municipal elections in the primary election could critically hinder preparation for the general election because the time frame is already restrictive.

The state usually experiences 2 recounts in each major election. This bill would add to the number of recounts as a result of close municipal elections. Finalization of state and municipal returns would be delayed even further.

E. VOTER OUTREACH AND ADVERTISING

1. Advertising: Under Title 15, the state would incur additional costs of the election posters and statewide advertising of municipal races issues appearing on the ballot.

It is estimated that the increase in costs could be 50% to purchase advertising space to include the municipal issues and races in the state's public notice of the election.

2. Official Election Pamphlet: Under Title 15, an Official Pamphlet must be prepared which includes samples of all ballots, candidate profiles, maps of each election district and discussion of each issue which appears on the general election ballot. As written, the bill states that if the state conducts the municipal election, it will be conducted under Title 15. It would mean that municipal candidates, issues and ballot types would have to be added to the pamphlet.

As a general rule, each separate page contained in an official election pamphlet costs \$2,200 in printing costs. The pamphlet in its existing form requires publication of 4 to 5 regional versions, but more would be required under this bill. Addition of municipal candidates and issues would dramatically increase costs incurred for the project in personnel, design, printing and postage.

F. LEGAL COUNSEL, RECOUNTS, CHALLENGES AND LITIGATIONS

During the 1988 statewide elections the Division and Department of Law contracted with an attorney because of the increased legal workload an election year brings. In addition, at least 4 other attorneys assisted the Division with legal opinions and in defense of litigations on a variety of issues related to candidate eligibility challenges, constitutional challenges to various state statutes, procedural issues, certification of initiatives, recounts and election challenges.

For each municipal election conducted by the state, the state's vulnerability to legal challenge and litigation is compounded. It should be noted that the bill implies that candidacy filings and certification of measures for access to the ballot would be the responsibility of the municipality. The Division believes that since conduct of the election would be in the hands of the state, litigations regarding challenges to municipal determinations regarding ballot access would also involve the state as co-defendants.

G. EXAMPLES OF THE KINDS OF MINOR CONSIDERATIONS WHICH WOULD HAVE TO BE ACCOMMODATED

1. Forms currently utilized by the state would have to be redesigned to accommodate municipal elections.

The ballot mailer and secrecy envelope enclosed is designed to hold 3 to 4 state ballot cards. It is unlikely that the secrecy sleeve could hold 7 to 12 ballot cards which would be required if the state conducted the Anchorage election.

2. Postage costs for mailing of absentee by mail ballots would increase.

Anchorage commonly has 4 - 9 ballot cards which must be issued to each voter. For Anchorage voters the cost of postage alone would increase from \$.25 to \$.65 each way, for each ballot set mailed.

3. Ballot shipping and transport costs to the state would increase.

Based on the number of shipping boxes and weight, the cost of shipping voted ballots from Anchorage

to Juneau for security and retention was nearly \$1,000. If the state were to conduct Anchorage's election, based on the number of ballots required by the municipality, the cost to the state for shipping would triple.

4. As required by Federal law all elections ballots and related election materials utilized during and election in which a federal candidate appears on the ballot must be retained for 22 months.

Additional storage space would have to be provided by Archives for retention of these materials, or ballot sorters would have to be purchased so that municipal ballots could be separated out for earlier destruction.

5. Currently municipalities borrow state equipment for the conduct of their local elections. Depending on the number of voters in a municipality, the state might be required to purchase additional polling booths and voting machines to accommodate the flow of voter traffic in larger precincts.

In Anchorage the number of voters voting in state conducted elections is double. If the state were to conduct the municipal election as well, each voter would be voting 3 times the number of individual ballot cards increasing the amount of time each would require in the voting booth. To keep the flow moving efficiently, each polling place would require that additional polling booths be made available.

ALASKA ASSOCIATION OF MUNICIPAL CLERKS
Legislative Committee
710 Mill Bay Rd.
Kodiak, Alaska 99615

6

3 April 1989

Representative Eileen Maclean
Chair, House C&RA Committee
P. O. Box V
Juneau, Alaska 99811

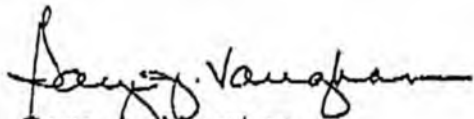
RE: HB 226, Municipal Elections

Dear Representative Maclean:

The Alaska Association of Municipal Clerks wishes to go on record in opposition to HB 226 as outlined on the enclosed Position Paper.

We urge you to vote "No" on HB 226.

I, or other members of AAMC, would be happy to discuss our views on this matter with you. Thank you for your consideration.



Gaye D. Vaughan
Legislative Committee Chairman

cc: Representative Gruenberg
Representative Hudson
Representative Boucher
Representative Collins
Representative Donley
Representative Menard
House C&RA Committee Members

ALASKA ASSOCIATION OF MUNICIPAL CLERKS
Legislative Committee
710 Mill Bay Rd.
Kodiak, Alaska 99615

POSITION PAPER ON HB226

The Alaska Association of Municipal Clerks opposes HB226 for the following reasons:

1. AS 29.26.040 currently allows a municipality to select an election date other than the 1st Tuesday in October if it chooses. There are 10 or 12 municipalities which currently hold their elections on General Election Day.
2. AS 29.26.010 mandates the adoption of municipal election rules for conducting elections. Municipalities are not bound by the state's elections laws, Title 15, although all municipalities follow the same basic procedures.
3. A number of municipalities in the state are on a calendar year. Seating new council/assembly members in late November in the middle of budget adoption would create chaos for the council/assembly, administration and public. One month's delay, from October to November, means a lot during budget sessions.
4. The Division of Elections cannot certify an election until three to four weeks after an election. AS 29.26.060 states runoff elections are to be held within 21 days after certification of the regular election. Municipalities who still hold runoff elections could be waiting up to two months to seat their new assembly/council members.
5. Title 29 does not provide for partisan municipal elections. It will be very difficult to conduct non-partisan municipal elections at the same time as partisan state election and have the municipality retain its non-partisan status.
6. The Division of Elections has offices and staff in only four locations in the state, Anchorage, Juneau, Fairbanks and Nome. Voting absentee voters in person, the supervision of the counting of the voted ballots on election night and the reporting of the results to the Division fall upon the municipal clerk in numerous areas of the state. In other words, we are conducting the state's elections already. County clerks in other states conduct all elections within their counties, including state and national seats, school district, and all cities within their county. The sponsors of this bill should investigate turning state elections over to the boroughs (recognizing this cannot be truly accomplished until all the state is organized).

7. HB226 is very vague and doesn't address the following points:
- a. If a municipality chooses to have the state conduct its election at the same time as the General Election, who conducts the municipal election on the odd years? Remembering all the details for a project which is only accomplished once a year can be very difficult even for the most experienced Clerks. Putting municipalities in charge of their own elections on a two-year cycle would be intractable.
 - b. Does Title 29 and local municipal code or Title 15 prevail in the conduct of the election?
 - c. Will candidates file with the state or with the municipality? Where will the APOC Financial Disclosure (Conflict of Interest) forms be filed if the candidates are to file with the state?



Kodiak Island Borough

710 MILL BAY ROAD
KODIAK, ALASKA 99615-6340
PHONE (907) 486-5736

31 March 1989

Representative Eileen Maclean
Chair, House C&RA Committee
P. O. Box V
Juneau, Alaska 99811

RE: HB 226, Municipal Elections

Dear Representative Maclean:

The Assembly of the Kodiak Island Borough wishes to go on record in opposition to HB 226.

We feel that municipal elections should retain their non-partisan status and not be thrown into the partisan arena. Alaska Statutes provide us the mechanism to conduct our elections in November, or any other time, and we have chosen to stay with the October date established for municipal elections.

We understand that HB226 is not a mandate, but rather an incentive, but we feel that local control over local issues and elections is best. Municipal clerks are best suited to supervise municipal elections. In addition our borough clerk has played an important part in conducting state elections within the Kodiak Island Borough for many years.

We urge you to vote "No" on HB 226.

Lorne E. White
Assembly Presiding Officer

cc: Representative Gruenberg
Representative Hudson
Representative Boucher
Representative Collins
Representative Donley
Representative Menard
House C&RA Committee Members

CITY OF SEWARD

P.O. BOX 167
SEWARD, ALASKA 99664



- u 8
- Main Office (907) 224-3331
 - Police (907) 224-3338
 - Harbor (907) 224-3138
 - Fire (907) 224-3445
 - Telecopler (907) 224-3248

April 3, 1989

THE HONORABLE EILEEN MACLEAN, CHAIR
HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE
PO Box V
Juneau, AK 99811

OPPOSING HB 226

Your committee will be conducting a hearing on the above cited bill on Thursday, April 6. I would like to voice my strong opposition to the passage of this bill for several reasons.

HB 226 would provide for state administration of local elections. I ask that you consider the following - Just what is the purpose of this bill and what do the sponsors hope to accomplish?

If the purpose is to save money, I fail to see how state administration of local elections could possibly accomplish this aim. Given the state's track record in other fields of endeavor, I would guess that state administration of local elections would cost a great deal more than local administration.

Perhaps the bill is to provide more timely election results. That certainly would not be the case for small municipalities such as Seward. Currently, the city of Seward conducts its regular election on the first Tuesday in October. We canvass absentee and questioned ballots on the following Wednesday, and the election is certified and the new Council seated on the Monday following the Tuesday election. What sort of priority would the city of Seward's canvass receive at Region I headquarters in Juneau? If I had to rely on the state to canvass the election, we probably would not be seating our new Council until some time after the first of the year.

Under state administration, who would canvass questioned ballots? It certainly makes sense to conduct the canvass of a local election within the municipality.

Another question which remains to be answered is whether the State Division of Elections is prepared to administer more than

REPRESENTATIVE EILEEN MACLEAN, CHAIR - HOUSE C&RA COMMITTEE

April 3, 1989

Page 2

one hundred local elections in addition to the state general election every other year? And, what is to happen on those odd years when no state election is scheduled? What about recall elections and other special elections? Will the state assume responsibility for these, or will the municipal clerk be expected to take over?

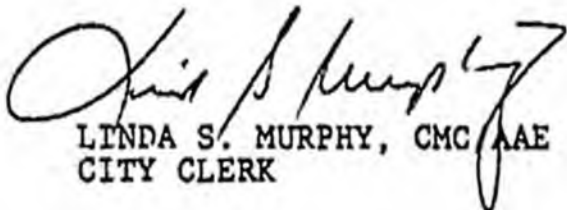
Preparing for and administering an election is time consuming and taxing for the municipal clerk's office in the best of times - and that is under a system which gives the clerk hands-on-control of the preparations necessary to conduct the election. What a nightmare it would be to lose that direct control while still bearing the responsibility of candidate filings, absentee voting and keeping elected officials and the public aware of what is going on.

Participation in the local election process represents the greatest degree of influence most people have in government. To transfer the administration of local elections to the state moves the individual citizen one step farther away from government and the election process. If our aim is to increase citizen involvement in government, this bill must be considered counterproductive.

The Alaska Association of Municipal Clerks has gone on record in opposition to this bill. The Seward City Council will consider a resolution opposing the bill on Monday, April 10. Please consider the adverse impact this bill is likely to have on your local governments, especially municipal clerks statewide, when you vote on Thursday.

Sincerely,

THE CITY OF SEWARD, ALASKA



LINDA S. MURPHY, CMC AAE
CITY CLERK

cc: The Honorable Bette Cato
The Honorable Cheri Davis
The Honorable Richard Foster
The Honorable Fritz Pettyjohn

FISCAL NOTE CONTINUATION
HOUSE BILL 226

This bill is enabling legislation giving each of the state's 168 incorporated municipalities the option of turning over the conduct of its election to the state. Depending on the number and types of communities which would choose to exercise their options under this bill, the fiscal impact on the Division of Elections could be minimal, or it could be extraordinarily significant. Municipal exercise of their options and resulting fiscal impact on the state could be realized immediately, gradually increased over the next few years, or not realized at all in the foreseeable future.

Additionally, the bill leaves several important questions unanswered. First, once a municipality chooses to turn the conduct of its election over to the state, it is not clear as to whether the state would then conduct the election every year, or only in even numbered years when a primary or general election is held. Secondly, it is not clear in the bill as to which entity, the municipality or the state, would be responsible for petitions and candidacy filings. The determination as to the bill's actual intent with regard to these issues alone would have a strong bearing on the fiscal impact.

The number of variables make it impossible to offer a fiscal note reflecting costs in any specific fiscal year that would have any factual base. Therefore, it only makes sense to apprise members of the legislature of the potential impact by illustrating some examples of the costs that would be incurred.

GENERAL OVERVIEW**A. Surveys of 27 Municipalities**

In preparation for our discussion of this bill, Division surveyed 27 municipalities of varying in size, population, form of government, and complexity of political subdivisions.

It is assumed by supporters of this bill that this bill would save money because both state and municipal election ballots would be voted at each precinct simultaneously and administered by the same election board workers.

In reality our survey seemed to indicate that election workers represented only about 20-25% of the total costs for conducting the election.

The balance covers costs of ballot printing, computer programming (where applicable), advertising and voter outreach, processing of petitions and candidacy filings, supplies, equipment, forms and voting materials. All of these types of costs would still be incurred, but under this bill the costs would be borne by the state rather than the municipality.

B. MUNICIPAL COSTS VS. COSTS TO THE STATE FOR THE SAME FUNCTIONS

For these 27 of the state's 168 municipalities, the combined costs of their elections was:

Municipalities: \$ 518.0

If these same 27 communities opted to implement the provisions of HB 226, and IF the state were able to conduct their elections using the same number of election workers already recruited for the primary elections, the net cost to the state would still be:

State (Less election workers) \$ 401.5

In reality however, as outlined in our position paper regarding this bill, it is more likely that the state would incur greater costs because:

- a. the procedural requirements of Title 15 are more demanding than those of Title 29;
- b. the number of voters voting would be 2 - 3 times greater;
- c. the amount of time for precinct close-out, hand tallying, computer testing and counting, reporting of statewide election returns on election night would be increased;
- d. district absentee and question review board processing, state review board audit and certification time would be much greater than that already experienced by the state;
- e. ballot printing specifications would be more complex because of the integration of state and municipal ballots into the same numbering, tracking and accountability requirements;
- f. Datavote computer ballot counting programs would be more complex because of the integration of state and municipal candidate

rotation sequences and cross over state election districts with municipal election districts and service areas;

- g. Freight and security for archiving and retention of municipal ballots would result in additional costs not currently incurred.

C. **EXAMPLE: ONLY THE MUNICIPALITY OF ANCHORAGE OPTS TO IMPLEMENT THE PROVISIONS OF HB 226**

General Profile:

	<u>Anchorage</u>	<u>State</u>
a.	6 Assembly Districts 20 Service Areas	9 Election Districts 1 Judicial District
b.	18 Candidates in 1988 33 Measures in 1988	46 Candidates in 1988 3 Measures in 1988
c.	80 Ballot Type Combinations in 1988	9 Ballot Type Combi- nations
d.	Typically 4 to 9 Ballot cards to each voter	3 Ballot cards to each voter
e.	Average Turnout 35%	70% Turnout
f.	125,345 Reg. Voters	125,345 Reg. Voters
g.	2,600 Absentee Ballots in Mayoral Years (Less on non-Mayoral Years)	12,081 in 1988
h.	"Very Low in years with primary elections."	4,468 in 1988

Cost to the Municipality of Anchorage for its municipal election is:

TOTAL COST \$ 250.0

Major cost components included:

- a. 2 Permanent Staff (6 Man Months)
4 Temporary Staff (\$8.00/ hour)
Full Staff During Crunch Time

b. Election Workers \$ 50.0

c. Ballot Printing (Approx.) 63.0

(It is our understanding that Anchorage prints ballots in a quantity based on average turnout rather than on number of registered voters.)

d. Programming for Ballot Counting (Approx.) 50.0

(Programming for Anchorage is done in-house with in-house staff)

Costs Anticipated by the State for the Conduct of the Anchorage Municipal on General Election Day

Based on the total cost incurred by the municipality, and assuming that amount they spend on election workers is already incurred and budgeted by the state for its primary or general election, the of the municipalities expenses would still be incurred for all other related services.

Total Municipal Budget	\$ 250.0
Less Election Workers	(50.0)
Net Costs for All Other Functions	<u>\$ 200.0</u>

However, it is more likely that some the state would in some instances incur greater costs than those experienced by the municipality for the same functions because of the demands of Title 15, the complexity of integrating municipal and state ballot counting programs and ballot printing, and the increase in the time required for completing counting, district review of absentee and questioned ballots.

Examples of Increases in State Costs for Same Functions Above 200.0:

<u>Function</u>	<u>Anchorage</u>	<u>State</u>	<u>Increase To State</u>
Programming Datavote (Anch. In-House, State Under Vendor Contractor. Increased complexity for Integration of Add'l Races, Rotations and Service Area/Assemb. Districts. Testing.)	50.0	85.0	35.0

<u>Function</u>	<u>Anchorage</u>	<u>State</u>	<u>Increase</u>
Ballot Printing (Double Qty. Increased Complexity for Integration of Add'l Races, Rotations and Service Area/Assemb. Districts. Numbering, collating, binding, packaging.)	63.0	105.0	42.0
1 More Election Worker in 89 Precincts (3-4 times number of ballot cards to distribute by cross over service areas to twice the number of voters.)	4 Members	1 Add'l for 5 Members	7.2
Staff	4 Temp.	1 Perm (R12) 2 Temp (R7)	35.8
Dist. AB & Q Board (More Time Required to Evaluate Each Ballot For Municipal Eligibility and Partial Count Categories)		2 Members Each Board	5.6
DPR Board (Double the Testing and Counting Complexity and Time Required)	4 @ \$300	4 Add'l @ \$500	2.0
Postage/AB BY Mail 3 to 4 Times as Many Ballot Cards	Approx. 1.1	12,081 @ .65 Instead of .25 (X 100% outgoing + 75% return)	9.5
Freight From Anchorage to Juneau for State Review Archiving and Retention	0.0	9 - 12 Ballot Cards/Voter Instead of 3 (\$ 1.0)	4.0
ESTIMATED INCREASE			\$ 140.4
PLUS BASE MUNICIPAL COSTS			200.0
TOTAL COST TO STATE TO CONDUCT ANCHORAGE MUNICIPAL ELECTION IN PRIMARY OR GENERAL ELECTION YEAR			\$ 340.4

One-time Costs Anticipated if the State Were to Conduct the Municipal Election for Anchorage:

- a. 2 Add'l Polling Booths \$ 36.7
89 Precincts

Each voter would be voting 3 to 4 times the number of ballot cards and take longer in the voting booth. Twice the number of voters)

- b. 2 Add'l Punch Machines 27.5
89 Precincts.

- c. Not included are preplanning costs for the enhancements to VREMS for adding municipal political subdivisions to the precincting program to incorporate assembly districts and service areas. Enhancements would also have to be added to the candidacy filing program and ballot order programs. Absentee and questioned partial count categories and tracking would have to be enhanced to cover computer retention and reporting of absentee and questioned ballots.

D. IMPACT TO THE STATE FOR OTHER TYPES OF AREAS

The same types of functions identified in the Anchorage example could also be anticipated in the costs to the state of doing municipal elections in other areas.

PEPS Area

As discussed in the position paper, 20% of the state's ballots are counted on PEPS microcomputers. These units would not have the capacity to hold programs for simultaneous counting of state and municipal ballots. New equipment would have to be purchased to handle the load.

PEPS Counters	\$ 6.7 Each
PEPS Card Readers	6.5 Each
7 PEPS Locations	\$ 92.4
x 13.2	

Hand Count Areas

The other major areas of cost, of limited concern in the Anchorage example would be the increased hours for all boards for hand tallying, and for counting write in votes.

HB

243

HOUSE COMMITTEE REPORT

(5)

Date Referred: March 23, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 3/6/90

The COMMUNITY & REGIONAL AFFAIRS Committee considered: HB 243

HOUSE BILL NO. 243 [TAX EXEMPTION FOR CERTAIN RESIDENCES]
"An Act relating to an exemption from municipal property taxation for certain primary residences; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with CSHB 243 (C&RA) the same title a new title
- have attached amendment(s)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ "letter of intent"

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Date/Dept)

- fiscal impact (C&RA)
- zero fiscal note _____
- zero with analysis _____

- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

Richard J. Tooley
Eileen P. McKeon

SIGNING:
(Check approp. column)

	Do Not Pass	No Rec	Amend
<u>Eugene Kukina</u>		X	
<u>Cheri Davis</u>		X	

Eileen P. McKeon
Chairman's Signature

Original sponsor(s): Finance Committee

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 243 ()
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to reimbursement for, exemption
7 from, and deferral of municipal property taxes for
8 certain primary residences; and providing for an
9 effective date."

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

11 * Section 1. AS 29.45.030(k) is amended to read:

12 (k) The department shall adopt regulations to implement the
13 provisions of [(g) AND] (j) of this section.

14 * Sec. 2. AS 29.45.040(f) is amended to read:

15 (f, In this section "disabled veteran" has the meaning given in
16 AS 29.45.042(g) [AS 29.45.030(i)].

17 * Sec. 3. AS 29.45 is amended by adding a new section to read:

18 Sec. 29.45.042. PROPERTY TAX REIMBURSEMENT PAYMENTS. (a) A
19 resident of the state who owns a permanent place of abode in a munic-
20 ipality and occupies it as the primary residence is eligible for a
21 property tax reimbursement payment from the department if the resident
22 is

23 (1) at least 65 years old;

24 (2) a disabled veteran; or

25 (3) at least 60 years old and the widow or widower of a
26 person who was eligible for payment under (1) or (2) of this subsec-
27 tion or for an exemption under former AS 29.45.030(e).

28 (b) A reimbursement payment may only be made for taxation on the
29 first \$150,000 of the assessed value of the real property. Only one

1 payment may be granted for the same property each year and, if two or
2 more persons are eligible for a payment for the same property, the
3 payment may not be granted unless the parties decide between or among
4 themselves who is to receive it. A reimbursement payment may not be
5 made unless the municipal assessor determines that the applicant is
6 eligible for the payment. A reimbursement payment may not be made if
7 the municipal assessor determines, after notice and hearing to the
8 parties, that the property was conveyed to the applicant primarily for
9 the purpose of obtaining the payment. A determination of the municipi-
10 pal assessor may be appealed to the superior court under procedures
11 set out in AS 44.62.560 - 44.62.570.

12 (c) A reimbursement payment may not be made except upon written
13 application for the payment on a form and in the manner prescribed by
14 the department. The applicant must file the application with the
15 municipality no later than January 15 of the assessment year for which
16 the payment is sought. The municipality for good cause shown may
17 waive an applicant's failure to make timely application for that year
18 and accept the application as if timely filed if it is received by
19 March 31. The applicant must file a separate application for each
20 assessment year for which the payment is sought. If an application is
21 filed within the required time and is approved by the municipal asses-
22 sor, the department shall approve the payment. The municipal assessor
23 shall require proof in the form the assessor considers necessary of
24 the right to and amount of a reimbursement payment claimed under this
25 section, and shall require a disabled veteran claiming a payment to
26 provide evidence of the disability rating. The assessor may require
27 proof under this section at any time.

28 (d) Reimbursement payments under this section shall be made from
29 appropriations to the department for that purpose. If appropriations

1 are not sufficient to fully fund payments, the amount available shall
2 be distributed pro rata among eligible applicants.

3 (e) If the municipal assessor determines that an individual is
4 eligible for a reimbursement payment under (b) of this section, the
5 portion of taxes for which the individual is eligible for reimburse
6 ment is not due until 30 days after the reimbursement payment is
7 issued by the department. A deferral may not be granted under this
8 subsection unless the individual applies for the deferral and assigns
9 the reimbursement payment to the municipality at the time of applica-
10 tion.

11 (f) In cases of hardship, the municipality may by ordinance
12 provide for an exemption from taxes for property for which a reim-
13 bursement payment is granted. The exemption may apply only to that
14 portion of the taxes for which no reimbursement payment is issued. If
15 standards for determining hardship are not adopted by ordinance, the
16 exemption under this subsection may be granted only in accordance with
17 regulations of the department for determining hardship. The value of
18 property exempt under this subsection may not be used by the depart-
19 ment in determining the full value of the taxable property within that
20 municipality under AS 14.17.140.

21 (g) In this section

22 (1) "disabled veteran" means a disabled person separated
23 from the military service of the United States under a condition that
24 is not dishonorable, whose disability was incurred or aggravated in
25 the line of duty in the military service of the United States, and
26 whose disability has been rated as 50 percent or more by the branch of
27 service in which that person served or by the Veterans' Administra-
28 tion;

29 (2) "real property" includes mobile homes, whether

1 classified as real or personal property for municipal tax purposes.

2 * Sec. 4. AS 29.45.030(a)(6), 29.45.030(e), 29.45.030(f), 29.45.030(g),
3 29.45.030(h), and 29.45.030(i) are repealed.

4 * Sec. 5. This Act takes effect January 1, 1991.
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act of reimbursement..property tax..effective date."
Sponsor: House Finance Committee
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: Admin & Support
Components: Admin Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	32.8	32.8	32.8	32.8	32.8	32.8
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT	8.5					
LAND & STRUCTURES						
GRANTS, CLAIMS	*See attached					
MISCELLANEOUS						
TOTAL OPERATING	41.3	32.8	32.8	32.8	32.8	32.8

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	41.3	32.8	32.8	32.8	32.8	32.8
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY	3.0	3.0	3.0	3.0	3.0	3.0

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal effect for FY 90.

*Please see attached.

Prepared by: Carol B. Carroll, Deputy Director
Division: Administrative Services

Phone: 465-4707

Date: 3/6/90

Approved by Commissioner: Remond Henderson for David Henderson
Agency: Community & Regional Affairs

Date: 3/6/90

Distribution (by preparer):

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

STATE OF ALASKA 1990 - 16TH LEGISLATURE
SECOND SESSION
FISCAL NOTE

Bill/Resolution No.: CS for House Bill 243

Title: "An Act relating to reimbursement for and exemption from municipal property taxation for certain primary residences; and providing for an effective date."

This bill requires the department of Community and Regional Affairs to send out payments to individual senior citizens who qualify for a property tax exemption. The deadline for submittal of information from the municipalities is July 15th of each fiscal year. It is estimated that between 9,000 and 10,000 checks will have to be sent in FY 91. The deadline for receipt of funds by the seniors is September 30th of the fiscal year.

In order for the department to make the deadline, three new positions will be required. The months of June, July, August and September of each fiscal year are those with the highest workload. This is the time that all prior year bills must be paid, federal reports prepared, adjustments to the accounting records made and all new accounts and appropriations entered on the state books. Existing personnel would not be able to add this additional program during these crucial months.

For each individual check sent out, a vendor code must be established if a code does not already exist, and 1099's must be prepared if this program is determined to be taxable to the individual. This adds at most 18,000 to 20,000 more transactions to be entered on the state accounting system.

Grants, Claims

This program has been partially funded at a level of approximately \$2,500,000 for the past few years. Under the CS for HB 243, the Legislature would have the same latitude to partially fund, or fully fund the program as exists under current law. If the program were fully funded, however, the total cost would be approximately \$9,000,000, or \$6,500,000 higher than the current funding level.

Position Title Accounting Technician I		No. of Positions 1	Range/Step 12A	Barg. Unit CGU
Time Status Temp	Staff Months 4.0	Location Juneau		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	8.3			
Benefits	3.4			
Premium Pay				
Other				
Total Personal Services		11.7		
Travel				
Contractual				
Commodities				
Equipment		4.5		
Other		16.2		
Total Cost				
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	16.2		
I-A Receipts	1006			
CIP Receipts	1061			
Other				
Justification This position will be responsible for review and approval of 9-10,000 payment requests processed on AKSAS. System internal checks require dual approval of all transactions entered on AKSAS. Because these positions are temporary, some up-front training on the system will be required before actual work can commence. This is the reason for these positions being on staff for four months. Proper training increases accuracy of payments. In addition, one WANG terminal and a printer are required to input transactions and provide an audit trail for client files and payments.				

**Request For
New Position**

Agency Department of Community & Regional Affairs
BRU Admin & Support
Component Admin Services

Page 3 of 4
Revised Date

FY 91

Position Title Accounting Clerk III		No. of Positions 2	Range/Step 10A	Parg. Unit GGU
Time Status Temp	Staff Months 4 months each	Location Juneau		Election District
		Justification		
Type of Expenditure		Two accounting clerk positions will be required to input 9-10,000 payment transactions on AKSAS. Also required will be vendor codes for each individual and if a taxable payment, 9-10,000 1099's will have to be processed. In addition, two WANG terminals will have to be purchased to allow data input on AKSAS.		
	Amount			
1	2	3		
Salary	14.7			
Benefits	6.4			
Premium Pay				
Other				
Total Personal Services	21.1			
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost	25.1			
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	25.1		
I A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For
New Position**

Agency Department of Community & Regional Affairs
 BRU Admin & Support
 Component Admin Services

Page 4 of 4
 Revised Date

FY 91

FISCAL NOTE

REQUEST: _____

Revision Date: _____ Agency Affected: Community & Regional Affairs
 Title: "An Act..exemption from municipal
property taxation ..certain.." BRU: Senior Citizen/Disabled Vet Tax
 Sponsor: House Finance Committee Relief
 Requestor: _____ Components: Homeowners Property Tax
 Exemption

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS		*	*	*	*	*
MISCELLANEOUS						
TOTAL OPERATING		*	*	*	*	*

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		*	*	*	*	*
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

*Unknown - see attached analysis

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 4/3/89

Approved by Commissioner: [Signature] Date: _____
 Agency: Community & Regional Affairs

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

FISCAL NOTE ANALYSIS
HB 243

It is impossible to estimate the fiscal impact of this bill. Currently, the senior/disabled veteran property tax exemption is mandatory and municipalities must exempt covered property from local property tax. Although the state is to reimburse municipalities for this mandated exemption, it has historically underfunded the program so that this year it is prorated at about thirty percent. For this reason, we may anticipate that some municipalities may choose to exercise their option to not exempt this property from local taxation; however, we will not know how many. In light of the level of underfunding of this program, a number of municipalities would have to opt out before a fiscal savings would be realized.

It should also be noted that by making the exemption from local property tax optional instead of mandatory, the value of the affected property must be included in municipal full and true value determinations. In general, this will mean an increase in a municipality's education foundation contribution which is based in large part on the municipal full and true value. In FY 89, the unequalized locally assessed value of exempted senior/disabled veteran property amounted to \$760,355,700.

Requested

#2

SENIOR CITIZENS/DISABLED VETERAN PROPERTY TAX EXEMPTION PROGRAM FY 89 - TAX YEAR '88

Municipality of Anchorage	\$3,912,137.71
Bristol Bay	3,186.60
Cordova	18,344.96
Craig	4,459.35
Dillingham	13,471.80
Eagle	247.86
Fairbanks North Star	988,162.55
Haines	45,870.77
City and Borough of Juneau	568,624.76
Ketchikan Gateway Borough	359,081.21
Kodiak Island Borough	86,350.50
Kenai Peninsula Borough	571,539.71
Mat-Su Borough	509,194.65
Nenana	6,656.67
Nome	39,045.60
North Slope Borough	11,558.42
Pelican	2,992.87
Petersburg	91,969.08
City and Borough of Sitka	78,423.88
Skagway	10,095.96
Unalaska	1,633.28
Valdez	27,071.38
Whittier	1,027.50
Wrangell	53,939.15
Yakutat	8,582.33
TOTAL REQUEST TO DATE:	<u>\$7,443,311.53</u>
FY 89 BUDGET:	\$2,782,300.00
Transfer to Rebate:	280,000.00
Reimbursement:	<u>\$2,502,300.00</u>
TOTAL REQUEST TO DATE:	\$7,443,311.53
AVAILABLE FUNDING:	<u>2,502,300.00</u>
SHORTAGE TO DATE:	<u>\$4,941,011.53</u>

PRORATIONED REIMBURSEMENT TO MUNICIPALITIES AT 34%

Community and Regional Affairs

TO Sam Thomas
Administrative Officer II
Juneau/Fiscal

DATE March 17, 1989

FILE NO 0175T/CF/cbs/1410.3

TELEPHONE NO 465-4750

THRU

SUBJECT FY 89 Senior Citizen
Disabled Veteran
Homeowner Warrant
Request

FROM Jim Plasman
Deputy Director
Municipal and Regional
Assistance Division

Funded by State

Please prepare warrants for the Senior Citizen/Disabled Veteran Property Tax Exemption Program in the amounts listed below and please return to this Division for mailing.

MUNICIPALITY

WARRANT AMOUNTS

Municipality of Anchorage	\$1,320,375.46
Bristol Bay Borough	1,075.50
Cordova	6,323.50
Craig	1,505.06
Dillingham	4,546.84
Eagle	83.65
Fairbanks North Star Borough	333,512.18
Haines Borough	15,481.73
City and Borough of Juneau	191,915.07
Ketchikan Gateway Borough	121,192.57
Kodiak Island Borough	29,143.93
Kenai Peninsula Borough	192,898.89
Mat-Su Borough	171,856.97
Nenana	2,246.68
Nome	13,178.17
North Slope Borough	3,901.05
Pelican	1,010.11
Petersburg	31,040.25
City and Borough of Sitka	26,468.64
Skagway	3,407.46
Unalaska	551.24
Valdez	9,136.79
Whittier	346.79
Wrangell	18,204.86
Yakutat	2,896.61

STATEWIDE TOTAL

\$2,502,300.00

Collocation Code 21-22-8-001

cc: Mike Worley, State Assessor
Traci Carpenter, Administrative Assistant

Resolution of the Alaska Municipal League

Resolution No. 89-2

**A RESOLUTION RELATING TO FULL FUNDING
OF THE REQUIRED STATUTORY PROPERTY TAX EXEMPTIONS
FOR SENIOR CITIZEN AND DISABLED VETERANS**

WHEREAS, the Alaska statutes provide for and require property tax exemptions for senior citizens and disabled veterans, and

WHEREAS, when authorized by the Legislature, these required property tax exemptions were accompanied by a commitment to appropriation by the State of Alaska to defray the fiscal effects on the local communities, and

WHEREAS, in the past three years the State has retracted the commitment to fully fund the statutory requirement for these property tax exemptions, and

WHEREAS, this fiscal responsibility has now fallen to the local governments, and

WHEREAS, these required property tax exemptions cost Alaskan communities hundreds of thousands of dollars each year;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League urges that the Governor and the Alaska State Legislature fully fund the senior citizen and disabled veteran property tax exemptions required under Alaska law.

BE IT FURTHER RESOLVED that the Alaska Municipal League deliver a strong message to the Governor and the Alaska State Legislature that local communities are not capable of assuming the burden and responsibility of this State-initiated program through a local option mandate.

Adopted at Annual Business Meeting o November 18, 1988 o Fairbanks, Alaska

Senior Citizens/Disabled Veterans (SC's/DV's) Program Options

Option	Pros	Cons	Groups Supporting (in Past)	Groups Opposing (In Past)
A. Do Nothing	1. SC's/DV's keep homes	1. Cost to State \$3 million 2. Cost to Munis \$5 million	SC's/DV's	Municipalities
B. Repeal	1. State saves \$3 million 2. Munis save \$5 million 3. IRS write off	1. SC's/DV's lose homes 2. Only state in U.S. without benefit 3. Added to FVD	Municipalities	SC's/DV's
C. Deferment/Lien	1. State saves \$3 million 2. Munis save \$5 million 3. SC's/DV's keep homes	1. Heirs pay taxes 2. Added to FVD 3. Added staff (state)		SC's/DV's
D. Fully Fund	1. Munis save \$5 million 2. SC's/DV's keep homes	1. Cost to state \$8 million	Municipalities SC's/DV's	
E. Entitlement	1. Easy to administer	1. SC's/DV's lose homes 2. Duplication of state effort (L.B.P.) 3. Added to FVD 4. Taxed by IRS	SC's/DV's	Municipalities
F. Optional	1. Partial reduction in state cost 2. Possible IRS write off	1. Only state without statewide policy 2. Added to FVD 3. Non-uniform tax treatment (muni to muni, Homeowner to renter) 4. SC's/DV's lose homes	Municipalities	SC's/DV's
G. Needs Basis	1. SC's/DV's keep homes 2. State saves \$1.5 million 3. Munis save \$3.5 million 4. SC's/DV's who are able pay tax 5. Partial or total IRS write off	1. SC's/DV's must provide IRS return 2. Partial add to FVD	OAC	Municipalities SC's/DV's
H. Reduce \$150,000 cap	1. Partial IRS write off	1. SC's/DV's lose homes 2. No substantial savings to state 3. No substantial savings to munis 4. Partial add to FVD		Municipalities SC's/DV's
I. Exemption based on reimbursement	1. Munis save \$5 million 2. Partial IRS write off	1. Cost to state of \$3 million 2. Percentage of value added to FVD (?) 3. SC's/DV's either apply for hardship or lose homes		

W

FEBRUARY 25, 1988

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

H Reduce Cap

PROJECTED FUNDING WITH \$150,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 15,000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				NR = 9.584	
> 200001	\$154,822,476	488	\$73,187,236		
200-175'	\$42,585,506	230	\$34,430,926		
175-150'	\$72,778,774	453	\$67,921,117		
150-125'	\$121,611,018	887	\$121,611,018		CAPPED FUNDING
125-100'	\$135,219,576	1,194	\$135,219,576		* .975 * 1.068 * 1.05
100-75'	\$123,675,885	1,375	\$123,675,885		
75-50'	\$76,136,664	1,183	\$76,136,664		
50-25'	\$35,095,206	868	\$35,095,206		
25-10'	\$8,636,697	413	\$8,636,697		
<10000	\$1,101,293	153	\$1,101,293		
	\$771,663,094	7,242	\$677,017,618	\$6,488,483	\$7,094,280 =====

7

PROJECTED FUNDING WITH \$140,000 CAP

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

PROJECTED FUNDING WITH \$130,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 130000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 89
				MR = 9.584	
> 200001	\$154,822,476	488	\$68,309,954		
200-175'	\$42,585,506	230	\$32,135,531		
175-150'	\$72,778,774	453	\$63,393,042		
150-130'	\$97,288,814	709	\$92,170,000	--	CAPPED FUNDING
130-125'	\$24,322,204	177	\$24,322,204		
125-100'	\$135,219,576	1,194	\$135,219,576		* .975 * 1.068 * 1.05
100-75'	\$123,675,885	1,375	\$123,675,885		
75-50'	\$76,136,664	1,183	\$76,136,664		
50-25'	\$35,095,206	868	\$35,095,206		
25-10'	\$8,636,697	413	\$8,636,677		
<10000	\$1,101,293	153	\$1,101,293		
	\$771,663,094	7,242	\$660,196,052	\$6,327,266	\$6,918,011 =====

PROJECTED FUNDING WITH \$120,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 120000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 87
				MR = 9.584	
> 200001	\$154,822,476	488	\$58,551,387		
' 200-175'	\$42,585,506	230	\$27,544,741		
' 175-150'	\$72,778,774	453	\$54,336,893		
' 150-125'	\$121,611,018	887	\$106,440,000		CAPPED FUNDING
' 125-120'	\$27,043,915	200	\$24,000,000		
' 120-100'	\$108,175,661	994	\$108,175,661		x .975 x 1.068 x 1.05
' 100-75'	\$123,675,885	1,375	\$123,675,885		
' 75-50'	\$76,136,664	1,183	\$76,136,664		
' 50-25'	\$35,095,206	868	\$35,095,206		
' 25-10'	\$8,636,697	413	\$8,636,697		
<10000	\$1,101,293	153	\$1,101,293		
	\$771,663,094	7,242	\$623,694,429	\$5,977,438	\$6,535,521 =====

PROJECTED FUNDING WITH \$110,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 110000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 87
				MR = 9.584	
> 200001	\$154,822,476	488	\$53,672,107		
' 200-175'	\$42,585,506	230	\$25,249,346		
' 175-150'	\$72,778,774	453	\$49,808,819		
' 150-125'	\$121,611,018	887	\$97,548,019		CAPPED FUNDING
' 125-110'	\$81,131,854	716	\$78,760,000		
' 110-100'	\$54,087,902	478	\$54,087,902		x .975 x 1.068 x 1.05
' 100-75'	\$123,675,885	1,375	\$123,675,885		
' 75-50'	\$76,136,664	1,183	\$76,136,664		
' 50-25'	\$35,095,206	868	\$35,095,206		
' 25-10'	\$8,636,697	413	\$8,636,697		
<10000	\$1,101,293	153	\$1,101,293		
	\$771,663,274	7,242	\$603,771,938	\$5,786,502	\$6,326,759 =====

PROJECTED FUNDING WITH \$100,000 CAP

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

	\$771,663,094	7,242	\$569,763,979	\$5,460,573	\$5,970,399 =====

PROJECTED FUNDING WITH \$90,000 CAP

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

	\$771,663,095	7,242	\$532,691,820	\$5,105,276	\$5,581,730 =====

PROJECTED FUNDING WITH \$80,000 CAP

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

PROJECTED FUNDING WITH \$70,000 CAP

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

PROJECTED FUNDING WITH \$60,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 60000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 87		
				NR = 9.584			
> 200001	\$154,822,476	488	\$29,275,695				
200-175'	\$42,585,506	230	\$13,772,370				
175-150'	\$72,778,774	453	\$27,168,447				
150-125'	\$121,611,018	887	\$53,208,010		CAPPED FUNDING		
125-100'	\$135,219,576	1,194	\$71,640,000		* .975 * 1.068 * 1.05		
100-75'	\$123,645,885	1,375	\$82,500,000				
75-60'	\$45,681,998	710	\$42,600,000				
60-50'	\$30,454,666	473	\$30,454,666				
50-25'	\$35,095,206	868	\$35,095,206				
25-10'	\$8,636,697	413	\$8,636,697				
<10000	\$1,101,293	153	\$1,101,293				
			\$771,633,094	7,242	\$395,452,385	\$3,789,984	\$4,143,836

PROJECTED FUNDING WITH \$50,000 CAP

RANGE	ASSESSED VALUE	SENIORS & DV'S	100% OF 50000	CAPPED FUNDING	ESTIMATES ADJUSTED TO FY 87		
				NR = 9.584			
> 200001	\$154,822,476	488	\$24,376,412				
200-175'	\$42,585,506	230	\$11,476,975				
175-150'	\$72,778,774	453	\$22,640,372				
150-125'	\$121,611,018	887	\$44,340,009		CAPPED FUNDING		
125-100'	\$135,219,576	1,194	\$59,705,358		* .975 * 1.068 * 1.05		
100-75'	\$123,675,885	1,375	\$68,750,000				
75-50'	\$76,136,664	1,183	\$59,150,000				
50-25'	\$35,095,206	868	\$35,095,206				
25-10'	\$8,636,697	413	\$8,636,697				
<10000	\$1,101,293	153	\$1,101,293				
			\$771,663,094	7,242	\$335,292,323	\$3,213,415	\$3,513,435

6-1082H
Cook
3/31/89

Original sponsor: Finance Committee

I

Exemption based on
reimbursement

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

IN THE HOUSE

CS FOR HOUSE BILL NO. 243 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SIXTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to an exemption from municipal property taxation for certain primary residences; and providing for an effective date."

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

* Section 1. AS 29.45.030(k) is amended to read:

(k) The department shall adopt regulations to implement the provisions of [(g) AND] (j) of this section.

* Sec. 2. AS 29.45.040(f) is amended to read:

(f) In this section "disabled veteran" has the meaning given in AS 29.45.032(d) [AS 29.45.030(i)].

* Sec. 3. AS 29.45 is amended by adding a new section to read:

Sec. 29.45.032. EXEMPTION FOR CERTAIN PRIMARY RESIDENCES. (a) The real property owned and occupied as the primary residence and permanent place of abode by a resident (1) 65 years of age or older; (2) disabled veteran; or (3) at least 60 years old who is the widow or widower of a person who qualified for an exemption under (1) or (2) of this subsection, is, subject to (c) of this section, exempted from taxation on the first \$150,000 of the assessed value of the real property. A municipality may, in case of hardship, provide for exemption beyond the first \$150,000 of assessed value in accordance with regulations of the department. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the exemption may not be granted unless the parties decide between or among themselves who is to

1 receive the benefit of the exemption. Real property may not be ex-
2 empted under this subsection if the assessor determines, after notice
3 and hearing to the parties, that the property was conveyed to the
4 applicant primarily for the purpose of obtaining the exemption. The
5 determination of the assessor may be appealed to the superior court
6 under procedures set out in AS 44.62.560 - 44.62.570.

7 (b) An exemption may not be granted under (a) of this section
8 except upon written application for the exemption on a form approved
9 by the state assessor for use by local assessors. The claimant must
10 file the application no later than January 15, or a date provided by
11 ordinance that is not later than March 31, of the assessment year for
12 which the exemption is sought. The governing body of the municipality
13 for good cause shown may waive during a year the claimant's failure to
14 make timely application for exemption for that year and authorize the
15 assessor to accept the application as if timely filed. The claimant
16 must file a separate application for each assessment year in which the
17 exemption is sought. If an application is filed within the required
18 time and is approved by the assessor, the assessor shall allow an
19 exemption in accordance with the provisions of this section. If a
20 failure to file by January 15, or a date provided by ordinance that is
21 not later than March 31, of the assessment year has been waived as
22 provided in this subsection and the application for exemption is
23 approved, the amount of tax that the claimant has already paid for the
24 assessment year for the property exempted shall be refunded to the
25 claimant. The assessor shall require proof in the form the assessor
26 considers necessary of the right to and amount of an exemption claimed
27 under (a) of this section, and shall require a disabled veteran claim-
28 ing an exemption under (a) of this section to provide evidence of the
29 disability rating. The assessor may require proof under this section