

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8227 SENATE COMMUNITY & REGIONAL AFFAIRS

492



BOROUGH/JAPAN SISTER RELATIONSHIP OPENS WORLD OF POSSIBILITIES

Sister government relationships are seen by experts as a key to opening up international trade opportunities. With this in mind, municipal governments in the Kenai Peninsula Borough have been particularly aggressive in establishing sister relationships in Russia and Japan. In 1992, the EDD participated with the Borough Mayor's office in a visit to and the formalization of a sister government relationship with the city of Akita, Japan.

Akita is a city of approximately 300,000 residents on the northern tip of Honshu Island. While the population far exceeds that of the Borough, the two governments share common industries, including fisheries and timber. Also, they share strong interests in expansion of local visitor industries, desire for cultural exchanges, and appreciation for one another's accomplishments within the business and professional sectors.

As an initial focus for exchange, a joint research project involving fisheries experts from both areas has been designed to see if Pacific Sandfish, a non-commercial fish found in Alaska waters, can be caught and exported to Akita. The demand for the fish has been brought on by the reduced catch of Japanese Sandfish, a delicacy prized by Akita residents. Other exchange activities in progress include teacher/student and visitor exchanges.

EXPERIMENTAL NURSERY COULD OPEN DOORS FOR SHELLFISH INDUSTRY

EDD has been working for a year with Kachemak Bay shellfish growers to explore opportunities for building a viable shellfish industry. This effort has been closely tied to a statewide initiative to elevate the shellfish industry to a point where it can have an impact on markets and create substantial new employment for Alaska residents.

With funding from the EDD, the EDA, and the Alaska Department of Commerce and Economic Development, a demonstration project is just getting underway in Kachemak Bay to determine whether oyster seed can be grown out to a size where it can be placed in commercial shellfish farms. The "upwelling nursery system" dovetails with other projects being packaged by area entities for shellfish hatcheries and research facilities.

ARDOR FUNDS VITAL IN LEVERAGING OTHER ASSISTANCE

ARDOR funding through the State of Alaska (\$47,460 for FY '93) works together with Borough and EDA sources (\$295,000 for FY '93), to accomplish the EDD's basic program needs. With this basic program funding, EDD is able to secure additional special program funding for a variety of projects. Current special projects funded are:

- Timber Resource Utilization - \$85,000
- Health Care Advisory Council - \$53,000
- Shellfish - \$32,000
- Revolving Loan Fund - \$245,000 (Pending)

BUSINESS ASSISTANCE PROGRAM GROWS

Closing in on its first year of operation with a full time director on board, the EDD's popular Business Assistance Program has rapidly grown. By the middle of December, 1992, the program had provided one-on-one business counseling for 120 different clients and presented nine major workshops.

Sixty five percent of the clients were start-up businesses and 45 percent were service occupations. Clients came from all Borough communities, with Soldotna and Homer having the highest percentages. Nearly half of the financing needed was in the \$20,000-\$75,000 range.

Many clients successfully started or expanded their businesses. Examples were a new children's bus service in Nikiski, additional capital for a hardware store expansion in Homer, a new guide service in Cooper Landing, a spruce shakes manufacturer in Kenai and re-marketing for an art porcelain producer in Seward.



110 S. Willow St. Suite 106 • Kenai, Alaska 99611-7744 • (907) 283-3335 FAX (907) 283-3913



KENAI PENINSULA BOROUGH

**ECONOMIC
DEVELOPMENT
DISTRICT, INC.**

EDD BOARD OF DIRECTORS

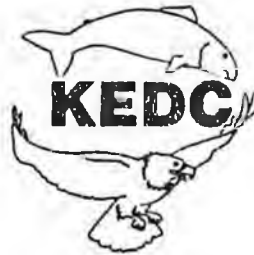
James A. Elson, Chairman, Kenai
Blake Johnson, Treasurer, Kenai

Jose' Verdin, Vice-Chair, Kenai
Burt Anderson, Secretary, Homer

Louis Bencardino, Seward
Katherine Boling, Kenai
Patrick Brown, Seward
Jan Drew, Soldotna

Harry E. Gregoire, Homer
Philemon Morris, Homer
Jeff Murphy, Homer
Emery Thibodeau, Kenai

John Torgerson, Soldotna
Ivan Widom, Seldovia
John Williams, Kenai
A. Kearlee Wright, Soldotna



Kuskokwim Economic
Development Council, Inc.
P. O. Box 207
Aniak, Alaska 99557
(907) 675-4418
FAX (907) 675-4419

KUSKOKWIM ECONOMIC DEVELOPMENT COUNCIL

THE MIDDLE KUSKOKWIM REGION'S ARDOR

TOURISM DEVELOPMENT IS PRIMARY STRATEGY FOR THE REGION

KEDC's first priority for the Middle Kuskokwim Region is to help develop tourism. The first video on the region is being produced to attract potential visitors to the uniqueness of the region. Some tourism activities are already developed and in place in the region including fishing guides that cater to national and international visitors, the Interior Rivers State Fair, the 4th of July Carnival, and the A. C. Co. Silver Salmon Derby.

A tourism survey was completed for the region by KEDC to identify which communities wanted to be involved in this type of economic development. The villages of Chuathbaluk, Crooked Creek, Sleetmute and Stony River are involved in different aspects of tourism development including renovating or building places for visitors to stay, coffee shops, and areas to display crafts.

Establishing a visitor center in Aniak that would also house the Interior Rivers Arts & Crafts Cooperative is another goal of KEDC. Aniak is the hub for the region for visitors wishing to reach the other villages in the region and is the logical spot to pick to develop the first visitor center in the region.

COMMERCIAL GARDEN AND BERRY PRODUCTION IN RUSSIAN MISSION AND CHUATHBALUK

Gardening has proven successful in this region for many years. Wild berries of many species have grown abundantly here for even more. Russian Mission is developing the first commercial garden in the region. Both Russian Mission and Chuathbaluk are involving the school students in a project of propagating starters for planting and developing commercial berry crops. KEDC is coordinating this project with the Kuskokwim Native Association that has had an experimental garden project for over 17 years, the State Plant Material Center and master gardeners/entrepreneurs Dick Green and Sue Adams. Green/Adams received a Science and Technology Foundation grant to help jump start agriculture in rural communities.

Value added processing ideas abound including juicing berries and making popsicles and fruit leather for local sales, selling juice to other Alaskan companies for ice cream and jam making, selling produce through local stores, and so on. Agriculture can be a viable economic project in this region.

MARKETING THE REGIONAL CRAFTS CO-OP

KEDC with the assistance of the communities of Chuathbaluk, Aniak, Grayling, Russian Mission, Holy Cross, Sleetmute, the Kalskags, and Crooked Creek and the Kuskokwim Native Association has been establishing the Interior Rivers Arts and Crafts Cooperative in the region. A marketing study was completed for the Co-op and KEDC has been coordinating the different phases of the marketing study with the Co-op Board and members.

The Co-op held its first annual Gathering in September, 1992, and plans to continue holding this event annually. At the Gathering artists from all over the region were able to meet each other at one time, learn from each other how they

create crafts, purchase materials, have photography taken of themselves at work and of their crafts and enjoy each other's company. Artisan biographies are being developed to accompany purchases of crafts to add value to the craft.

The first test market brochure funded by a REDI grant from DCRA was published in time for the 1992 Christmas season. Follow up telemarketing on the brochure is being completed.

The conception of forming a crafts cooperative first came from an Administration for Native American grant through the Chuathbaluk Traditional Council for developing tourism.



KUSKOKWIM ECONOMIC DEVELOPMENT COUNCIL

KEDC IS ASSISTING THE KALSKAGS ON GRAVEL QUARRY PROJECT

The villages of Upper and Lower Kalskag are undertaking the development of a gravel quarry located in the hills behind their villages. This project is being assisted by KEDC, the Kuskokwim Native Association, BIA Roads, The Kuskokwim Corporation, and Calista. Coordination between all the agencies involved has been a real challenge for the two communities. The communities want to incorporate and manage the gravel pit, thereby providing local employment opportunities that weren't available before. The development of the gravel quarry is vital to many projects up and down the Kuskokwim Region.

THE MIDDLE KUSKOKWIM REGION'S ARDOR

At the first ever business luncheon held in the region, KEDC was officially recognized as an Alaska Regional Development Organizations (ARDOR) program in February, 1991. The elected Board of Directors of eleven members consists of a blending of public and private entities. The representation includes Traditional Councils, City Councils, the school district, village corporation, regional Native association, and three businesses. KEDC's mission includes promoting viable and sustainable economic development from the grass roots up. It works as the liaison between federal and state government entities for the region. It coordinates and brings together people for the betterment of the region.

KEDC'S BOARD OF DIRECTOR'S ARE:

Pres. - Dennis Thomas
Kuspuk School District Board member,
Thomas Trading Post/Thomas Roadhouse
Crooked Creek

Sec. - Doug Moffitt
Moffitt Construction
Aniak City Council

Treas. - Garry Nelson
Nelson & Sons (lumber mill)
Chuathbaluk City Council

Willie Pitka
Russian Mission Garden Project
Russian Mission Village Corporation

Art Vaska
President,
Russian Mission Traditional Council

Yago Evan
Lower Kalskag City Council

Ken Suel
Chuathbaluk City Council Representative

Gary Kessinger
General Manager
Middle Kuskokwim Electric Co-op
Red Devil

George Morgan, Jr.
President
The Kuskokwim Corporation

Carl Morgan, Jr.
Aniak Traditional Council
Kuskokwim Native Association Executive Committee

Glenn Fredricks
Kuskokwim Native Association representative
Anchorage



Lower Kuskokwim Economic Development Council



Lower Kuskokwim Economic Development Council, P. O. Box 219, Bethel, Alaska 99559
(907) 543-5967 • (800) 478-3521 within Alaska
Fax: (907) 543-3596

Chairman: Ted Moses, Berling Sea Reindeer Products, Mekoryuk
Vice Chairman: Hal Jones, Cutting Edge Fur Buyers, Bethel
Treasurer: Arvin Dull, First National Bank, Bethel
Secretary: Carolyn Walters, National Bank of Alaska, Bethel

Board of Directors

Max Angellan, Kwethluk IRA; Alexie Jimmie, NYC Corporation, Toksook Bay ; John Amik, Kipnuk IRA;
Willie Kasayulle, Akiachak IRA; Myron Naneng, AVCP Inc., Bethel; Fred Phillip, Kwlgllingok IRA;
Sam George, Yupilt School District, Akiachak; Felix Hess, Calista Board Chairman, Bethel;
Representative Lyman Hoffman, Bethel; John Watts, Camal Aviation, Bethel;
Robert Nick, Sr., Nick's Store, Nunapitchuk.

Staff

Carl Berger, Executive Director, 907 543-3521, Bethel

• • • • •

MISSION STATEMENT

The mission of the Lower Kuskokwim Economic Development Council is to promote regional economic development activities in Bethel and twenty-four Lower Kuskokwim villages including local planning and assistance in securing funding for small business activities and preparation of proposals and grants to fund village economic development and infrastructure needs.

• • • • •

PROJECTS

The Lower Kuskokwim Economic Development Council has assisted communities with the following projects:

Akiachak: Secured funding for tribal governance project for village council. \$34.0

Bethel: Currently assisting regional fishing cooperative with negotiations and deal structuring with a European

buyer to receive a share of the 1993 salmon catch from Kuskokwim village fishermen. Value undetermined. Proposals submitted to U.S. Forest Service and Alaska Humanities Forum to fund operations of the new Museum/Library/Cultural Center. \$75.0

Chefornak: Secured funding for the village as part of a four village consortium to accomplish regional economic planning. \$127.0

Eek: Secured funding for a local youth/elders project. \$15.0

Goodnews Bay: Secured funding for a tribal governance project for the village council. Secured funding for a local youth/elders project. \$75.0 & 15.0

Kipnuk: Assisted village council in preparing a proposal for village-specific economic planning.

Kwethluk: Secured funding for a multi-media environmental planning program for the village and other

regional communities sponsored by the Environmental Protection Agency. Also secured funding for a local youth/elders project. \$132.0 15.0

Mekoryuk: Secured funding for the village council to accomplish village-specific economic planning and tribal governance. \$80.2

Nightmute: Secured funding for the village as part of a four village consortium to accomplish regional economic planning. \$127.0

Toksook Bay: Secured funding for the village as part of a four village consortium to accomplish regional economic planning. \$127.0

Tuntutuliak: Secured funding for a local youth/elders program. \$15.0

Tununak: Secured funding for the village as part of a four village consortium to accomplish regional economic planning. \$127.0



ROLE OF THE LOWER KUSKOKWIM ECONOMIC DEVELOPMENT COUNCIL

The Lower Kuskokwim Economic Development Council provides a central point for the collection and distribution of economic information for the region. Its services are designed to encourage economic development to villages, communities and businesses within the region. The council's efforts are direct to encouraging a healthier economic climate that will increase the number of available jobs, strengthen existing business and attract new business to the region.



Regional Communities of the LKEDC

Akiachak, Akiak, Almatluak, Bethel, Cheforak, Eek, Goodnews Bay, Kasigluk, Kipnuk, Kongiganak, Kwethluk, Kwigillingok, Mekoryuk, Napakiak, Napaskiak, Newtok, Nightmute, Nunapitluk Oscarville, Platinum, Quinhagak, Toksook Bay, Tuluksa, Tuntutullak & Tununak.



Northwest Arctic Borough Economic Development Commission



P. O. Box 1110 Kotzebue, Alaska 99752
Phone: (907) 442-2500 Fax: (907) 442-2930

William Spencer, Executive Director

Commissioners

Chairman - Charlie Curtis, President, NANA Regional Corporation
Walter Sampson, Director of Planning, Northwest Arctic Borough
Donald Dorsey, Owner, Kiana Trading Post
Chuck Greene, Mayor, Northwest Arctic Borough
Reggie Cleveland, President Northwest Arctic Borough
Suzy Erlich, President, Maniilaq Association
Joe Everhart, Branch Manager, National Bank of Alaska
Brad Reeves, Manager, Kotzebue Electric Association
Ralph Hargraves, Vice President, Cominco Alaska
Louie Commack, Jr., Owner, Kobuk River Valley Supply
Edwin Gonion, Superintendent, Northwest Arctic Borough School District
Ron Mclain, Red Dog Mine

Organized in 1986, the Northwest Arctic Borough Economic Development Commission is an agency of the Northwest Arctic Borough through which the borough exercises its economic development planning powers. Comprised of elected officials and representatives of business, industry, financial and social service institutions, the commission serves the 6,300 residents of the 37,000 square mile region's twelve cities and villages. The commission was designated an Alaska Regional Development Organization in 1989.

• • • • •
Culture Sensitive Development

Subsistence is the basis of life for the residents of the Northwest Arctic Borough and preservation of the Inupiat culture is a priority that cannot be compromised. Sensitivity to these values is the key to achieving sustainable economic development in the region.

• • • • •
Business Start Ups and Expansion

Among the Economic Development Commission's priorities is providing on-site, hands-on technical assistance to businesses and entrepreneurs. In the last year, the commission has sponsored nine business development and technical assistance workshops in Northwest Arctic Borough villages and has worked directly with many individuals supporting their business development efforts.

In that time the commission assisted more than forty business and/or entrepreneurial start ups. These included financial restructuring for a recreational

vehicle business, start up assistance for retail stores and a fuel service business, management technical assistance to automotive garages, and ongoing support to local businesses for planning, accounts collection, marketing and access to capital.

Now, the Economic Development Commission is not only providing small business assistance but is working directly with communities to identify and implement significant economic development projects

• • • • •
**Development Projects Point the Way
to the Future**

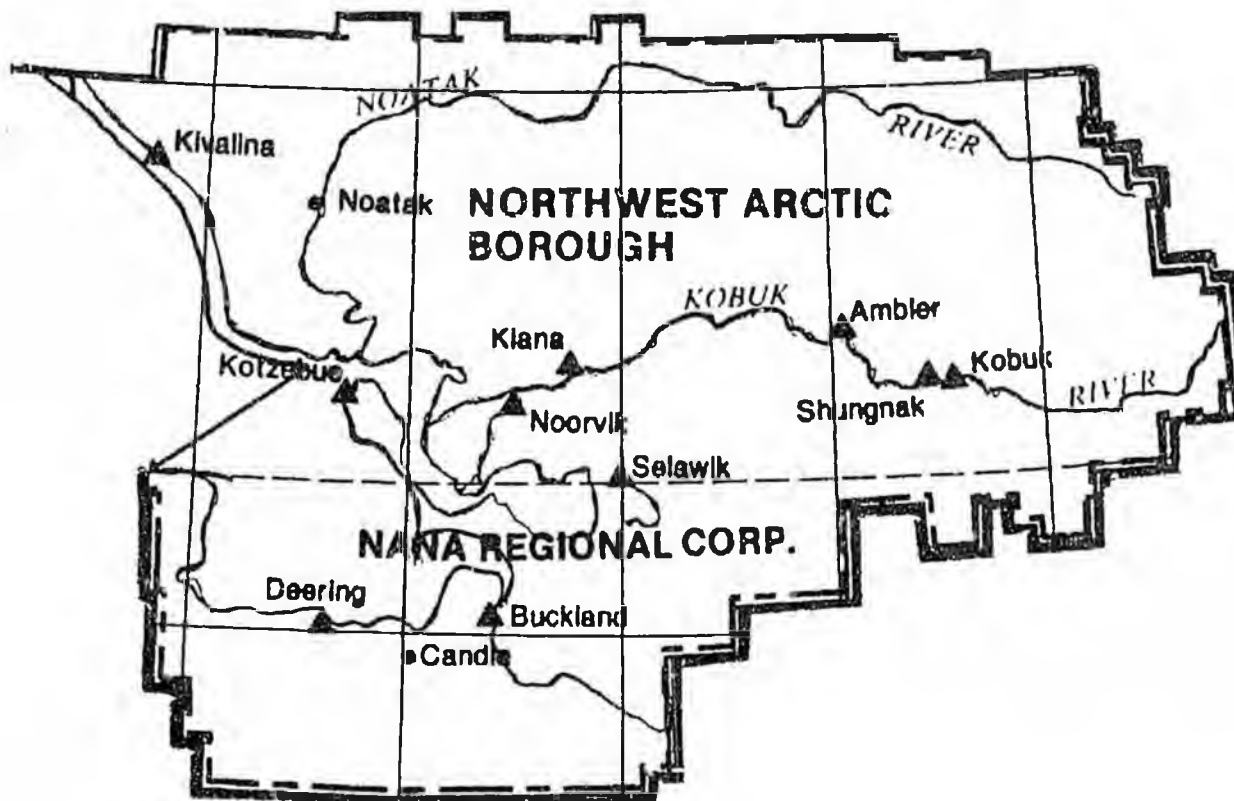
The village of Deering has identified tourism development as a community priority. Utilizing funds from the Jobs Training Partnership Act, the Economic Development Commission hired a Deering resident as a "Community Business Practitioner" trainee. Under the guidance of commission staff, the trainee has prepared a Deering Ecotourism Development Project assessment, has written a business plan and prepared grant applications for initial funding. Deering has received assistance from the Alaska divisions of

Economic Development and Tourism in developing its business and marketing plans. This community-supported, coordinated effort is advancing a project which holds promise for creating jobs and bringing new dollars into the local economy. In addition, a Deering resident now has acquired skills to help the community pursue other development projects.

The tribal government of the Native village of Ambler has identified the development of a bottled water business as a basic industry offering employment and revenue producing opportunities for its residents. The business involves the purification and bottling of mineral water either from a spring in the Jade Mountains or directly from the Ambler River. As with Deering, a "Community Development Practitioner" trainee has been hired by the Economic Development Commission and under its guidance a

preliminary business plan as well as grant applications to support product development and test marketing have been produced.

Through a series of meetings, Kobuk has determined that economic development is a community priority. Kobuk's eighty-seven residents are planning the development of a village store as a first step in developing the local economy and meeting a long-standing community need. As a gateway for visitors to the Kobuk Sand Dunes, Selawik National Wildlife Refuge, Kobuk National Preserve and the headwaters of the Kobuk River, the community envisions the development of a facility which could include a store, restaurant, overnight accommodations and fuel supply service. The Economic Development Commission is working with the community to determine the feasibility of this project.



Ambler, Buckland, Candle, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Selawik, Shungnak



Prince William Sound Economic Development Council, Inc.



P.O. Box 2353 • Valdez, Alaska 99686
Telephone: (907) 835-3775 • Fax: (907) 835-5770

Jayne Sontag, Executive Director

Board of Directors

Helen Wade, President
City Councilwoman
Valdez

Doris Stewart, Secretary
Community Representative
Valdez

Robin Gaboury
City Councilman
Whittier

James McHale
Director At-Large
Valdez

Gary Kompkoff
IRA Council President
Tatitlek

Gary Williams
Director At-Large
Whittier

Jack Lamb, Vice President
Community Representative
Cordova

Scott Walther, Treasurer
City Councilman
Whittier

Heather McCarty
Community Representative
Cordova

James Labell
Chugach Alaska Corporation
Anchorage

Kelly Weaverling
Director At-Large
Cordova

Tom VanBrocklin
Director At-Large
Valdez

Advisory Board

James Ayers, Systems Director
Alaska Marine Highway
Juneau

Bruce VanZee, Forest Supervisor
Chugach National Forest
Anchorage

Neil Johannson, Director
Alaska Division of Parks
Anchorage

Dr. Jeffrey Koenings, Director
FRED Division
Department of Fish and Game
Juneau

Harold Heinze
Resource Development Advisor
to the Governor
Anchorage

The Prince William Sound Economic Development Council was designated an Alaska Regional Development Organization on November 1, 1991. The council is a nonprofit corporation with a board of directors representing the region's businesses, industries and local governments. The purpose of the organization is to:

- coordinate private and public resources to support economic growth and development;
- provide an information network for addressing local and regional issues and opportunities;
- serve as a liaison for local government and business with state and federal government agencies;
- provide assistance to local public and private organizations and businesses in planning and implementing economic diversification and development projects;
- promote the development of economic self-sufficiency within the region; and
- engage in other economic development activities as deemed appropriate by the Board of Directors.

The council is committed to promoting economic development projects within the region that will create new private sector jobs, enhance existing businesses, promote developing business and industry, and increase the retention of dollars in the regional economy.

• • • • •
Business Counseling

The Prince William Sound Economic Development Council offers technical assistance to existing businesses as well as to entrepreneurs developing new businesses. During the past year, the council has provided direct assistance to twenty-two enterprises. One client, Titus Corporation, was successful in receiving a grant from the Alaska Science and Technology Foundation for the development of a new oil skimmer. A local processor was assisted in developing a financing package and market evaluation to expand his business to produce value-added seafood products. The council can assist with business plans, loan applications and basic business start-up procedures. Often just getting through the red tape and bureaucratic requirements stop many entrepreneurs. The council is committed to giving its clients the support needed to insure that good ideas can become realities.

• • • • •
Jobs Training

The Prince William Sound Economic Development Council is presenting the Alaska Job Preparation and Employment Workshop in Valdez for the second year. First as a subcontractor, and now as the primary contractor, the organization has been awarded a contract to provide Job Training Partnership Act (JTPA) training to low income, chronically unemployed and public assistance recipients. The objective of JTPA training is to prepare clients for employment, then to successfully place them back in the work force.

In the first training program eleven clients were recruited, seven of whom completed the program and were placed in full-time employment with Valdez businesses. Two of these clients have started their own businesses.

The most recent training program began in February, 1993 and includes training to become a nursing assistant with special emphasis in geriatrics. Each client will obtain college credit from the Prince William Sound Community College and Certified Nursing Assistant credentials upon completion of the course. Once qualified, the program will assist the client in finding full-time, unsubsidized employment in the medical profession. The Nursing Assistant Training Program has been subcontracted to the council by the Valdez Development Institute.

During the initial phases of developing these programs, council staff consulted numerous Valdez businesses and business organizations to identify the particular needs within the Valdez work force. The Nursing Assistant Training is a pilot program to help ensure the availability of qualified long-term care in all our communities.

Participating clients are from Valdez, Tatitlek, Chenega Bay, and Chitina.

• • • • •
Hazardous Waste Clean-Up

The Prince William Sound Economic Development Council organized and managed the first ever Prince William Sound Regional Spring Clean-up of household and small business hazardous wastes. PWSEDC worked closely with the Valdez Fire Department and with individual communities to maximize the Spring Clean Up grant the City of Valdez was awarded.

The council facilitated the disposal of 1,400 batteries the City of Cordova had been collecting, networking with the communities to coordinate transportation and proper disposal.

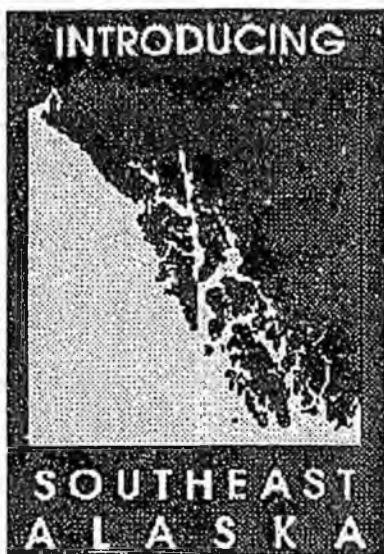
The council has placed a high priority on hazardous waste management. Among the work program objectives for 1993 the council plans to develop a Regional Solid Waste Management Plan. Research for developing the plan will identify economical and environmentally-safe alternatives for disposing of solid waste from our communities. The program will also serve to educate the communities in ways to reduce pollution and contamination. Solid waste management and disposal presents an opportunity that may lead to the development of new solid waste disposal and recycling businesses in the region.

• • • • •
Prince William Sound Community Profiles

The Prince William Sound Economic Development Council has completed Community Profiles for each of the region's five communities: Valdez, Cordova, Whittier, Tatitlek, Chenega Bay.

• • • • •
PWSEDC's 1993 Focus

Perhaps one of the most beneficial aspects of the council's work program for 1993 is the production of a Regional Development Strategy. Determining a regional strategy will involve the entire region and all its communities. Each community will identify and prioritize its potential economic development projects. Once the communities have identified their most viable and beneficial projects, the list will be presented and considered by representatives and leaders of all the communities at a region-wide meeting. The regional meeting will review all projects by the communities, identify common concerns and prioritize projects on a regional basis. The process is important to provide all residents of the region an opportunity to participate and develop ownership in the development and implementation of the region's economic strategy.



Southeast Conference

The ARDOR for Southeast Alaska

Organized in 1956, the Southeast Conference is an association of local governments, industry, businesses, and individuals of SE Alaska which promotes the social and economic health of the region. Governed by a Board of Directors, elected annually by the general membership, the SEC gained its ARDOR designation in 1989.

MARINE HIGHWAY SYSTEM REMAINS SEC PRIORITY

The SEC was organized in 1956 to promote the development of the Alaska Marine Highway System. Now, in its 37th year, the SEC continues to promote the maintenance and growth of the AMHS as its first priority.

With strong support and guidance from the SEC, the AMHS developed a 20-Year System Master Plan in 1991. Major objectives necessary to implement that plan included:

- o AMHS retention of revenues
- o Vessel refurbishment
- o Vessel replacement

In 1991, the Alaska Legislature approved retention of revenues from operations by AMHS. During the same session, the Legislature established a AMHS Vessel Replacement Fund.

During 1992, the SEC worked closely with the AMHS to poll region users to identify critical design features of a new vessel.

With design now underway by AMHS, SEC will concentrate its efforts on two critical funding measures. The first is appropriation of the \$66 million necessary for construction of the new vessel. The second is appropriation of \$4.5 million to begin major refurbishment of AMHS vessels. Refurbishment is necessary to keep the existing fleet in cost-effective operating condition.

SOLID WASTE MANAGEMENT CRITICAL FOR REGION'S ECONOMIC DEVELOPMENT

Without effective management systems for management of solid waste, no region in the State of Alaska will be able to sustain viable economic development into the next century.

In 1991, the SEC organized an ambitious effort to develop a regional management program for those waste streams that are proving difficult or cost prohibitive to manage by local communities on their own.

The Regional Solid Waste Project has been driven by an active committee composed of city administrators, public works directors, and solid waste personnel from the region's communities. Project planning has been fueled by grants from the Department of Environmental Conservation and EPA.

Targeting household hazardous waste as its first priority, SEC's regional collection and removal program is on schedule for start-up in late summer of 1993.

Other targeted waste streams slated for similar efforts include:

- o waste oil
- o scrap metal
- o used tires

SEC's efforts are serving as models for other region's of the state.

SEC DEMONSTRATES ARDOR COST EFFECTIVENESS

The Southeast Conference has used its \$47,000 FY93 ARDOR Grant to leverage an additional \$329,000 in funding to pursue its annual work program of local and regional economic development.

SEC membership fees and Annual Meeting registrations generate \$57,000 in general funds. Grant funds account for \$232,000 of SEC's annual budget.

Because SEC relies on a strong working committee structure to implement its work program, administrative costs are kept to a minimum of 1.5 FTE paid positions. Keeping administrative costs to a minimum and leveraging additional funds at a rate of 5 to 1, SEC continues to demonstrate the effectiveness of the ARDOR Program model of regionally driven economic development efforts state-wide.

SEC PURSUES REGIONAL ELECTRICAL INTERTIE

In cooperation with the Alaska Energy Authority, SEC's Energy Committee is pursuing plans to develop an electrical intertie within the region that could ultimately tie Southeast Alaska, Yukon Territory, and Western British Columbia together into a single electrical grid.

If successful, SEC's efforts will not be fully realized until well into the next decade.

Initial efforts will focus on connecting major power generation sources within the region and extending access to this grid into areas currently plagued with high energy costs, like Prince of Wales Island.

Expansion into the Canadian grids can be accomplished utilizing potential Taku and or Bradfield road corridors when they are developed. SEC considers lower energy costs and improved transportation as critical pillars of regional development.



SOUTHEAST ALASKA VISITORS INFORMATION CENTER

SEC has accepted the challenge to raise \$1 million to help finance the construction of major exhibits for the new Southeast Alaska Visitor Information Center currently under construction on the Ketchikan waterfront. SEAVIC is estimated to attract over 300,000 visitors per year.

Alaska visitor data shows that 1 of every 2 visitors to Alaska travel by cruise or ferry through Ketchikan. The data also shows that 95% of return visitors to the state have visited an information center during their first trip.

SEC views the center as the first attraction most will visit and is an opportunity for the entire region to promote and market Southeast Alaska.

SEC BOARD OF DIRECTORS

Past Pres: Mayor Frank Wallace
City of Haines
President: Stuart Denslow
Sheldon Jackson College
1st VP: Mayor Alaire Stanton
City of Ketchikan
2nd VP: Ginny Tierney
City of Thone Bay
Treasurer: George Davidson
City and Borough of Juneau
Secretary: J. Allan McKinnon
McCaw Communications
Directors: Mayor Dan Keck
City and Borough of Sitka
Roy Martin
Wrangell Chamber
Dennis McCarty
Ketchikan Gateway Borough
Bobbie Permenter
Prince of Wales Chamber
Paul Andersen
City of Petersburg

Southwest Alaska Municipal Conference

The ARDOR Representing Southwest Alaska: The Aleutians, Bristol Bay, Pribilofs and Kodiak Island

The Southwest Alaska Municipal Conference (SWAMC) represents 101 members in the Bristol Bay, Aleutians, Kodiak, and Pribilof Island sub-regions. Communities, tribal and traditional councils, non-profit organizations, and businesses rely on SWAMC for direction on issues of common concern to the entire region including fisheries policies, economic development, tourism, and solid waste management. SWAMC also markets local and regional economic opportunities and links businesses to markets in Southwest communities.

SOUTHWEST ALASKA DESIGNATED AS AN ECONOMIC DEVELOPMENT DISTRICT

In January, the U.S. Economic Development Administration (EDA) approved Southwest Alaska as its second Economic Development District (EDD) in the state. SWAMC will be the district's administrative organization. The designation provides SWAMC with increased recognition from federal agencies, much as the ARDOR designation does with state agencies.

All communities in Southwest are now eligible for additional funding from EDA for public works projects because they are now located within an EDD. This immediately translated into an additional \$140,000 from EDA to Egegik for construction of their only public dock. As one of the top ten ports in the nation, Egegik can now move construction of the dock into high gear.

BRISTOL BAY SMALL PROCESSORS ORGANIZE

Responding to the needs of small seafood processors in Bristol Bay, SWAMC spearheaded the organization of the newly-formed association of small seafood processors, Southwest Alaska Processors (SWAP). This marks the first time that individual small processors in Bristol Bay have agreed to work together on organizational and marketing concerns. SWAP's focus over the next year is for members to share information on seafood processing and markets.

"The purpose of SWAP is to identify markets which Bristol Bay small processors can realistically and cost-competitively provide product for and to furnish the technical assistance to help those processors fill these niches," Marideth Sandler, SWAMC Executive Director said. Technical assistance is offered on management, processing, equipment selection, financing, and regulatory aspects, Sandler said. SWAP will also access new markets by working with private brokers, the Alaska Office of International Trade, and the Alaska Center for International Business.

SWAP members include fishermen and small processors from the Bristol Bay communities of Chignik Lake, Clarks Point, Dillingham, Naknek, South Naknek, Pilot Point and Ugashik.

SWAMC UNVEILS REGION'S FIRST TRAVEL PLANNER

A 15-page full-color travel planner has just been printed in English and German and will be distributed in Europe and the United States. The publication is funded by a grant to SWAMC from the U.S. Travel and Tourism Administration.

The travel planner is part of a larger marketing campaign to draw German-speaking Europeans to Southwest Alaska. Other marketing efforts include ad placements in European travel and trade magazines, participation in trade shows, and organization of familiarization (fam) tours to Southwest for travel press and tour operators this spring.

Impact of the program on visitation to the region will be measured beginning in summer. Marketing and other workshops have been organized for visitor business operators in the region to ensure that these businesses benefit from the increased visitor activity.

"SOUTHWEST ALASKA ART" MARKETS REGION'S ARTISTS

One of the most potentially viable small business opportunities in Southwest Alaska is as an individual artist or crafts person. However, those residents who are pursuing this work live in isolated locations, requiring each person to struggle alone through difficult marketing, pricing, and business management dilemmas. The answer? SWAMC organized the region's first-ever "Southwest Alaska Art" Seminar, Exhibition and Sale as part of the organization's annual Winter Meeting in Anchorage. The results? Success, by all involved!

(continued on next page)

The event started with volunteer panels of experts offering marketing and merchandising training to the nearly two dozen artists present so that they could better compete in larger markets. Many of the artists' expenses to attend were underwritten by regional businesses, illustrating the strong economic development partnership in Southwest Alaska between the private and public sectors.

After the seminar and networking forum, 15 artists exhibited and sold their work to Southwest community and business leaders and to the outside public. On sale were bentwood hats, fur seal throat baskets, beadwork headdresses, prints, wood and soapstone sculptures, masks, carvings, photography, dolls and baskets made by the Aleut, Yupik, Alutiiq and Athabaskan artists.

A committee of Southwest artists and business representatives assisted SWAMC staff in organizing the show. Teleconferences between Southwest artists will continue throughout the year to provide ongoing training and explore additional marketing opportunities.

BUSINESS OPPORTUNITY TOURS A SUCCESS

SWAMC has been hosting "Business Opportunity Tours" for Alaska business people to visit Southwest communities since 1989. According to a recent evaluation, the nearly 50 participants indicated that the tours resulted in new markets or the participating businesses, and were outstanding opportunities to meet with community and business leaders in a cost-efficient manner.

Each Tour handled between eight to fifteen participants, who were usually business owners or top executives from Anchorage, Fairbanks or Kodiak. Prior to the Tour, the participants were asked the types of individuals they wanted to meet with in each community. The two- or three-day tours, using charter air transportation, visited up to eight communities. Participants paid for all transportation, lodging, and meal costs, while SWAMC provided the tour leader and made arrangements with all communities. At each location, Tour participants were given a ground orientation. This was followed by a reception at which the key business or community leaders were in attendance.

The evaluation uncovered that substantial new business for Alaska businesses was generated by the Tours. This included Anchorage banks opening up two branches in the region and Alaska businesses being hired for the first time as wholesale suppliers or to provide services to businesses expanding within the region (such as seafood processors). The business expansions also resulted in new jobs for Southwest residents.

OTHER SWAMC HIGHLIGHTS

- Economic profiles of 28 Southwest communities and the region have been published for use as marketing tools and to provide current information to businesses and government.
- Over fifty small business operators in St. Paul, St. George, and Kodiak Island have received assistance on marketing, pricing, accounting, and operations from private and public sector experts as part of SWAMC's small business outreach trips and its Kodiak Island Connection Project.
- SWAMC provided assistance to Westward Seafoods in Unalaska and to Peter Pan Seafoods in Dillingham to reduce the solid waste generated by the plants. This translated into a reduced solid waste burden to the municipalities.
- SWAMC traveled to 10 Southwest communities for the Alaska Marine Highway System to gain input on the design of the new ocean class vessel to be built in 1996.
- SWAMC assisted the Lake and Peninsula Borough and its 17 communities to complete individual community waste management and capital improvement plans, and to identify practical ways in which residents and businesses can increase recycling and waste reduction.

SWAMC BOARD OF DIRECTORS

President:	Rich Wilson, Administrator, City of St. George
Vice-President:	Mayor Glen Alsworth, Lake and Peninsula Borough
Secretary/ Treasurer:	Alice Ruby, Choggiung Ltd., Dillingham
Directors:	Jim Carmichael, Afognak Native Corp., Kodiak Steve Cockrell, Grand Aleutian Hotel, Unalaska Chuck Firth, City of Unalaska, Unalaska Andy Golia, Bristol Bay Native Association, Dillingham Jack McFarland, Kodiak Island Borough, Kodiak Hazel Nelson, Bacharof Corporation, Eggekik Mayor Jerome Selby, Kodiak Island Borough, Kodiak Gilda Shellikoff, False Pass Village Council, False Pass Lois Hansen, Kodiak, Southwest Alaska Tourism Marketing Council (Alaska's Southwest) - ex-officio member

FISCAL NOTE

**STATE OF ALASKA
1993 LEGISLATIVE SESSION**

BILL NO. HB 198

Revision Date: N/A

Title: Regional Economic Assistance Program

Sponsor: Representative Foster

Requestor: Representative Foster

Department Affected: Commerce and Economic Development

BRU: Economic Development

Component: N/A

COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	0.0	750.0	750.0	750.0	0.0	0.0
MISCELLANEOUS						
TOTAL OPERATING	0.0	750.0	750.0	750.0	0.0	0.0

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

REVENUE FUND SOURCE:						
-----------------------------	--	--	--	--	--	--

FUNDING:	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	750.0	750.0	750.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	0.0	750.0	750.0	750.0	0.0	0.0

POSITIONS:	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) Impact: N/A

ANALYSIS: (Attach a separate page if necessary.)
See attached.

Prepared by: Tom Lawson, Section Chief, Business & Regional Dev.
Division: Economic Development

Phone: 465-2017
Date: _____

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development

Date: 3/2/93

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information call the Governor's Legislative Office

Department of Commerce
 & Economic Development / POSITION PAPER

HB 198: "An Act relating to the Alaska regional economic assistance program."

The department strongly supports the passage of this bill.

The ARDOR (Alaska Regional Development Organizations) program was established in statute in 1988 and with implementing regulations became effective in early 1989. Since then 13 ARDORs have been designated, eight in the last two years. An anticipated fourteenth ARDOR is being organized in the Matanuska-Susitna Borough. Currently, the statute (AS 44.33.026) requires that each ARDOR receive no more than \$50.0 per year which must be matched on a one-to-one basis with nonstate funds. This legislation amends the statute to allow state grant funding of up to \$100.0 per ARDOR and authorizes the department to establish by regulation the amount of matching funds required based on the capacity of each ARDOR to generate money from non-state sources.

Experience with the ARDORs has indicated that the level of funding is inadequate and that raising matching funds, especially for the rural ARDORs, is difficult. The ARDOR program is virtually the only state program in rural Alaska that provides regions with the means to work toward economic self sufficiency. Each public/private ARDOR board guides its region in the development and implementation of a regional development strategy. Unfortunately, the reality of funding shortfalls often subverts these regional goals. In fact, virtually all of the rural ARDORs have stated that time spent "chasing" donations and various grant funds necessary for operating expenses, has seriously reduced the capabilities of the executive directors to accomplish the board directed work plans. Priorities necessarily get shifted from meeting the board's regional strategies to satisfying the granting agency's criteria to secure the much needed funds. This situation has led to staffing and programmatic problems in some ARDORs, unnecessarily limiting the success of the ARDORs.

If this legislation is passed, the department envisions a matching fund formula that would ease match requirements and especially favor rural areas. A total of \$1,400.0/year would be necessary for the 13 existing ARDORs and one anticipated new ARDOR.

If the legislation passes with a zero fiscal note or is not passed, the opportunities for rural ARDORs to lead their regions towards economic self sufficiency will continue to be unnecessarily burdensome.


 Paul Fuhs, Commissioner

3/10/93
 Date

dgl/116pp.ed

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 198

ANALYSIS: (continued)

This legislation amends the ARDOR (Alaska Regional Development Organizations) program, established in statute in 1988, to allow state grant funding of up to \$100.0 per ARDOR. It also authorizes the department to establish by regulation the amount of matching funds required based on the capacity of each ARDOR to generate money from nonstate sources. Currently, the statute (AS 44.93.026) requires that each ARDOR receive no more than \$50.0 per year which must be matched on a one-to-one basis with nonstate funds. A total of \$1,400.0/year would be necessary for the 13 designated ARDORs and the one anticipated new ARDOR being organized in the Matanuska-Susitna Borough. \$650.0 already exists in the Governor's FY 94 Operating Budget request. The ARDOR program sunsets July 1, 1997.

SB

156

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

gr

DATE: 3/10/93

FURTHER: HES

Date of 5-Day Notice: 3/18/92
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 324-93

CRA Committee considered SB 156

"An Act (amending the definition of 'municipality' for purposes of the human services community matching grant program.)"

and a majority of the committee recommends do pass

and recommends:

replace with _____ CS _____

attaches amendment(s)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

2 of 11

- same title
- new title
- technical title change (HB only)

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
DHSS	3/15/93	0	
DCRA	3/11/93	0	

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS

DO PASS
Robert J. Lerman
Robin T. Taylor

OTHER RECOMMENDATIONS:

2 - No Rec
2 - No Rec

Roll & Kelly Do Pass
Chair: Signature and Recommendation

STATE OF ALASKA
DEPARTMENT OF COMMUNITY
& REGIONAL AFFAIRS

POSITION PAPER

Bill No.: SB 156
Sponsor: Sen. Sharp, Frank

DCRA FN: Zero (attached)
Position: Neutral

Title: An Act amending the definition of "municipality" for purposes of the human services community matching grant program.

This legislation amends AS 29.60.650(2) to include second class boroughs whose population is over 65,000, as per DCRA population data. Effectively, SB 156 adds an eligible applicant for this grant program administered by the department of health and social services, to include the Fairbanks North Star Borough.

Eligible applicants under this program would increase from the current two (2), the Municipality of Anchorage and the City of Fairbanks, to three (3). The three eligible municipalities under this bill are the municipality of Anchorage, the city of Fairbanks and the Fairbanks North Star Borough. The Department of Community and Regional Affairs only involvement in this grant program administered by the Department of Health and Social Services (DHSS), is to provide the determination of eligible applicants to DHSS.

Edgar Blatchford

Edgar Blatchford
Commissioner

March 17 - 93

Date

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. SB 156

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: An Act amending the definition of BRU: Human Svcs. Community Matching Grts
municipality for human svcs. comm. matching grant program Component: Human Svcs. Community Matching Grts
 Sponsor: SENATORS SHARP, Frank
 Requestor: Senate CRA Committee COMPONENT SERIAL NO. 1821

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE FUND SOURCE						
---------------------	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: 0.0

ANALYSIS: (Attach a separate page if necessary)

This bill would broaden the possible applicants for human services community matching grants. This amendment to statute would have no program impact for the Department.

Prepared by: Deborah R. Wing, Director
 Division: Department of Health & Social Services

Phone: 465-3191
 Date: 03/15/93

Approved by Commissioner: Theodore A. Mala, MD, MPH
 Agency: Department of Health & Social Services

Date: 3/15/93

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: An Act amending the definition of "Municipality" BRU: Administration & Support
for Human Services Match Grants Component: Administrative Services
 Sponsor: Sharp, Frank
 Requestor: Sharp COMPONENT SERIAL NO. 684

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current (FY93) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Remond Henderson Phone: 465-4708
 Division: Administrative Services Date: 3/11/93
 Approved by Commissioner: [Signature] Deputy Commissioner Date: 3/11/93
 Agency: Community & Regional Affairs

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office



Alaska State Legislature

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Randy Phillips, Chair
Senator Robin Taylor, Vice Chair
Senator Rick Halford
Senator Al Adams
Senator Fred Zharoff

SESSION:
State Capitol
Juneau, Ak 99801-1182
(907) 465-4989

INTERIM:
P. O. Box 142
Eagle River, Ak 99577
(907) 694-4949

AGENDA

9:00 am

March 18, 1993

1. Call to Order (time and members present)
2. SB 156 - Human Services Matching Grants
3. Adjourn

MAR 11 1993

Alaska State Legislature

SENATOR
BERT SHARP

DISTRICT P

CHAIRMAN
TRANSPORTATION COMMITTEE

MEMBER
FINANCE COMMITTEE
LEGISLATIVE BUDGET & AUDIT COMMITTEE
HEALTH & SOCIAL SERVICES



FAIRBANKS

DENALI BANK BUILDING
119 N. CUSHMAN, SUITE 201
FAIRBANKS, ALASKA 99701
(907) 452-7885/7886


SESSION ADDRESS

STATE CAPITOL, ROOM 514
JUNEAU, ALASKA 99801-1182
(907) 465-3004/4921

Senate

MEMORANDUM

TO: Senator Randy Phillips, Chair
Senate Community & Regional Affairs Committee

FROM: Senator Bert Sharp 

RE: Request for Hearing/SB-156

DATE: March 11, 1993

I am requesting Senate Bill 156; "An Act amending the definition of "municipality" for purpose of the human services community matching grant program," be heard before the Senate Community and Regional Affairs Community.

Thank you for your consideration.



REPRESENTING
GOLDEN HEART
OF ALASKA

Alaska State Legislature

SENATOR
BERT SHARP

DISTRICT P

CHAIRMAN
TRANSPORTATION COMMITTEE

MEMBER
FINANCE COMMITTEE
LEGISLATIVE BUDGET & AUDIT COMMITTEE
HEALTH & SOCIAL SERVICES



FAIRBANKS

DENALI BANK BUILDING
119 N. CUSHMAN, SUITE 201
FAIRBANKS, ALASKA 99701
(907) 452-7885/7686

SESSION ADDRESS

STATE CAPITOL, ROOM 514
JUNEAU, ALASKA 99801-1182
(907) 465-3004/4921

Senate SPONSOR STATEMENT

SB-156

By: Senator Bert Sharp

With the passage of HB 263 last session, a statutory basis was established for the Human Services Community Matching Grant Program. The intent of HB 263 was not to create a new pool of money but to define the grant program in statute and establish a community match. This was done to help stabilize funding for local non-profit organizations which provide valuable services to the community.

Some local non-profit organizations couldn't raise the necessary funds to meet the match requirement. This placed the city of Fairbanks in a difficult position because of revenue shortfalls and cannot assure availability of matching funds. The Fairbanks North Star Borough Assembly has indicated their support for the Fairbanks North Star Borough to assume health and social services powers and provide the required matching funds. The major issue is that under current state statute the borough is not eligible to participate in the grant program even if it did assume health and social services. Only cities with populations greater than 20,000 and first class boroughs with populations greater than 100,000 may now participate.

SB 156 would amend the definition of municipality to include a second class borough with a population that exceeds 65,000. The Fairbanks North Star Borough will be the only municipality that will be affected by this change, allowing it to participate in the block grant program. Currently, it is a statutory requirement that if a city within a borough has an approved grant for an areawide service, then the allocation shall be based on the population of the borough (see AS 29.60.620). This is the case for all block grant nomies received to date by the City of Fairbanks.



REPRESENTING
GOLDEN HEART
OF ALASKA

SB 156 makes both the City of Fairbanks and the Fairbanks North Star Borough eligible to participate in the block grant program, but only one could be the recipient of a grant from the state for the same service in the same year.

This legislation permits the entity with the matching dollar capability to be an eligible participant.

Alaska State Legislature

SENATOR
BERT SHARP

DISTRICT P

CHAIRMAN
TRANSPORTATION COMMITTEE

MEMBER
FINANCE COMMITTEE
LEGISLATIVE BUDGET & AUDIT COMMITTEE
HEALTH & SOCIAL SERVICES



FAIRBANKS

DENALI BANK BUILDING
119 N. CUSHMAN, SUITE 201
FAIRBANKS, ALASKA 99701
(907) 452-7885/7886

SESSION ADDRESS

STATE CAPITOL, ROOM 514
JUNEAU, ALASKA 99801-1182
(907) 465-3004/4921

Senate

SECTIONAL ANALYSIS

SB - 156

By: Senator Bert Sharp

Section 1. AS 29.60.600 is amended to add sub-section (c) which reads:

A city within a borough may not receive a human services matching grant during the same year that the borough has received a grant for the same services. A borough may not receive a grant within the same year a city has received the same grant to provide the same services. There cannot be a duplication of grants providing the same services.

Section 2. AS 29.60.650(2) is amended to read:

"Municipality" is defined to mean:

- (A) a city with a population over 20,000;
- (B) a unified municipality with a population over 100,000;
- (C) a second class borough with a population over 65,000;

The Department of Community and Regional Affairs shall determine population.



REPRESENTING
GOLDEN HEART
OF ALASKA

By Bob Coghill
Hank Bartos
Cheryl Kilgore
Layne St. John
Valerie Therrien
Introduced: 01/29/93

ADOPTED JAN 28 1993

RESOLUTION NO. 93-011

A RESOLUTION SUPPORTING HOUSE BILL 30 RELATING TO THE DEFINITION OF
"MUNICIPALITY" FOR PURPOSES OF THE HUMAN SERVICES COMMUNITY MATCHING
GRANT PROGRAM

WHEREAS, the Alaska State Legislature in adopting 1 Ch 74 SLA
1992, established the "Human Services Grant Program"; and

WHEREAS, the City of Fairbanks currently has health and
social services powers and serves not only the residents of the City of
Fairbanks, but also the residents of the Fairbanks North Star Borough
and, in some cases, residents of Interior Alaska; and

WHEREAS, many state and federal grants are based on the
population of the municipality exercising health and social services
powers and not the population served; and

WHEREAS, the Fairbanks North Star Borough Assembly has
established a Health and Social Services Committee to make
recommendations to the Assembly and the voters on the assumption of
borough-wide health and social services powers and if adoption of those
powers is submitted and approved by borough voters, it will be the desire
of the Fairbanks North Star Borough Assembly to exercise health and social
services powers, which would allow health and social services agencies
and the municipality to receive grant moneys and provide more services to
the residents of the entire Fairbanks North Star Borough; and

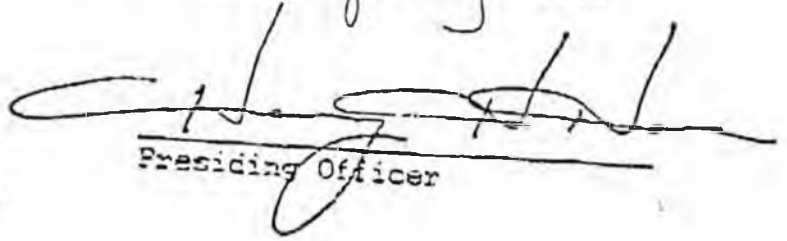
WHEREAS, under 1 Ch. 74 SLA 1992, the definition of "municipality" means "a city whose population is over 20,000, as determined by the Department of Community and Regional Affairs, or a unified municipality whose population is over 100,000 as determined by the Department of Community and Regional Affairs.", and, under that definition, the Fairbanks North Star Borough would not qualify for a human services community match program; and

WHEREAS, House Bill No. 30 amends the definition section of AS 29 60.600 - 650, by including "a second class borough whose population is over 65,000 . . .", thus making the Fairbanks North Star Borough eligible for the Human Services Community Matching Grant Program.

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Assembly respectfully urges the Alaska State Legislature to pass HB 30 in order to make the Borough eligible for the matching grants which would allow more services to be provided for the Borough and Interior Alaska residents.

BE IT FURTHER RESOLVED that copies of this resolution shall be sent to the Honorable Walter J. Hickel, Governor, State of Alaska, the Honorable Harley Olberg, Chair, House Community and Regional Affairs Committee; the Honorable Con Bunde and the Honorable Cynthia Toohy, Co Chairs, House Health and Social Services Committee; The Honorable Ron Larson and the Honorable Eileen MacLean, Co Chairs, House Finance Committee; and all members of the Interior Delegation.

PASSED AND APPROVED THIS 28th DAY OF January, 1992.


Presiding Officer

ATTEST:

Mona Lisa Presler, CMC

Clerk of the Assembly

Introduced by: Council Member Eley
Date: January 25, 1993

RESOLUTION NO. 3370

A RESOLUTION SUPPORTING HOUSE BILL 30
RELATING TO THE DEFINITION OF "MUNICIPALITY"
FOR PURPOSES OF THE HUMAN SERVICES COMMUNITY
MATCHING GRANT PROGRAM.

WHEREAS, the Alaska State Legislature in adopting 1
Ch. 74 SLA 1992, established the "Human Services Grant Program";
and

WHEREAS, the City of Fairbanks currently has health
and social services powers and serves not only the residents of the
City of Fairbanks, but also the residents of the Fairbanks North
Star Borough and, in some cases, residents of Interior Alaska; and

WHEREAS, many State and Federal grants are based on
the population of the municipality exercising health and social
services powers and not the population served; and

WHEREAS, the Fairbanks North Star Borough Assembly
has established a Health and Social Services Committee to make
recommendations to the Assembly and the voters on the assumption of
Borough-wide health and social services powers and if adoption of
those powers is submitted and approved by Borough voters, it will
be the desire of the Fairbanks North Star Borough Assembly to
exercise health and social services powers, which would allow
health and social services agencies and the Municipality to receive
grant moneys and provide more services to the residents of the
entire Fairbanks North Star Borough; and

WHEREAS, under 1 Ch. 74 SLA 1992, the definition of
"municipality" means "a city whose population is over 20,000, as
determined by the Department of Community and Regional Affairs",
and under that definition, the Fairbanks North Star Borough would
not qualify for a human services community match program; and

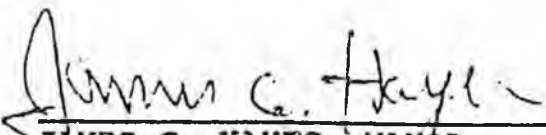
WHEREAS, House Bill No. 30 amends the definition
section of AS 29.60.600-650 by including "a second class Borough

whose population is over 65,000.....", thus making the Fairbanks North Star Borough eligible for the Human Services Community Matching Grant Program.

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks City Council respectfully urges the Alaska State Legislature to pass HB 30 in order to make the Borough eligible for the matching grants which would allow more services to be provided for the Borough and Interior Alaska residents.

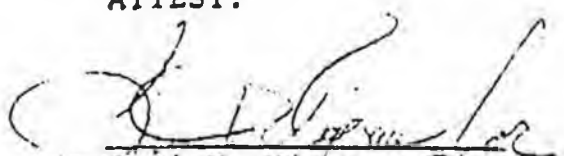
BE IT FURTHER RESOLVED that copies of this Resolution shall be sent to the Honorable Walter J. Hickel, Governor, State of Alaska, the Honorable Harley Oloerg, Chair, House Community and Regional Affairs Committee, the Honorable Con Bunde and the Honorable Cynthia Tohey, Co-Chairs, House Health and Social Services Committee; The Honorable Ron Larson and The Honorable Eileen MacLean, Co-Chairs, House Finance Committee, and all members of the Interior Delegation.

PASSED and APPROVED this 25th day of January, 1993.



JAMES C. HAYES, MAYOR

ATTEST:



Toni W. Nigro,
City Clerk

CITY OF NORTH POLE

RESOLUTION NO. 93-1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORTH POLE
SUPPORTING HOUSE BILL 30 RELATING TO THE DEFINITION OF
"MUNICIPALITY" FOR THE PURPOSE OF THE HUMAN SERVICES COMMUNITY
MATCHING GRANT PROGRAM

WHEREAS, the Alaska State Legislature in adopting 1 Ch 74 SLA 1992, established the "Human Services Grant Program"; and

WHEREAS, the City of Fairbanks currently has health and social service powers and serves not only the residents of the City of Fairbanks, but also the residents of the Fairbanks North Star Borough and the residents of the City of North Pole; and

WHEREAS, many State and Federal grants are based on the population of the municipality exercising health and social service powers and not the population served; and

WHEREAS, the Fairbanks North Star Borough Assembly has established a Health and Social Services Committee to make recommendations to the Assembly and the voters on the assumption of borough-wide health and social service powers and if adoption of those powers is submitted and approved by borough voters, it will be the desire of the Fairbanks North Star Borough to exercise health and social service powers; and

WHEREAS, under 1 Ch 74 SLA 1992, the definition of "Municipality" means " a City whose population is over 20,000 as determined by the Department of Community and Regional Affairs, or a Unified Municipality whose population is over 100,000 as determined by the Department of Community and Regional Affairs" and under that definition, the Fairbanks North Star Borough would not qualify for a human services community match program; and

WHEREAS, House Bill No. 30 amends the definition section of AS 29.60.600-650 by including " a second class borough whose population is over 65,000," thus making the Fairbanks North Star Borough eligible for the Human Services Community Matching Grant Program.

RESOLUTION 93-1
PAGE TWO

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of North Pole respectfully urges the Alaska State Legislature to pass HB 30 in order to make the Borough eligible for the matching grants which would allow for a more equitable distribution of services to both Borough and City residents.

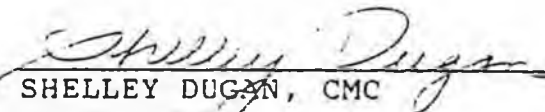
BE IT FURTHER RESOLVED that copies of this Resolution shall be sent to the Honorable Walter J. Hickel, Governor, State of Alaska, the Honorable Harley Olberg, Chair, House Community and Regional Affairs Committee; The Honorable Con Bunde and the Honorable Cynthia Toohey, Co-Chairs, House Health and Social Services Committee; The Honorable Ron Larson and the Honorable Eileen Maclean, Co-Chairs, House Finance Committee; and all members of the Interior Delegation.

PASSED AND APPROVED this 1st day of February, 1993.



MAYOR LUTE M. CUNNINGHAM

ATTEST:



SHELLEY DUGAN, CMC
CITY CLERK

ARTICLE 8. Human Services Community Match Program.

Section

- | | |
|--|--|
| 600. Human services community
matching grants | 620. Allocation of money
650. Definitions |
| 610. Grant procedure; contract | |

Sec. 29.60.600. Human services community matching grants. (a) Within the limits of appropriations for the purpose, the Department of Health and Social Services shall, upon application, make a matching grant to a qualified municipality equal to 50 percent of the estimated reasonable costs of providing essential human services through private nonprofit agencies within the municipality, including services to persons who travel to the municipality from their residences elsewhere in the state.

(b) To qualify for a grant under this section, a municipality is required to

(1) provide the same amount of money from other sources as is provided by the state grant under this section for the services; other sources may include federal or municipal money or money from other private or public sources; in this paragraph, "municipal money" includes money derived from appropriations, allocations, entitlements, grants, or other payments from the state other than the state grant under this section but does not include locally contributed staff hours, material, equipment, or other in-kind contributions;

(2) comply with the grant application procedure and contractual agreements under AS 29.60.610; and

(3) establish and consult with a citizens' advisory group, the majority of whose membership consists of persons who do not hold elected municipal office, concerning priorities and allocations among services funded under this section.

Sec. 29.60.610. Grant procedure; contract. (a) If a qualified municipality wishes to apply for a grant under AS 29.60.600, the municipality shall apply for a grant for a fiscal year by submitting a form prescribed by the commissioner of health and social services before October 1 of the preceding fiscal year. The application must generally describe the services that are proposed to be funded with the grant and include the following information:

(1) a statement that each proposed service will meet the goals established under AS 47.75.010 and an explanation of why the service is necessary to prevent or alleviate serious mental or physical hardship; this explanation must be supported by a needs assessment carried out by the municipality;

(2) a description of the categories of individuals to whom the services are to be provided; and

(3) an estimate of the expenditures required for each of the services to be provided.

(b) A human services community matching grant shall be allotted in accordance with an agreement made between the grantee and the commissioner of health and social services on behalf of the state. The agreement may include any provision agreed upon by the parties and must include the following provisions:

(1) a statement by the grantee that the match requirement of AS 29.60.600 has been met by the grantee;

(2) estimates of reasonable costs of funding the services; and

(3) a requirement that no more than five percent of the grant money received under AS 29.60.600 may be used for municipal administrative costs connected with distributing the grant money to the private nonprofit agencies providing the services.

Sec. 29.60.620. Allocation of money. (a) If the amount of money appropriated by the legislature for human services community matching grants under AS 29.60.600 is not adequate to satisfy amounts required for the qualified municipalities who have applied for grants, the money shall be allocated proportionately among the qualified municipalities for which a grant has been approved under AS 29.60.600 - 29.60.650 based on the relationship the population of each municipality bears to the total population of the qualified municipalities for which a grant has been approved under AS 29.60.600 - 29.60.650.

(b) For purposes of (a) of this section, population shall be determined by the Department of Community and Regional Affairs based on the latest figures of the United States Bureau of the Census or other reliable population data. If a city within a borough has an approved grant for a service to be provided on an areawide basis, the allocation under (a) of this section shall be based on the population of the borough.

Sec. 29.60.650. Definitions. In AS 29.60.600 - 29.60.650,

(1) "essential human services" and "services" have the meaning given "social services" in AS 47.75.060 except that they include only services whose unavailability would subject persons needing the services to serious mental or physical hardship;

(2) "municipality" means a city whose population is over 20,000, as determined by the Department of Community and Regional Affairs, or a unified municipality whose population is over 100,000, as determined by the Department of Community and Regional Affairs.

CS FOR HOUSE BILL NO. 30(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES BRICE, Sitton, Therriault, Davies, James

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the definition of 'municipality' for purposes of the human
2 services community matching grant program."

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

4 * Section 1. AS 29.60.600 is amended by adding a new subsection to read:

5 (c) A city may not receive a human services matching grant during a fiscal
6 year to provide a specific service if, during that same year, the borough within which
7 it is located has received a grant for the same service. A borough may not receive a
8 grant during a fiscal year to provide a particular service if, during that same year, a
9 city within the borough has received a grant for the same service.

10 * Sec. 2. AS 29.60.650(2) is amended to read:

11 (2) "municipality" means a (A) city whose population is over 20,000;
12 (B) [, AS DETERMINED BY THE DEPARTMENT OF COMMUNITY AND
13 REGIONAL AFFAIRS, OR A] unified municipality whose population is over 100,000;
14 or (C) second class borough whose population is over 65,000; population for

1
2

purposes of this paragraph shall be [, AS] determined by the Department of
Community and Regional Affairs.

SB

164

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 3/16/93

FURTHER: JUDICIARY

Date of 5-Day Notice: 3/25/93
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

CRA Committee considered SB 164

"An Act relating to municipal incorporation, reclassification, and dissolution."

and recommends:

replace with _____ CS SB 164 (CRA)

same title
 new title
 technical title change (HB only)

attaches amendment(s)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
DORA	4/12/93	φ	

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

[Signature]

OTHER RECOMMENDATIONS:

[Signature] - No Rec
[Signature] - No Rec

[Signature]

Chair, Signature and Recommendation

Revision Date: 3/1/94 Dept. Affected: Community & Regional Affairs
 Title: *An Act relating to municipal incorporation, reclassification and dissolution . . .* BRU: _____
 Sponsor: Senate Community & Regional Affairs Com. Component: _____
 Requestor: _____ COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current (FY94) Impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Remond Henderson Director Phone: 465-4708
 Division: Administrative Services Date: 3/1/94
 Approved by Commissioner: [Signature] Deputy Commissioner Date: 3/1/94
 Agency: Community & Regional Affairs

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: "An Act relating to municipal incorporation, reclassification and dissolution . . ." BRU: _____
 Sponsor: Senate Community & Regional Affairs Com. Component: _____
 Requestor: _____ COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current (FY94) Impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Remond Henderson Director Phone: 465-4708
 Division: Administrative Services Date: 1/31/94
 Approved by Commissioner: [Signature] Deputy Commissioner Date: 1/31/94
 Agency: Community & Regional Affairs

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: An Act relating to municipal BRU: _____
incorporation, reclassification, and dissolution Component: _____
 Sponsor: _____
 Requestor: Senator Phillips COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current (FY93) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Remond Henderson *Remond Henderson* Phone: 465-4708
 Division: Administrative Services Date: 4-12-93
 Approved by Commissioner: *John R. Hughes Deputy Commissioner* Date: 4-12-93
 Agency: Community & Regional Affairs

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

Department of Community & Regional Affairs
Fiscal Note Analysis

Bill No. Senate Bill 164
Title: An Act Relating
to municipal incorporation,
reclassification, & dissolution

Per AS 24.08.035, (e), If a bill or resolution, except an appropriation bill, significantly increases costs to a municipality, there shall be attached to the measure a municipal fiscal note containing an estimate for the current fiscal year and five succeeding fiscal years of the cost to municipalities that would result from enactment of the measure. The last committee to which the bill is referred on the day it is introduced in the house of origin shall request the municipal fiscal note. It shall be prepared by the Department of Community and Regional Affairs.

The above referenced bill appears to have a significant cost increase to a municipality. A fiscal note is attached.

The above referenced bill does not appear to have a significant cost increase to a municipality. No fiscal note is attached.

Comments: DCRA has provided a suggested draft dated 3/25/93. As it has no cost effect on municipalities, no fiscal note has been attached for it.

Prepared by: Robert Walsh, Director
Division: Municipal & Regional Assistance Division

Phone: 269-4500
Date: 3/30/93

Approved by Commissioner: Sen 13214-1
Agency: _____

Date: April 1, 1993

Page: 1 of 1



ALASKA STATE LEGISLATURE

SENATOR RANDY PHILLIPS
SENATE DISTRICT L

SESSION
State Capitol
Juneau, AK 99801
(907) 465-4949
800-478-4950
Fax: 465-4979

INTERIM
P.O. Box 142
Eagle River AK 99577
(907) 694-4949
Fax: 694-4948

CHAIR
Legislative Budget & Audit
Community & Regional Affairs

VICE-CHAIR
Transportation

MEMBER
Alaska Commission on
Postsecondary Education

May 4, 1994

The Honorable Walter Hickel
Governor, State of Alaska
P. O. Box 110001
Juneau, Alaska 99801

Dear Governor Hickel:

Senate Bill 164 has been transmitted to you for signature. This bill makes important technical amendments to Title 29: Municipal Government regarding municipal incorporations, dissolutions, annexations, detachments, mergers, consolidations and reclassifications.

The Senate Community and Regional Affairs Committee introduced the bill on behalf of the Alaska Local Boundary Commission. The committee has worked closely with the Commissioners and staff of the LBC as well as the Department of Community and Regional Affairs.

Senate Bill 164 accomplishes changes to Title 29 that enables the Alaska Local Boundary Commission to better serve the needs of many communities and promote better local government

I respectfully request your support in making the provisions of SB 164 law with your signature. If you have any questions about this bill, please call me at 465-4949.

Sincerely,

A handwritten signature in cursive script, appearing to read "Randy Phillips".

Randy Phillips
Senate District L



Alaska State Legislature

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Randy Phillips, Chair
Senator Robin Taylor, Vice Chair
Senator Loren Leman
Senator Al Adams
Senator Fred Zharoff

SESSION:
State Capitol
Juneau, Ak 99801-1182
(907) 465-4989

INTERIM:
P. O. Box 142
Eagle River, Ak 99577
(907) 694-4949

MEMORANDUM

TO: Members of the Senate

FROM: Senator Randy Phillips, Chairman ^{REP}
Community and Regional Affairs Committee

DATE: April 20, 1994

SUBJECT: CSSB 164(RLS) - Municipal Incorporation,
Reclassification and Dissolution

The Senate Community and Regional Affairs Committee introduced SB 164 on behalf of the Alaska Local Boundary Commission. This bill cleans up some technical problem areas for the commission and clarifies LBC procedures. On behalf of the LBC I urge your support.

Attached is a summary of principal provisions of CSSB 164(RLS).

SUMMARY OF PRINCIPAL PROVISIONS OF CSSB 164(RLS)

“An Act providing that home rule cities in the unorganized borough are school districts; permitting the Local Boundary Commission to amend petitions for incorporation or proposing municipal boundary changes; applying existing standards of incorporation for boroughs to unified municipalities; applying existing standards of incorporation for first class cities to incorporation of a home rule city; and relating to reclassification of first class or home rule cities to second class cities, to municipal reclassification and to public hearings on reclassification, to formation of home rule cities and unified municipalities through incorporation, merger, or consolidation, to organization grants and transitional assistance for unified municipalities, to adoption of a home rule charter by a second class city, to dissolution of municipalities, to filing copies of an amended home rule charter, and to regulations of the local boundary commission dealing with standards and procedures for municipal incorporation, annexation, detachment, merger, consolidation, reclassification and dissolution.”

The bill has the following five principal effects:

- ❖ Allows first class and home rule cities to reclassify as second class cities.
- ❖ Provides oversight concerning municipal reclassifications.
- ❖ Permits incorporation of home rule cities and unified municipalities, and confirms that home rule cities and home rule boroughs may be created through merger and consolidation.
- ❖ Clarifies procedures for action on petitions for municipal incorporation, annexation, detachment, merger, consolidation, dissolution and reclassification.
- ❖ Confirms the authority of the Local Boundary Commission to adopt regulations for incorporation and dissolution; and adds authority to adopt regulations for reclassification.

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PHILLIPS

TO: CSSB 164(JUD)

Page 1, lines 1 - 2:

Delete all material.

Insert ""An Act providing that home rule cities in the unorganized borough are school districts; and relating to reclassification of first class or home rule cities to second class cities, to petitions proposing reclassification and to public hearings on reclassification, to formation of home rule cities and unified municipalities through incorporation or merger and consolidation, to organization grants and transitional assistance for unified municipalities, to adoption of a home rule charter by a second class city, to dissolution of municipalities, to amendment of a home rule charter, and to regulations of the local boundary commission dealing with standards and procedures for municipal incorporation, annexation, detachment, merger, consolidation, reclassification, and dissolution.""



Alaska State Legislature

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Randy Phillips, Chair
Senator Robin Taylor, Vice Chair
Senator Loren Leman
Senator Al Adams
Senator Fred Zharoff

MEMORANDUM

SESSION:
State Capitol
Juneau, Ak 99801-1182
(907) 465-4989

INTERIM:
P. O. Box 142
Eagle River, Ak 99577
(907) 694-4949

TO: Senator Rick Halford, President
Alaska State Senate

FROM: Senator Randy Phillips, Chairman ^{Rep}
Community and Regional Affairs Committee

DATE: April 14, 1994

SUBJECT: SB 164 - Municipal Incorporation, Reclassification
and Dissolution

Please calendar SB 164 for a floor hearing. The bill was introduced by Senate Community and Regional Affairs committee on behalf of the Alaska Local Boundary Commission.

Darroll Hargraves, Chairman of the LBC, is in town today and tomorrow to answer questions and his staff, Mr. Dan Bockhorst, will be available in Juneau tomorrow to answer questions.

Attached is a copy of the sectional analysis provided by the department.

Faxed 4-4-94
Original mailed 4-4-94
cc's mailed 4-4-94

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF COMMUNITY AND
REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

333 W. 4TH AVENUE, SUITE 220
ANCHORAGE, ALASKA 99501-2341
PHONE: (907) 269-4500
FAX: (907) 269-4520

P.O. BOX 348
BETHEL, ALASKA 99559-0348
PHONE: (907) 543-3475
FAX: (907) 543-4152

P.O. BOX 350
KOTZEBUE, ALASKA 99752-0350
PHONE: (907) 442-3898
FAX: (907) 442-2402

710 MILL BAY ROAD
KODIAK, ALASKA 99615-6398
PHONE: (907) 486-0379
FAX: (907) 486-5900

P.O. BOX 112100
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4814
FAX: (907) 465-2948

1001 NOBLE STREET, SUITE 430
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-7126
FAX: (907) 451-7251

P.O. BOX 200
DILLINGHAM, ALASKA 99576-0200
PHONE: (907) 642-5135
FAX: (907) 542-5140

P.O. BOX 41
NOME, ALASKA 99762-0041
PHONE: (907) 443-5457
FAX: (907) 443-2409

April 4, 1994

The Honorable George Jacko
Senator
State Capitol
Juneau, Alaska 99801-1182

RE: CSSB 164(JUD)

Dear Senator Jacko:

This is to urge your support for CSSB 164(JUD). The bill makes technical amendments to laws concerning municipal incorporation, dissolution, annexation, detachment, merger, consolidation and reclassification. On March 2, CSSB 164(JUD) passed to the Senate Rules Committee where it remains today.

The bill serves the needs of many communities throughout Alaska. It is also promotes the interests of the State of Alaska. The following cites specific examples of the manner in which the bill serves these needs and interests.

- ❖ Residents or officials of Dillingham, St. Mary's and Galena have expressed interest in reclassifying their cities to cities of the second class. Under current law, such can only occur by initially dissolving the first class city and incorporating a new second class city - a relatively lengthy and expensive process. CSSB 164(JUD) allows direct reclassification of first class or home rule cities to second class cities.
- ❖ Residents of Nikiski have expressed interest in incorporating a home rule city. Current law does not allow such, although direct incorporation of home rule boroughs has been allowed since 1985. Under current law, Nikiski residents would be required first to incorporate a general law city and then adopt a home rule charter - a lengthy process. CSSB 164(JUD) allows direct incorporation of home rule cities.

- ❖ While not necessarily favoring borough formation at this time, residents of many unorganized areas of the state, including those in the Delta Greely Region and Copper River Basin have expressed support for the option of incorporating a unified municipality. A unified local government would avoid having multiple municipal governments within a single region. CSSB 164(JUD) permits direct incorporation of unified municipalities.
- ❖ Residents or officials of the Northwest Arctic Borough, Ketchikan Gateway Borough and Fairbanks North Star Borough are exploring the consolidation of certain cities in each of those areas with the region's borough government. CSSB 164(JUD) removes any question that home rule municipal governments could be formed through consolidation.
- ❖ Officials of the City of Ketchikan recognize that a complex municipal boundary proposal (such as their prospective consolidation proposal) would likely require amendment at some point in the proceedings. Thus, those officials have stressed the need to ensure that the Local Boundary Commission has broad authority to amend petitions that come before it. CSSB 164(JUD) accommodates that interest.
- ❖ The bill confirms that the Local Boundary Commission has discretion when acting upon petitions that come before it. Currently, the statutes expressly provide such discretion only in the case of annexation and detachment. The lack of express discretion with respect to dissolution, incorporation, merger and consolidation may result in approval of a petition that is not in the State's best interest. For example, it is interpreted by some that the Commission would have no choice under current law but to approve a proposal presently being contemplated to dissolve the City of Seldovia. It is claimed that the Commission would be compelled to approve the proposal even if the Kenai Peninsula Borough chose not to act as the dissolved city's successor. In that event, the State would be burdened with the duty of being the successor.
- ❖ The bill provides State oversight concerning municipal reclassification. The State has legitimate interests in any city reclassification, particularly in the reclassification of a second class city in the Unorganized Borough. Such automatically creates a new municipal school district that will almost certainly have significant regional and statewide effects. There are presently 27 second class cities in the Unorganized Borough that could unilaterally reclassify as first class cities under current law. The communities of Kwethluk and Fort Yukon are reportedly examining the option.
- ❖ The bill confirms that the Local Boundary Commission has legislative authority to adopt regulations for incorporation and dissolution. A superior court judge recently ruled that the Commission has such authority in the

Senator Jacko
April 4, 1994
Page Three

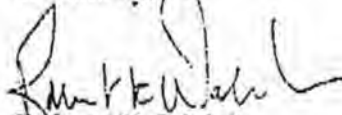
case of annexation, detachment, merger and consolidation. However, he concluded that the Commission has only interpretative authority to adopt regulations concerning municipal incorporation. The ruling never addressed the Commission's authority to adopt regulations concerning dissolution. In making his ruling, the judge noted that courts need not give the same level of deference to interpretative regulations as they must give to legislative regulations.

In addition to providing examples of what the bill will accomplish, it is important to note what the bill will not do. Several members of the Legislature have recently contacted this office with questions concerning how CSSB 164(JUD) would affect pending petitions to detach more than 5,000 square miles from the Fairbanks North Star Borough and to incorporate a North Pole Borough encompassing more than 9,000 square miles.

CSSB 164(JUD) will have no effect whatsoever on decisions to be rendered by the Local Boundary Commission regarding those petitions. Criteria upon which these petitions will be judged are not affected in any way by CSSB 164(JUD). The detachment petition will be reviewed using standards that include those in Article X, Sections 1 and 3 of Alaska's Constitution; and 19 AAC 10.270. The North Pole Borough incorporation petition will be reviewed using the previously noted Constitutional provisions, plus the standards set out in AS 29.05.031 and 19 AAC 10.045 - 19 AAC 10.060.

If you have any questions or desire additional information concerning this matter, please call me at 269-4500.

Cordially,



Robert K. Walsh
Director

cc: Senator Randy Phillips, Chairman, Senate C&RA Committee
Representative Harley Olberg, Chairman, House C&RA Committee
Edgar Blatchford, Commissioner, Dept. of Community & Regional Affairs

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

333 W. 4TH AVENUE, SUITE 220 ANCHORAGE, ALASKA 99501-2341 PHONE: (907) 269-4500 FAX: (907) 269-4520

P.O. BOX 348 BETHEL ALASKA 99559-0348 PHONE: (907) 543-3475 FAX: (907) 543-4152

P.O. BOX 250 KOTZEBUE, ALASKA 90752-0250 PHONE: (907) 442-3688 FAX: (907) 442-2402

710 MILL BAY ROAD KODIAK, ALASKA 90615-6928 PHONE: (907) 486-9370 FAX: (907) 486-5960

P.O. BOX 112100 JUNEAU, ALASKA 99811-2100 PHONE: (907) 465-4814 FAX: (907) 465-2948

1001 NOBLE STREET, SUITE 430 FAIRBANKS, ALASKA 99701 PHONE: (907) 452-7128 FAX: (907) 451-7251

P.O. BOX 290 DILLINGHAM, ALASKA 99576-0290 PHONE: (907) 842-5195 FAX: (907) 842-5140

P.O. BOX 41 NOME, ALASKA 99762-0041 PHONE: (907) 443-5457 FAX: (907) 443-2403

March 23, 1994

The Honorable Bert Sharp State Senator District P Room 514 State Capitol Juneau, Alaska 99801-1182

BY FAX: 465-2070

RE: CSSB 164(JUD)

Dear Senator Sharp:

In response to your inquiry, CSSB 164(JUD) will have no effect whatsoever on decisions to be rendered by the Local Boundary Commission regarding the recently lodged petitions for: (1) detachment from the Fairbanks North Star Borough and (2) incorporation of the North Pole Borough. Criteria upon which these petitions will be judged by the Local Boundary Commission are not affected in any way by CSSB 164(JUD).

The Fairbanks North Star Borough detachment petition will be reviewed by the Commission using standards which include those in Article X, Sections 1 and 3 of Alaska's Constitution; and 19 AAC 10.270. If the Commission were to approve the detachment, it would also be subject to approval by either the Legislature or the voters of the area proposed for detachment.¹

The North Pole Borough incorporation petition will be reviewed by the Commission using the previously noted Constitutional provisions, plus the standards set out in AS 29.05.031 and 19 AAC 10.045 - 19 AAC 10.060. If the Commission were to grant the incorporation petition, it would also be subject to approval by the voters in the area proposed for incorporation.

While CSSB 164(JUD) will not affect decisions to be rendered in the North Pole case, it might have some impact on such a borough if it were formed. For example, Sections 12(c)

1 The detachment petition requests that the matter be submitted to the voters. Notwithstanding, the Commission may choose to submit the matter to the legislature for its review under the provisions of Article X, § 12 of Alaska's Constitution.

The Honorable Bert Sharp
March 23, 1994
Page Two

and 13(c) of the bill provide that a new borough is not entitled to organizational grants and transitional assistance if that borough "occupies the area formerly occupied by a borough."

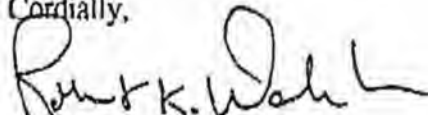
Those two particular provisions of the bill were prepared at the initiative of Legislative Affairs legal staff. As far as the Department and the Local Boundary Commission are concerned, those provisions are not essential to our strong support for the bill.

We note that the two subsections at issue would require interpretation, at least with respect to a proposed North Pole Borough. If approved, the North Pole Borough would encompass about 9,900 square miles, of which only about 5,200 square miles is within the current boundaries of the Fairbanks North Star Borough. The remaining 4,700 square miles lie outside an organized borough.² The bottom line is that it would require some interpretation as to whether CSSB 164(JUD) would render such a borough ineligible for organizational grants and transitional assistance.

If you are concerned about Section 12(c) and 13(c) of the bill, neither the Department nor the Local Boundary Commission would object to the amendment of those two subsections. It is our hope, however, that any concerns over those two subsections not cause extended delay in consideration of this important bill. Again, I wish to stress that CSSB 164(JUD) will have absolutely no effect regarding decisions to be rendered on the two petitions relating to the North Pole issue.

If you desire additional information or have any questions concerning this matter, please feel free to contact me or Dan Bockhorst, Local Boundary Commission staff at 269-4500.

Cordially,



Robert Walsh
Director

² To complicate things even further, a substantial portion of the remaining 4,700 square miles was included within the original boundaries of the Fairbanks North Star Borough as incorporated under the 1963 Mandatory Borough Act. Within a few months of its incorporation, the North Star Borough's original boundaries were adjusted under provisions of the Mandatory Borough Act through the legislative review process. The adjustment detached territory encompassing Delta Junction, Tok and other areas reaching to the Canadian border.



Alaska State Legislature

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Randy Phillips, Chair
Senator Robin Taylor, Vice Chair
Senator Loren Leman
Senator Al Adams
Senator Fred Zharoff

SESSION:
State Capitol
Juneau, Ak 99801-1182
(907) 465-4989

INTERIM:
P. O. Box 142
Eagle River, Ak 99577
(907) 694-4949

MEMORANDUM

TO: All Senators

FROM: Senator Randy Phillips, Chairman ^{KRP}
Community and Regional Affairs Committee

DATE: March 25, 1994

SUBJECT: SB 164 - Municipal Incorporation, Reclassification
and Dissolution

This bill was introduced at the request of the Alaska Local Boundary Commission. This bill cleans up some problem areas for the commission and resolves some other issues.

Attached is a copy of a summary analysis and sectional analysis provided by the Department of Community and Regional Affairs. This bill is currently in the Senate Rules Committee. Please read through the attached information prior to floor debate.

If you have technical questions on this bill, Mr. Dan Bockhorst is available at the DCRA's Anchorage office, 269-4559.



Alaska State Legislature

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Randy Phillips, Chair
Senator Robin Taylor, Vice Chair
Senator Loren Leman
Senator Al Adams
Senator Fred Zharoff

MEMORANDUM

SESSION:
State Capitol
Juneau, Ak 99801-1182
(907) 455-4989

INTERIM:
P. O. Box 142
Eagle River, Ak 99577
(907) 694-4949

TO: Senator Rick Halford, President
Alaska State Senate

FROM: Senator Randy Phillips, Chairman ^{REP}
Community and Regional Affairs Committee

DATE: March 3, 1994

SUBJECT: SB 164 - Municipal Incorporation, Reclassification
and Dissolution

Please consider this memorandum a request for a Senate Rules Committee hearing and the calendaring of SB 164. This bill was introduced by Senate Community and Regional Affairs committee on behalf of the Alaska Local Boundary Commission.

I would appreciate the bill being scheduled for March 9, 1994, upon my return from the Arctic Winter Games. Advance notice to my office of calendaring would enable the Local Boundary Commission staff, Mr. Dan Bockhorst, to be available in Juneau for questions by members of the Senate.

Attached is a copy of the sectional analysis provided by the department.

03/02/94

SENATE JOURNAL

PAGE 3026

USB 164A

THE JUDICIARY COMMITTEE CONSIDERED SENATE BILL NO. 164 "AN ACT RELATING TO MUNICIPAL INCORPORATION, RECLASSIFICATION, AND DISSOLUTION" AND RECOMMENDED IT BE REPLACED WITH

ICS FOR SENATE BILL NO. 164(JUD), ENTITLED:
"AN ACT RELATING TO MUNICIPAL INCORPORATION,
RECLASSIFICATION, MERGER, CONSOLIDATION, ANNEXATION,
DETACHMENT, AND DISSOLUTION, AND TO MUNICIPAL SCHOOL
DISTRICTS."

SIGNING DO PASS: SENATOR TAYLOR, CHAIR. SIGNING NO RECOMMENDATION:
SENATORS DONLEY, LITTLE, JACKO.

ZERO FISCAL NOTE FOR THE COMMITTEE SUBSTITUTE PUBLISHED TODAY FROM
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS.

SENATE BILL NO. 164 WAS REFERRED TO THE RULES COMMITTEE.

04/26/93

SENATE JOURNAL

PAGE 1758

USB 164A

THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE CONSIDERED
SENATE BILL NO. 164 "AN ACT RELATING TO MUNICIPAL
INCORPORATION, RECLASSIFICATION, AND DISSOLUTION" AND RECOMMENDED IT
BE REPLACED WITH

ICS FOR SENATE BILL NO. 164(CRA), ENTITLED:
"AN ACT RELATING TO MUNICIPAL INCORPORATION,
RECLASSIFICATION, AND DISSOLUTION, AND MUNICIPAL
SCHOOL DISTRICTS."

SIGNING DO PASS: SENATOR PHILLIPS, CHAIR, SENATOR LEMAN. SIGNING NO
RECOMMENDATION: SENATORS ZHAROFF, ADAMS.

ZERO FISCAL NOTE FOR THE BILL AND THE COMMITTEE SUBSTITUTE PUBLISHED
TODAY FROM DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS.

SENATE BILL NO. 164 WAS REFERRED TO THE JUDICIARY COMMITTEE.

SUMMARY OF PRINCIPAL PROVISIONS OF CSSB 164(RLS)

“An Act providing that home rule cities in the unorganized borough are school districts; permitting the Local Boundary Commission to amend petitions for incorporation or proposing municipal boundary changes; applying existing standards of incorporation for boroughs to unified municipalities; applying existing standards of incorporation for first class cities to incorporation of a home rule city; and relating to reclassification of first class or home rule cities to second class cities, to municipal reclassification and to public hearings on reclassification, to formation of home rule cities and unified municipalities through incorporation, merger, or consolidation, to organization grants and transitional assistance for unified municipalities, to adoption of a home rule charter by a second class city, to dissolution of municipalities, to filing copies of an amended home rule charter, and to regulations of the local boundary commission dealing with standards and procedures for municipal incorporation, annexation, detachment, merger, consolidation, reclassification and dissolution.”

The bill has the following five principal effects:

- ❖ Allows first class and home rule cities to reclassify as second class cities.
- ❖ Provides oversight concerning municipal reclassifications.
- ❖ Permits incorporation of home rule cities and unified municipalities, and confirms that home rule cities and home rule boroughs may be created through merger and consolidation.
- ❖ Clarifies procedures for action on petitions for municipal incorporation, annexation, detachment, merger, consolidation, dissolution and reclassification.
- ❖ Confirms the authority of the Local Boundary Commission to adopt regulations for incorporation and dissolution; and adds authority to adopt regulations for reclassification.



Alaska State Legislature

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Randy Phillips, Chair
Senator Robin Taylor, Vice Chair
Senator Loren Leman
Senator Al Adams
Senator Fred Zharoff

SESSION:
State Capitol
Juneau, Ak 99801-1182
(907) 465-4989

INTERIM:
P. O. Box 142
Eagle River, Ak 99577
(907) 694-4949

MEMORANDUM

TO: All Senators

FROM: Senator Randy Phillips, Chairman ^{RRP}
Community and Regional Affairs Committee

DATE: March 25, 1994

SUBJECT: SB 164 - Municipal Incorporation, Reclassification
and Dissolution

This bill was introduced at the request of the Alaska Local Boundary Commission. This bill cleans up some problem areas for the commission and resolves some other issues.

Attached is a copy of a summary analysis and sectional analysis provided by the Department of Community and Regional Affairs. This bill is currently in the Senate Rules Committee. Please read through the attached information prior to floor debate.

If you have technical questions on this bill, Mr. Dan Bockhorst is available at the DCRA's Anchorage office, 269-4559.

Title Change Only on Rules CS

RLS

SUMMARY OF PRINCIPAL PROVISIONS OF CSSB 164(JUD)¹

"An Act relating to municipal incorporation, reclassification, merger, consolidation, annexation, detachment, and dissolution, and to municipal school districts."

*Summary prepared March 8, 1994 by Dan Bockhorst, Local Boundary Commission Staff,
Department of Community & Regional Affairs, telephone 269-4500*

- ❖ Establishes mechanism for first class and home rule cities to reclassify as second class cities. Under current law, such can only be done by dissolving the first class or home rule city and incorporating a second class city.
- ❖ Provides State oversight concerning all municipal reclassifications. The State has legitimate interests in any city reclassification. Such interests are particularly significant in cases involving the reclassification of second class cities in the Unorganized Borough because it automatically creates new municipal school districts. There are 27 second class cities in the Unorganized Borough that could unilaterally reclassify to first class cities. That represents a potential 50% increase in the number of school districts. Communities which are presently unincorporated could add to that number.
- ❖ Permits direct incorporation of home rule cities and unified municipalities, and confirms that home rule cities and home rule boroughs may be created through merger and consolidation. Interest in such options is strong. In 1985, the law was amended to allow direct incorporation of home rule boroughs. Three of the four boroughs formed since that law took effect were home rule boroughs.
- ❖ Confirms the discretion of the Local Boundary Commission in approving, denying or amending petitions. The Local Boundary Commission clearly has discretion in acting on petitions for annexation and detachment. However, the statutes do not expressly recognize the Commission's discretion with respect to other petitions. This may create unintended consequences. For example, it is widely interpreted that AS 29.06.500 may not give the Commission any discretion in dealing with a proposal presently being developed to dissolve the City of Seldovia. This is so even if the Kenai Peninsula Borough were to refuse to form a service area to assume any responsibility in terms of succeeding to the assets and liabilities of the City of Seldovia. Under those circumstances, AS 29.06.520 dictates that the State of Alaska would be the successor. The bill also ensures that when the State or a municipality is the successor to a dissolved municipality, it succeeds to the rights powers and duties of the dissolved municipality.
- ❖ Confirms that the Local Boundary Commission has legislative authority to adopt regulations for incorporation and dissolution. A superior court judge recently ruled that the Commission has legislative authority to adopt regulations for annexation, detachment, merger and consolidation. However, he concluded that the Commission has only interpretative authority to adopt regulations concerning municipal incorporation. The ruling never addressed the Commission's authority to adopt regulations concerning dissolution. In making his ruling, the judge noted that courts need not give the same level of deference to interpretative regulations as they must give to legislative regulations.

* For further analysis and details concerning the effects of CSSB 164(JUD), see the three-page "Sectional Analysis of CSSB 164(JUD)" prepared by DCRA on March 8, 1994.

SECTIONAL ANALYSIS

CSSB 164(JUD)
(RLS)

"An Act relating to municipal incorporation, reclassification, merger, consolidation, annexation, detachment, and dissolution, and to municipal school districts."

*Sectional analysis prepared March 8, 1994 by Dan Bockhorst, Local Boundary Commission Staff,
Department of Community & Regional Affairs, telephone 269-4500*

Section 1 simply recognizes under AS 14.12.010 what is already provided by AS 29.35.260(b) – that a home rule city in the Unorganized Borough is a city school district.

Section 2 makes the following changes:

1. It permits a first class or home rule city to reclassify as a second class city.¹
2. It provides State oversight in the reclassification of any city government.²

Sections 3 - 5 amend procedures for municipal reclassification to further implement State review of reclassification proposals. **Section 3** requires a petition to the Local Boundary Commission to initiate a reclassification proposal. **Section 4** requires the Local Boundary Commission to notify the city upon approval of a reclassification petition, thereby triggering a municipal election on the matter. **Section 5** eliminates references to particular classes of city government, thereby acknowledging that any class of city may be reclassified.

Section 6 allows incorporation of a home rule city.³

Section 7 allows incorporation of a unified municipality.⁴

-
1. Currently, this can be done only in effect by dissolving the home rule city or first class city and incorporating a second class city – a lengthy and difficult process.
 2. The State has legitimate interests in any city reclassification. Such interests are particularly significant in cases involving the reclassification of second class cities in the Unorganized Borough, since such automatically creates new municipal school districts. Yet, under current law the State has no provision to regulate municipal reclassification. There are a total of 27 second class cities in the Unorganized Borough that could reclassify as first class cities. Some are currently exploring the possibility of doing so. There are also 11 unincorporated communities in the Unorganized Borough that could incorporate as second class cities and subsequently reclassify as first class cities. Collectively, those 38 communities represent a potential 70 percent increase in the number of school districts in Alaska. CSSB 164(JUD) assigns responsibility to the Local Boundary Commission to oversee reclassification.
 3. Under current law, forming a home rule city generally requires that a community first become a first class city and then undertake a separate process to adopt a home rule charter. Some communities have shown strong interest in allowing direct incorporation as a home rule city. State law was amended in 1985 to allow direct incorporation of home rule boroughs. Three of the four boroughs incorporated since then have incorporated as home rule boroughs. [Note: the Northwest Arctic Borough is not counted among the four. The Northwest Arctic Borough prepared its petition for incorporation before the 1985 law took effect. However, the Northwest Arctic Borough subsequently reclassified as a home rule borough.]
 4. There are presently three unified municipalities in Alaska – Anchorage, Juneau and Sitka. Under current law, in order to form a unified municipality, there must be both an organized borough and at least one city government. Interest has been expressed in allowing other regions of the state to form unified municipalities. These include areas which may have neither a city government nor an organized borough, or only cities.

Sections 8, 10 - 13 and 19 provide procedures for the incorporation of home rule cities and unified municipalities. Section 8 amends the law specifying the contents of a petition in the case of proposals for incorporation of home rule cities and unified municipalities. Section 10 acknowledges that if voters approve incorporation of a home rule city or unified municipality, the home rule charter is adopted. Section 11 adds a new section providing that incorporation of a unified municipality dissolves all other municipal governments within the boundaries of the unified municipality. Section 12 extends organizational grants to newly formed unified municipalities, except those that occupy the area formerly occupied by an organized borough.⁵ Section 13 extends transitional assistance to newly incorporated unified municipalities, again, except those that occupy the area formerly occupied by an organized borough. Section 19 amends current law to acknowledge that any of the following may incorporate as a unified municipality: a) an area which has neither a city government nor an organized borough; or b) an area which has one or more city governments, but no organized borough.

Sections 9, 14, 17 and 21 confirm that the Local Boundary Commission has discretion in the approval of all petitions that come before it.⁶ The referenced sections also confirm that the Commission has broad power to amend such petitions.⁷ Section 9 does so with respect to municipal incorporation, Section 14 concerns municipal annexation and detachment, Section 17 addresses merger and consolidation, and Section 21 confirms the Commission's authority to amend a dissolution petition and expressly extends requisite "best interests" determinations to all dissolutions.

Section 15 confirms that a home rule city or home rule borough may be formed through merger or consolidation.

Sections 16 and 18 amend existing procedures for merger or consolidation relating to home rule cities and home rule boroughs. Section 16 provides that a home rule charter must be included with a petition to form a home rule city or home rule borough through merger or consolidation. Section 18 states that a charter for a home rule city or home rule borough proposed to be formed through merger or consolidation is adopted upon voter approval of the merger or consolidation proposition.

⁵ Boroughs would remain eligible for organizational grants under this bill. The term "municipality" which is substituted for the term "borough" currently used under AS 29.05.190(a) and (b) does not mean only a unified municipality, but includes both boroughs and unified municipalities.

⁶ The Local Boundary Commission clearly has discretion in acting on petitions for annexation and detachment. However, the statutes do not expressly recognize the Commission's discretion with respect to other matters. This may create unintended consequences. For example, it is widely interpreted that AS 29.06.500 may not give the Commission any discretion in dealing with a proposal presently being developed to dissolve the City of Seldovia. This is so even if the Kenai Peninsula Borough were to refuse to form a service area to assume any responsibility in terms of succeeding to the assets and liabilities of the City of Seldovia. Under those circumstances, AS 29.06.520 dictates that the State of Alaska would become the successor.

⁷ The Department of Law has concluded that the Local Boundary Commission implicitly possesses such authority. For example, with respect to incorporations, the Department of Law noted, "[the statutes] do not bind the commission to either accept or reject the petition in its entirety . . . the commission is exercising a delegated fact finding function when it considers the creation of a new municipal government. The commission stands in the shoes of the state legislature when it considers these matters. Absent an express limitation on the powers of the commission, the commission should be presumed to possess the same powers as the legislature in this area." (Assistant Attorney General James L. Baldwin, inf. op. July 7, 1987; see also Assistant Attorney General James L. Baldwin, inf. op. May 30, 1984.)

Section 20 makes the statutes consistent in the use of the last regular election of a municipality as the basis for determining the number of signatures needed to file a petition to dissolve that municipality. This is currently the case in all instances except AS 29.06.470(a)(3), which bases the requirement on the last [State] general election.

Section 22 provides that when another municipal government or the State is the successor to a dissolved municipality, it succeeds to the rights, powers and duties of the dissolved municipality.⁸

Sections 23 - 28 make amendments relating to the creation of a home rule city or home rule borough through merger or consolidation, or the incorporation of a home rule city or unified municipality. **Section 23** acknowledges that a home rule charter may be adopted through merger or consolidation, or as a result of the incorporation of a home rule city or unified municipality. **Section 24** provides that a proposed charter for a home rule municipal government is to be filed with the petition for incorporation, merger or consolidation. **Section 25** requires the Department of Community and Regional Affairs to prepare a model charter for a home rule city and a unified municipality. **Section 26** provides that the proposed charter for a home rule municipality to be formed by incorporation, merger or consolidation must be submitted to the voters for approval. **Section 27** stipulates that, upon certification of favorable election results, the charter becomes the organic law of a home rule municipal government formed by incorporation, merger or consolidation. **Section 28** states that if the voters reject a proposal to incorporate, merge or consolidate as a home rule municipal government the charter is rejected.

Section 29 requires a home rule municipality to file a copy of any amendments to its charter with certain officials.⁹

Section 30 removes any question that the Local Boundary Commission has legislative authority to adopt regulations providing standards and procedures for municipal incorporation and dissolution.¹⁰

Section 31 makes the following changes:

1. It repeals the requirement that a city council hold a public hearing on a proposed reclassification of the city.¹¹
2. It repeals the provision that allows a second class city with a population of at least 3,500 permanent residents and jurisdictional boundaries encompassing at least 35 square miles to adopt a home rule charter.¹²

⁸ This provision is identical to the provisions in existing law concerning succession to rights, powers, duties, assets and liabilities of municipalities as a result of municipal merger or consolidation [respectively, AS 29.06.150 (a) and (b)]

⁹ AS 29.10.080 presently requires a home rule municipal government to file a charter only upon its adoption. Current law requires no filing of amendments.

¹⁰ Superior Court Judge Michael A. Thompson ruled on June 7, 1993 (case No. 1JU-92-1126 CI), that the Commission has legislative authority to adopt regulations for annexation, detachment, merger and consolidation. However, he concluded that the Commission has only interpretative authority to adopt regulations concerning municipal incorporation. The ruling never addressed the Commission's authority to adopt regulations concerning dissolution. In making his ruling, Judge Thompson noted that courts need not give the same level of deference to interpretative regulations as it must give to legislative regulations.

¹¹ Section 2 of CSSB 164(JUD) requires the Local Boundary Commission to conduct such a hearing.

¹² The current law applies to only one of Alaska's 116 second class cities.

CS FOR SENATE BILL NO. 164(JUD)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 3/2/94
Referred: Rules

Sponsor(s): SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to municipal incorporation, reclassification, merger, consolidation,
2 annexation, detachment, and dissolution, and to municipal school districts."

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

4 * Section 1. AS 14.12.010 is amended to read:

5 Sec. 14.12.010. DISTRICTS OF STATE PUBLIC SCHOOL SYSTEM. The
6 districts of the state public school system are as follows:

7 (1) each home rule and first class city in the unorganized borough is
8 a city school district;

9 (2) each organized borough is a borough school district;

10 (3) the area outside organized boroughs and outside home rule and
11 first class cities is divided into regional educational attendance areas.

12 * Sec. 2. AS 29.04.040(a) is amended to read:

13 (a) A second class city may be reclassified as a first class city. A first class
14 or home rule city may be reclassified as a second class city. Reclassification is

1 proposed by filing a petition with the department. The department shall
2 investigate the proposal and report its findings to the Local Boundary
3 Commission with its recommendations. The commission shall hold at least one
4 public hearing in the city on the proposal. If the commission determines that the
5 city meets the standards for incorporation under AS 29.05.011 for the class of city
6 proposed in the reclassification petition and that reclassification is in the best
7 interests of the state, it may accept or amend and accept the petition. If the
8 commission determines that the city does not meet the standards or that
9 reclassification is not in the best interests of the state, it shall reject the petition.
10 The commission shall notify the city of its decision. The decision may be appealed
11 under AS 44.62 (Administrative Procedure Act) [BY HOLDING AN ELECTION
12 ON THE QUESTION, IF THE DEPARTMENT DETERMINES FROM THE BEST
13 FIGURES AVAILABLE THAT THE POPULATION OF THE CITY HAS REACHED
14 400 PERMANENT RESIDENTS].

15 * Sec. 3. AS 29.04.040(b) is amended to read:

16 (b) A petition proposing [AN ELECTION ON THE QUESTION OF]
17 reclassification may be filed by [INITIATED IN TWO WAYS:]

18 (1) a number of voters equal to 15 percent of the number of votes cast
19 in the city at the preceding regular election [MAY FILE A PETITION WITH THE
20 COUNCIL]; or

21 (2) the council [MAY PROPOSE RECLASSIFICATION].

22 * Sec. 4. AS 29.04.040(d) is amended to read:

23 (d) The council shall, within 30 days after receiving notification from the
24 Local Boundary Commission that a petition has been accepted [ITS FINDINGS
25 HAVE BEEN MADE PUBLIC], order an election on the question of reclassification.
26 The election shall be held at least 30 days after the order and not later than the next
27 regular election occurring after the 30-day period. If more than one question is to be
28 voted on at the election, each shall appear separately on the ballot.

29 * Sec. 5. AS 29.04.040(e) is amended to read:

30 (e) The council shall certify the election results to the department. If the
31 majority of votes cast is favorable, the city is [SHALL BE CONSIDERED] reclassified

1 [TO FIRST CLASS STATUS] 30 days after certification of the election results.

2 * Sec. 6. AS 29.05.011(a) is amended to read:

3 (a) A community that meets the following standards may incorporate as a first
4 class or home rule city:

5 (1) the community has 400 or more permanent residents;

6 (2) the boundaries of the proposed city include all areas necessary to
7 provide municipal services on an efficient scale;

8 (3) the economy of the community includes the human and financial
9 resources necessary to provide municipal services; in considering the economy of the
10 community, the Local Boundary Commission shall consider property values, economic
11 base, personal income, resource and commercial development, anticipated functions,
12 and the expenses and income of the proposed city, including the ability of the
13 community to generate local revenue;

14 (4) the population of the community is stable enough to support city
15 government;

16 (5) there is a demonstrated need for city government.

17 * Sec. 7. AS 29.05.031(a) is amended to read:

18 (a) An area that meets the following standards may incorporate as a home rule,
19 first class, or second class borough, or as a unified municipality:

20 (1) the population of the area is interrelated and integrated as to its
21 social, cultural, and economic activities, and is large and stable enough to support
22 borough government;

23 (2) the boundaries of the proposed borough or unified municipality
24 conform generally to natural geography and include all areas necessary for full
25 development of municipal services;

26 (3) the economy of the area includes the human and financial resources
27 capable of providing municipal services; evaluation of an area's economy includes land
28 use, property values, total economic base, total personal income, resource and
29 commercial development, anticipated functions, expenses, and income of the proposed
30 borough or unified municipality;

31 (4) land, water, and air transportation facilities allow the

1 communication and exchange necessary for the development of integrated borough
2 government.

3 * Sec. 8. AS 29.05.060 is amended to read:

4 Sec. 29.05.060. PETITION. Municipal incorporation is proposed by filing a
5 petition with the department. The petition must [SHALL] include the following
6 information about the proposed municipality:

7 (1) class;

8 (2) name;

9 (3) boundaries;

10 (4) maps, documents, and other information required by the department;

11 (5) composition and apportionment of the governing body;

12 (6) a proposed operating budget for the municipality projecting sources
13 of income and items of expenditure through the first full fiscal year of operation;

14 (7) for a borough or unified municipality, based on the number who
15 voted in the respective areas in the last general election, the signature and resident
16 address of 15 percent of the voters in

17 (A) home rule and first class cities in the area of the proposed
18 borough or unified municipality; and

19 (B) the area of the proposed borough or unified municipality
20 outside home rule and first class cities;

21 (8) for a first class borough or unified municipality, a designation of
22 areawide powers to be exercised;

23 (9) for a second class borough, a designation of areawide and
24 nonareawide powers to be exercised;

25 (10) for a first class, [OR] second class, or home rule city, a
26 designation of the powers to be exercised;

27 (11) for a first class or home rule city, based on the number who voted
28 in the area in the last general election, the signatures and resident addresses of 50
29 voters in the proposed city or of 15 percent of the voters in the proposed city,
30 whichever is greater;

31 (12) for a second class city, based on the number who voted in the area

1 in the last general election, the signatures and resident addresses of 25 voters in the
2 proposed city or of 15 percent of the voters in the proposed city, whichever is greater;

3 (13) for a home rule city, home rule borough, or unified municipality
4 a proposed home rule charter.

5 * Sec. 9. AS 29.05.100(a) is amended to read:

6 (a) If the Local Boundary Commission determines that a proposed municipality
7 fails to meet the standards for incorporation, it shall reject the petition. If the
8 commission determines that the proposed municipality meets the standards, it may
9 [SHALL] accept the petition or amend [. IF THE COMMISSION DETERMINES
10 THAT THE PROPOSED MUNICIPAL BOUNDARIES CAN BE ALTERED TO
11 MEET THE STANDARDS, IT MAY ALTER THE BOUNDARIES] and accept the
12 petition.

13 * Sec. 10. AS 29.05.110(d) is amended to read:

14 (d) A home rule charter included in an incorporation petition under
15 AS 29.05.060(13) is considered to be part of the incorporation question. The home
16 rule charter is adopted if the voters approve incorporation of the city, borough, or
17 unified municipality.

18 * Sec. 11. AS 29.05.140 is amended by adding a new subsection to read:

19 (e) Upon incorporation, the home rule charter of a unified municipality
20 operates to dissolve all municipalities in the area unified in accordance with the
21 charter.

22 * Sec. 12. AS 29.05.190 is amended to read:

23 Sec. 29.05.190. ORGANIZATION GRANTS TO BOROUGHS AND
24 - UNIFIED MUNICIPALITIES. (a) For the purpose of defraying the cost of
25 transition to borough government and to provide for interim governmental operations,
26 each borough or unified municipality incorporated after December 31, 1985, is
27 entitled to organization grants as follows:

28 (1) \$300,000 for the municipality's [BOROUGH'S] first full or partial
29 fiscal year;

30 (2) \$200,000 for the municipality's [BOROUGH'S] second fiscal year;

31 and

1 (3) \$100,000 for the municipality's [BOROUGH'S] third fiscal year.

2 (b) The department shall disburse the first organization grant to a borough or
3 unified municipality within 30 days after certification of the [INCORPORATION]
4 election favoring incorporation [OF A BOROUGH], or as soon after that as money is
5 appropriated and available for the purpose. The second grant shall be disbursed within
6 30 days after the beginning of the municipality's [BOROUGH'S] second fiscal year,
7 or as soon after that as money is appropriated and available for the purpose. The third
8 grant shall be disbursed within 30 days after the beginning of the municipality's
9 [BOROUGH'S] third fiscal year, or as soon after that as money is appropriated and
10 available for the purpose.

11 (c) This section does not apply to a borough incorporated by consolidation or
12 to a unified municipality that occupies the area formerly occupied by a borough.

13 * Sec. 13. AS 29.05.210 is amended to read:

14 Sec. 29.05.210. TRANSITIONAL ASSISTANCE TO BOROUGH AND
15 UNIFIED MUNICIPALITIES. (a) Within 30 days after the date of incorporation
16 of a borough or unified municipality incorporated after December 31, 1985, the
17 department shall determine the population of the borough or unified municipality.

18 (b) The department shall provide assistance to each borough and unified
19 municipality incorporated after December 31, 1985, in

20 (1) establishing the initial sales and use tax assessment and collection
21 department if the borough or unified municipality has adopted a sales or use tax;

22 (2) determining the initial property tax assessment roll if the borough
23 or unified municipality has adopted a property tax, including contracting for
24 appraisals of property needed to complete the initial assessment.

25 (c) This section does not apply to a borough incorporated by consolidation or
26 to a unified municipality that occupies the area formerly occupied by a borough.

27 * Sec. 14. AS 29.06.040(a) is amended to read:

28 (a) The Local Boundary Commission may consider any proposed municipal
29 boundary change. It may reject the proposed change, accept the proposed change, or
30 amend [ALTER THE BOUNDARIES] and accept the proposal [AS ALTERED]. A
31 Local Boundary Commission decision under this subsection may be appealed under

1 AS 44.62 (Administrative Procedure Act).

2 * Sec. 15. AS 29.06.090(a) is amended to read:

3 (a) Two or more municipalities may merge or consolidate to form a single
4 general law or home rule municipality, except a third class borough may not be
5 formed through merger or consolidation.

6 * Sec. 16. AS 29.06.100(b) is amended to read:

7 (b) The petition includes

8 (1) the name and class of each existing municipality;

9 (2) the name and class of the proposed municipality;

10 (3) the proposed composition and apportionment of the governing body;

11 (4) maps, documents, and other information that shows that the
12 proposed municipality meets the standards for municipal incorporation;

13 (5) for a home rule municipality, a proposed home rule charter.

14 * Sec. 17. AS 29.06.130(a) is amended to read:

15 (a) If the Local Boundary Commission determines that the proposed
16 municipality fails to meet the standards for incorporation, it shall reject the merger or
17 consolidation petition. If the commission determines that the proposed municipality
18 meets these standards, it may [SHALL] accept the petition or amend [. IF THE
19 COMMISSION DETERMINES THAT THE PROPOSED BOUNDARIES OR THE
20 COMPOSITION AND APPORTIONMENT OF THE GOVERNING BODY CAN BE
21 ALTERED TO MEET THE STANDARDS, IT MAY ALTER THE PROPOSAL] and
22 accept the petition.

23 * Sec. 18. AS 29.06.140(b) is amended to read:

24 (b) A home rule charter in a merger or consolidation petition submitted
25 under AS 29.06.100(b)(5) is part of the merger or consolidation question. The
26 charter is adopted if the voters approve the merger or consolidation. The director
27 of elections shall supervise the election in the general manner prescribed by AS 15
28 (Election Code). The state shall pay all election costs.

29 * Sec. 19. AS 29.06.190 is amended by adding a new subsection to read:

30 (b) An area that is not incorporated as a borough, including any cities in the
31 area, may incorporate as a unified municipality under AS 29.05.031.

1 * Sec. 20. AS 29.06.470(a) is amended to read:

2 (a) Except as provided in (b) of this section, voters of a municipality may
3 petition for dissolution when the municipality is free of debt, or, if in debt, each of its
4 creditors is satisfied with a method of repayment and

5 (1) the municipality no longer meets the minimum standards prescribed
6 for incorporation by AS 29.05, or former AS 29.18.030 if it is a third class borough;

7 (2) the municipality ceases to use each of its mandatory powers; or

8 (3) the dissolution petition filed under AS 29.06.460 is signed by a
9 number of voters of the municipality proposed to be dissolved greater than 50 percent
10 of the number of votes cast in the last regular [GENERAL] election in that
11 municipality.

12 * Sec. 21. AS 29.06.500(a) is amended to read:

13 (a) If the Local Boundary Commission determines that a municipality fails to
14 meet the standards for dissolution, it shall reject the petition. [IF THE COMMISSION
15 DETERMINES THAT THE MUNICIPALITY MEETS THE STANDARDS UNDER
16 AS 29.06.470(A)(1) OR (2), IT SHALL ACCEPT THE PETITION.] If the
17 commission determines that the petition meets the standards under AS 29.06.470(a)(1),
18 (2), or (3) [AS 29.06.470(a)(3)] and that dissolution of the municipality is in the best
19 interest of the state, it shall accept the petition. The commission may amend the
20 proposal and accept the petition.

21 * Sec. 22. AS 29.06.520 is amended to read:

22 Sec. 29.06.520. SUCCESSION [TO ASSETS AND LIABILITIES]. A
23 municipality succeeding to a dissolved municipality succeeds to all rights, powers,
24 duties, assets, and liabilities of the dissolved municipality. Otherwise, the state
25 succeeds to those rights, powers, duties, assets, and liabilities. If the state succeeds
26 to a dissolved municipality, the state may enter into a contract for the performance of
27 duties or powers in the area of the dissolved municipality. However, a contract with
28 an organization for the performance of duties or powers entered into under this section
29 does not constitute recognition by the state of governmental powers of that
30 organization.

31 * Sec. 23. AS 29.10.010(c) is amended to read:

1 (c) At an incorporation, merger, or consolidation election a municipality
2 [FOR BOROUGH INCORPORATION, AN AREA IN THE UNORGANIZED
3 BOROUGH] may adopt a charter for its own government and incorporate, merge, or
4 consolidate as a home rule city, borough, or unified municipality.

5 * Sec. 24. AS 29.10.010(f) is amended to read:

6 (f) The proposed charter for a home rule municipality to be formed by
7 incorporation, merger, or consolidation [AN AREA OF THE UNORGANIZED
8 BOROUGH] shall be prepared by the petitioners and filed [UNDER AS 29.05.060]
9 with the petition to incorporate, merge, or consolidate a home rule city, borough, or
10 unified municipality.

11 * Sec. 25. AS 29.10.020 is amended to read:

12 Sec. 29.10.020. MODEL CHARTERS. The department shall prepare at least
13 one model home rule charter for a city, borough, and unified municipality. The
14 model charters [CHAPTER] shall be made available to persons interested in filing a
15 petition to form [INCORPORATE] a home rule municipality [BOROUGH] under
16 AS 29.05.060 or AS 29.06.090.

17 * Sec. 26. AS 29.10.070 is amended to read:

18 Sec. 29.10.070. CHARTER ELECTION. The proposed home rule charter for
19 an existing municipality shall be submitted to the voters at an election held not less
20 than 30 days or more than 90 days after the proposed charter is published. The
21 proposed home rule charter for a home rule municipality to be formed by
22 incorporation, merger, or consolidation [AN AREA IN THE UNORGANIZED
23 BOROUGH] shall be submitted to the voters at an [INCORPORATION] election held
24 under AS 29.05.110 or AS 29.06.140.

25 * Sec. 27. AS 29.10.080(a) is amended to read:

26 (a) If a majority of those voting in an existing municipality favor the proposed
27 charter or if a majority of those voting to form a home rule municipality by
28 incorporation, merger, or consolidation [IN AN AREA IN THE UNORGANIZED
29 BOROUGH] favor incorporation, merger, or consolidation [OF A HOME RULE
30 BOROUGH], the proposed charter becomes the organic law of the municipality
31 effective on the date the election is certified. Thereafter, a court shall take judicial

1 notice of the charter. The new home rule municipality shall file the indicated number
2 of copies of the charter with

- 3 (1) the lieutenant governor - two copies;
- 4 (2) the department - two copies;
- 5 (3) the district recorder - one copy;
- 6 (4) the municipal clerk - one copy.

7 * Sec. 28. AS 29.10.090(b) is amended to read:

8 (b) If incorporation, merger, or consolidation of a home rule municipality
9 [BOROUGH] is rejected by the voters [IN AN AREA IN THE UNORGANIZED
10 BOROUGH], the proposed charter is rejected.

11 * Sec. 29. AS 29.10.100 is amended by adding a new subsection to read:

12 (c) If a charter is amended, the municipality shall file the indicated number of
13 copies of the revised charter with

- 14 (1) the lieutenant governor - two copies;
- 15 (2) the department - two copies;
- 16 (3) the district recorder - one copy;
- 17 (4) the municipal clerk - one copy.

18 * Sec. 30. AS 44.47.567(a) is amended to read:

19 (a) The local boundary commission shall

20 (1) make studies of local government boundary problems;
21 (2) adopt regulations providing [DEVELOP PROPOSED] standards
22 and procedures for municipal incorporation, annexation, detachment, merger,
23 consolidation, reclassification, and dissolution [CHANGING LOCAL BOUNDARY
24 LINES];

25 (3) consider a local government boundary change requested of it by the
26 legislature, the commissioner of community and regional affairs, or a political
27 subdivision of the state; and

28 (4) develop standards and procedures for the extension of services and
29 ordinances of incorporated cities into contiguous areas for limited purposes upon
30 majority approval of the voters of the contiguous area to be annexed and prepare
31 transition schedules and prorated tax mill levies as well as standards for participation

1 by voters of these contiguous areas in the affairs of the incorporated cities furnishing
2 services.

3 * Sec. 31. AS 29.04.040(c) and AS 29.10.010(b) are repealed.

MEMORANDUM

State of Alaska

TO: Hon. Emil Notti, Commissioner
Department of Community & Regional
Affairs

DATE: May 30, 1984

FILE NO: 366-567-84

TELEPHONE NO: 465-3600

FROM: Norman C. Gersuch
Attorney General

SUBJECT: Municipal name at
time of incorpora-
tion

By: *James L. Baldwin*
James L. Baldwin
Assistant Attorney General
Governmental Affairs-Juneau

RECEIVED

JUN 4 1984

DEPT. OF COMM. & REG. AFFAIRS
DIV. OF MUNICIPAL & REG. ASST.

You have asked our advice concerning the powers of the Local Boundary Commission (AS 44.47.365) to determine the municipal name during the incorporation process. Apparently, citizens residing in an unincorporated community on the Kenai Peninsula differ on the name for a municipal corporation to represent the community. One group favors the name "Nikishki," while the other believes the community should be known as "Nikishka." The Dictionary of Alaska Place Names (Geological Survey Professional Paper #56 1971), sets out both names for the locality within the boundaries of the proposed city.

The name of the municipal corporation must be either expressed in the grant or statute or implied from the nature of it. The identity of the name is the principal means of effecting that perpetual succession with members frequently changing, which is an important purpose of incorporation. E. McQuillin, The Law of Municipal Corporations § 5.01 (3d ed. 1979 rev'd).

The municipal code (AS 29) makes no provision for the grant of a certificate of incorporation to a newly formed municipality. Apparently, the official designation of corporate status takes the form of the incorporation petition and any revision or addition to the petition made by the Department of Community and Regional Affairs and the Local Boundary Commission. We believe that the Local Boundary Commission has broad powers to determine the official corporate name. In the words of the Alaska Supreme Court, "[T]he Local Boundary Commission has been given a broad power to decide in the unique circumstances presented by each petition whether [municipal government] is appropriate." McBil Oil Corporation v. Local Boundary Commission, 518 P.2d 92, 98 (Alaska 1974). The standard of judicial review for the commission's decision concerning corporate name is whether the record sets out a reasonable basis of support for the action taken. Id. As we understand the facts of this incorporation petition, there are in fact two competing petitions. These petitions should be combined by the department under the power conferred by AS 29.-

THE
FOLLOWING
DOCUMENTS
ARE
POOR
ORIGINAL
COPIES

However, the actions taken by the department are ad-
only. AS 29.18.080(a).

When the Local Boundary Commission acts on the incor-
poration petition, it is exercising delegated legislative author-
ity. Mobil Oil, 518 P.2d at 99. The legislature has provided
full power to the Local Boundary Commission to resolve the ques-
tion of which corporate name should become the official name of
the new city. The commission must accept this responsibility and
carry out its charge to objectively decide if incorporation of a
locality is in the best interests of the state and under what
conditions the incorporation petition should be accepted. Per-
sons residing in the locality will be able to express their sen-
timents concerning the municipal name at the public hearing re-
quired by AS 29.18.050(b).

If, after incorporation, residents are not satisfied
with the commission's decision, a procedure is established by law
for the change of corporate name. AS 29.73.050.

JLB/pjg

Sec. 33. The "governing body" which is to direct community work service in an established village is not presently defined. In the May 29, 1986 bill review by the Attorney General's Office of the existing language, the lack of a definition was noted and the proposed language suggested. A body traditionally performing public functions for the community could include the entity designated to receive and disburse revenue-sharing funds under AS 29.60.140 or the entity designated to administer Village Sale Water Facilities under AS 46.07.010, et seq.

Secs. 34 - 39. Language governing sanctions for violation of a ban on possession has been conformed to the new local option provisions.

Sec. 40. AS 04.21.010 addressing municipal regulation has been conformed to the new local option provisions. Additionally, municipalities are given the authority to adopt ordinances limiting the monthly amount a person can import.

Secs. 41 - 42. Language has been conformed to the new local option provisions.

Sec. 43. The perimeter of an established village had not been defined in the existing statutes, although the various local option prohibitions apply within the perimeter. This definition provides that the perimeter can be no larger than 10 miles in diameter and requires the perimeter to be clearly designated on a map.

Secs. 44 - 49. Language has been conformed to the new local option provisions.

Sec. 50. This section sets out the repealed provisions, which are all of the existing local option laws at AS 04.11.490 - 04.11.506 and 04.11.510(d) and the community license designation under AS 04.11.190.

Sec. 51. Local options adopted under existing and prior local option laws are continued in effect.

Sec. 52. Community liquor licenses are converted to their appropriate counterpart.

Sec. 53. The effective date is set for July 1, 1994 in order to provide a definite date for implementation by municipalities and established villages and enforcement by law enforcement officers.

STATE OF ALASKA

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 112100
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700
FAX: (907) 465-2948

333 W. 4TH AVENUE, SUITE 220
ANCHORAGE, ALASKA 99501-2341
PHONE: (907) 269-1500
FAX: (907) 269-4520

APR 14 1993

April 13, 1993

The Honorable Randy Phillips
Chair
Senate Committee on Community
and Regional Affairs
State Capitol
Juneau, AK 99811

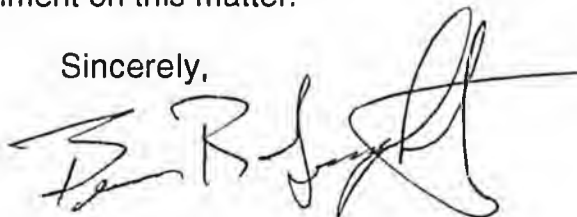
Dear Senator Phillips:

This is to follow up on this morning's hearing before your Committee on draft CSSB 164. The Department supports the draft, but encourages the Committee to consider the following minor technical points.

- 1) Although the bill addresses annexation, detachment, merger and consolidation, the title of the bill makes no reference to those topics. Perhaps the title should be amended to include those terms.
- 2) Because AS 29.04.040 would be amended to allow reclassification of first class and home rule cities, it appears that the title of that section should be amended accordingly. Currently, the title only makes reference to reclassification of second class cities.
- 3) The use of the word "shall" in line 19 Section 21 of the bill appears to be inconsistent with other provisions of CSSB 164. The apparent inconsistency could be corrected by substituting the word "may".

Finally, enclosed is a fiscal note on CSSB 164 indicating no fiscal impact. Thank you for the opportunity to comment on this matter.

Sincerely,



Bruce Geraghty
Deputy Commissioner

Enclosure: fiscal note - CSSB 164

DEPARTMENT OF COMMUNITY AND
REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

333 W. 4TH AVENUE, SUITE 220
ANCHORAGE, ALASKA 99501-2341
PHONE: (907) 269-4500
FAX: (907) 269-4539

P.O. BOX 348
BETHEL, ALASKA 99559-0348
PHONE: (907) 543-3475
FAX: (907) 543-4152

P.O. BOX 350
KOTZEBUE, ALASKA 99752-0350
PHONE: (907) 442-3696
FAX: (907) 442-2402

P.O. BOX 1068
NOME, ALASKA 99762-1068
PHONE: (907) 443-5457
FAX: (907) 443-2409

P.O. BOX 112100
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4814
FAX: (907) 465-2948

209 FORTY MILE AVENUE
FAIRBANKS, ALASKA 99701-3110
PHONE: (907) 452-7126
FAX: (907) 451-7251

P.O. BOX 790
DILLINGHAM, ALASKA 99576-0790
PHONE: (907) 842-5135
FAX: (907) 842-5140

April 7, 1994

The Honorable Mike Miller
Senator - District Q
State Capitol, Room 423
Juneau, Alaska 99801-1182

RE: CSSB 164(JUD)

Dear Senator Miller:

This is to urge your support for CSSB 164(JUD). The bill serves the needs of many communities in Alaska and promotes better local government.

Consider, for example, the pending petitions to create the North Pole Borough by detaching territory from the Fairbanks North Star Borough. While CSSB 164(JUD) will not alter the criteria upon which those petitions will be judged, it will resolve technical questions that exist with respect to those petitions — and nearly all other petitions that come before the Local Boundary Commission.

We have not yet completed our review of the 670 pages that make up the North Pole petitions. However, we have determined at this point that the proposed North Pole Borough Assembly Apportionment Plan appears to violate presumptive standards concerning both Alaska's equal protection clause and the federal equal protection clause.

Courts have generally held that deviations exceeding 10% in the apportionment of elected representatives among districts are presumed to violate those provisions, unless the districts were based upon legitimate considerations necessary to implement a rational policy. It appears that the deviations in the North Pole Apportionment Plan are on the order of 33% — more than 3 times the presumptive maximum allowed deviation.

The Honorable Mike Miller
April 7, 1994 — Page Two

If the North Pole Borough Assembly Apportionment Plan is indeed improper, the proposed home rule charter included with the petitions must be amended. We believe, based upon advice from the Department of Law, that the Local Boundary Commission has broad implicit constitutional authority to amend petitions. However, the Commission's explicit statutory authority to amend an incorporation petition is limited only to boundaries (see AS 29.05.100).

A case is presently pending before the Alaska Supreme Court (Case No. 1JU-92-1226 CI — Supreme Court No. S5760) which addresses the question whether the Local Boundary Commission's broad constitutional powers under Article X, § 12 are limited to annexations and detachments, or whether they extend to incorporations. If the court finds the former, we will be forced to reexamine our conclusions with respect to the Commission's authority to amend an incorporation petition. However, CSSB 164(JUD) will resolve the question by expressly providing broad authority for the Commission to amend any petition that comes before it.

The example deals with but one aspect of the bill. Other similarly critical technical amendments to laws concerning municipal incorporation, dissolution, annexation, detachment, merger, consolidation and reclassification are addressed by the bill. We have prepared two pages of (far less detailed) examples of the manner in which the bill benefits interests of communities from Ketchikan to St. Mary's. We have also prepared a one-page summary of the effects of the bill and a three-page sectional analysis. If you would like copies of these materials, please advise me.

In closing, I wish to stress that passage of CSSB 164(JUD) will neither increase nor decrease the likelihood that the North Pole petitions will be approved. It will however, eliminate technical concerns that have already arisen regarding the petitions and which typically arise in many petitions that come before the Commission. Again, I urge your support of CSSB 164(JUD).

Cordially,



Robert K. Walsh
Director

cc: Senator Rick Halford
Senator Robin Taylor
Senator Randy Phillips
Darroll Hargraves, Chairman, Local Boundary Commission
Edgar Blatchford, Commissioner, Dept. of Community & Regional Affairs

WALTER J. HICKEL, GOVERNOR

LOCAL BOUNDARY COMMISSION333 W. 4TH AVE., SUITE 220
ANCHORAGE, ALASKA 99501-2341
(907) 269-4500

April 6, 1994

The Honorable Rick Halford
President of the Alaska Senate &
Chairman of the Senate Rules Committee
State Capitol, Room 111
Juneau, Alaska 99801-1182

RE: CSSB 164(JUD)

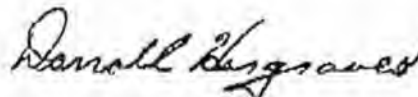
Dear Senator Halford:

As we discussed, CSSB 164(JUD) serves the needs of many communities in Alaska and promotes better local government. The Local Boundary Commission considers this legislation to be vital to the performance of our duties. The bill makes important technical amendments to laws concerning municipal incorporation, dissolution, annexation, detachment, merger, consolidation and reclassification.

I understand that a one-page summary of the effects of the bill and a three-page sectional analysis were provided to you previously by Senator Phillips. I have attached for your further information, specific examples of the manner in which the bill serves Alaskans and promotes better local government.

I appreciate your support for this bill. It is important that CSSB 164(JUD) be passed out of the Rules Committee and the Senate in a timely manner in order that the House may also act on the bill this session.

Cordially,



Darroll Hargraves
Chairman

attachment: examples of the manner in which CSSB 164(JUD) serves Alaskans and promotes better local government

cc: Robert Walsh, Director, Municipal and Regional Assistance Division.