

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2006 8672

11733 SENATE COMMUNITY & REGIONAL AFFAIRS

Alaska Association of Harbormasters and Port Administrators Deferred Maintenance Funding Summary

List of Communities That Have Accepted Harbor Ownership from the State of Alaska

Location	Facility	Sale Date/Type	*State Funds Already Provided	Cost Est Provided	Funds Required	Contact	Phone Number
Chetana	Oil Spill Response & Seaplane Float	10/21/1998 Bill of Sale	\$ 315,000		\$678,000	Olen Harris	562-1444
Cold Bay	Dock	11/05/1992 Bill of Sale	na	Eng Est 5/4/95	\$500,000	Bob Justner	774-7555
Cordova	Small Boat Harbor	8/03/2003 Bill of Sale	\$ 4,876,000	Est 1/31/2004		Dale Muma	474-6400
Craig	Dock	12/19/2001 Bill of Sale					
	North Cove Small Boat Harbor	6/30/1992 Comm's Deed	\$ 581,000	Quote 2/3/2004	\$175,000	Michael Kampuch	826-3404
Homer	South Cove Small Boat Harbor	9/14/1995 Comm's Deed					
	Small Boat Harbor	4/30/1999 Bill of Sale	\$ 1,665,400	Est 10/2005	\$3,300,000	Steve Dean	235-3180
Juneau	Aurora Small Boat Harbor						
	Don Stearns Small Boat Harbor						
	Douglas Dock						
	Douglas Small Boat Harbor	4/2/2003 Bill of Sale	\$ 7,119,000	Eng Report 3/04	\$17,100,000	John Stone	586-0294
	Harris Small Boat Harbor						
Ketchikan	Taku Small Boat Harbor						
	North Douglas Launch Ramp						
	Bar Harbor North	8/11/2004 Bill of Sale					
	Bar Harbor South	5/15/2002 Bill of Sale					
King Cove	City Float	1/1/1999 Bill of Sale	\$ 7,876,000	Est 9/1/05	\$13,450,000	Chris Brewster	228-5632
	Ryker Float	8/11/2004 Bill of Sale					
	Thomas Basin Small Boat Harbor	8/11/2004 Bill of Sale					
	Old Harbor	3/25/1995 Bill of Sale	\$ 352,000	Eng Est 2/3/06	\$4,592,000	David Hartz	497-2217
Klawock	Small Boat Harbor	5/28/2003 Bill of Sale					
	Dock	5/16/1986 Quit Claim Deed	\$ 896,000		\$200,000	John Morris	755-2261
Kodiak	City Float						
	St. Jermans Small Boat Harbor	3/12/1999 Bill of Sale	\$ 1,775,500	Eng Rep 2/02 Update Est 2/06	\$14,900,000	Marty Owen	486-9000
	St. Paul Small Boat Harbor						
Old Harbor	Charcoal Treatment Float						
	Dock	5/20/1991 Bill of Sale			\$1,000,000	Jim Nestor	286-2204
Pelican	Float	5/26/1993 Bill of Sale	\$ 154,000				
	Small Boat Harbor & Seaplane Float	9/26/1991 Bill of Sale	\$ 1,451,142	1/30/2006	\$1,000,000	Patty Phillips	335-2202
Petersburg	North Harbor	12/06/2005 Bill of Sale	\$ 2,500,000				
	Middle Small Boat Harbor	6/01/2003 Bill of Sale	\$ 3,729,000	Eng Est 2/6/06	\$2,500,000	Jim Stromboli	172-4608
	South Small Boat Harbor						
Sand Point	Small Boat Harbor	12/2/1992 Bill of Sale	na		\$2,100,000	Richard Kucharski, Sr	183-2696
Seldovia	Small Boat Harbor	5/18/2004 Bill of Sale	\$ 2,628,000		\$1,400,000	Ronda Haynes	234-7643
Seward	Small Boat Harbor	2/25/1999 Bill of Sale	\$ 3,134,200	Eng Est 2/6/06	\$7,693,000	Scott Ransom	224-3138
Sitka	Crescent Harbor (A, D, 1-4)	11/09/2001 Bill of Sale					
	Crescent Harbor (E, F, 5-7)	10/30/2004 Bill of Sale					
	Sealing Cove Small Boat Harbor	09/30/2004 Bill of Sale	\$ 6,468,000	Est 2/1/06	\$4,500,000	Ray Majestic	747-1439
	Thomson Small Boat Harbor (Old ANH Float)	08/30/2004 Bill of Sale					
Skagway	Small Boat Harbor	6/18/1992 Comm's Deed					
	Small Boat Harbor	10/21/2004 Bill of Sale	\$ 1,068,852	Est 1/1/06	\$ 2,525,000	Mamee O'Holek	981-2628
Tatook	Oil Spill Response and Ferry Dock	10/31/1998 Bill of Sale	\$ 315,000		\$270,000	Olen Harris	562-1444
Valdez	Small Boat Harbor	12/03/2003 Bill of Sale	\$ 3,013,000	Est 2/1/06	\$2,500,000	Alan Sorum	835-4981
Whittier	Passenger Loading Dock	5/15/2002 Bill of Sale					
	Small Boat Harbor	8/02/2004 Bill of Sale	\$ 2,479,000		\$4,800,000	Mark Earnest	472-2327/113
Wrangell	Fish & Game Float						
	Inner Small Boat Harbor						
	Reliance Small Boat Harbor	8/20/2003 Bill of Sale	\$ 1,492,000	Eng Est 2/3/06	\$6,200,000	Greg Messner	874-3716
	Shumaker Bay Harbor						
Yakutat	Standard Float						
Yakutat	Small Boat Harbor and Seaplane Float	8/8/2005 Bill of Sale	\$ 326,000	Eng Rep 12/04	\$ 2,205,000	Erving Green	784-3323

Total State Funding Provided **\$64,354,394**

Funding Needed to Complete Repairs **\$99,858,000**

Spreadsheet prepared by Alan Sorum on 25 March 2005. Contact: (907) 835-4981
 *Revised by John Stone on Feb. 6, 2006 to show verified cost estimates: 907-586-0294

AAHPA is requesting a 50% match grant program
 (e.g., State Funding request of approximately \$48 million, local match requirement of \$48 million)



**Alaska Association of Harbormasters
And Port Administrators**
617 Katlian Ave., Sitka, AK 99835
Phone: (907) 747-4877 Fax: (907) 747-6278

Senate Community and Regional Affairs Committee

March 6, 2006

SB 291

Testimony by John Stone

President, AAHPA

Mr. Chair and members of the Senate Community and Regional Affairs Committee, my name is John Stone. I am the president of the Alaska Association of Harbormasters and Port Administrators.

The Alaska Association of Harbormasters is an organization comprised of the senior managers from 27 community harbor systems. These include Anchorage, Bethel, Bristol Bay Borough/Naknek, Cordova, Craig, Dillingham, Haines, Homer, Hoonah, Juneau, Kenai, Ketchikan, King Cove, Kodiak, Nome, Pelican, Petersburg, Port MacKenzie, Sand Point, Seward, Sitka, Skagway, Unalaska/Dutch Harbor, Valdez, Whittier, Wrangell, and Yakutat. The Association's goal is simple: to make Alaska's harbors the best they can be.

First, let me say that the Association fully supports SB 291 and appreciates the Committee taking the lead on this important state and community issue. During the past several years, the Association has attempted to bring the dilapidated condition of Alaska's harbor infrastructure to the attention of the Legislature. We appreciated the opportunity to speak to the Fish Caucus last session to discuss this statewide problem. We are also very encouraged that the Alaska Department of Transportation fully supports this bill.

Most of Alaska's harbor infrastructure was built by the Alaska Department of Transportation and Public Facilities in the 1960's and 1970's. Largely, this infrastructure is at the end of its useful life making complete replacement of it necessary. We believe the financial resources needed to replace these facilities before the end of their lives requires the collective effort of the State and local harbor jurisdictions.

**Testimony of John Stone, President of AAHPA, on SB-291
Before the Senate Community and Regional Affairs Committee
March 6, 2006**

The State's policy for many years was to enter into agreements with the cities and municipalities for the operation of the harbor systems with the State retaining title to the physical harbor improvements. The cities and municipalities established enterprise funds and assessed fees to users in an amount necessary to finance the operating cost of the facilities. This arrangement has worked very well from an operations standpoint. Unfortunately, neither party addressed facility replacement; the locals because they did not hold title to the improvements and the State because funding was not available.

In the 1990's, the State developed a new policy whereby the title of the physical improvements would be turned over to the local harbor jurisdictions along with some funding to help with facility replacement. Although the policy is sound, the program suffered from the fact that the funding provided with the transfer of title was only a fraction of the funding needed to replace the infrastructure that was transferred.

As the transfers have gone forward, local harbor jurisdictions developed facility replacement schedules and began looking at fees to cover facility replacement costs. It became clear that harbor fees needed to increase several-fold in short order. It also became clear that fees alone are not sufficient to recapitalize the transferred harbor infrastructure before it is lost.

Local harbor jurisdictions have indeed stepped up to the plate. Many of us are looking to finance revenue bonds with fee increases in order to replace transferred infrastructure. The Association believes this presents a good opportunity for a match funding program with the State. Many local governments, the State Chamber, the Alaska Municipal League, and our Association have adopted resolutions in support of this harbor match funding program.

We ask for this match program because we believe it is a good investment for the State. My colleagues at the Association will expand upon this point. Suffice to say that our harbors substantially contribute to the State's economy and are the lifeblood of many communities.

In summary, we thank the Chair and Committee for its consideration of SB 291. The Alaska Association of Harbormasters and Port Administrators strongly supports this bill. The dilemma facing us is that we have a tremendous amount of harbor

**Testimony of John Stone, President of AAHPA, on SB-291
Before the Senate Community and Regional Affairs Committee
March 6, 2006**

infrastructure that is at the end of its useful life. This infrastructure has been put into our hands. We are scrambling to find ways to replace it before it is lost. We are also substantially increasing fees to help with replacement costs. We have learned that fees are not the total answer. This bill provides much needed help with these replacements by matching our local investments. This bill also achieves the policy goal of the harbor transfers, whereby the local communities become responsible for the operation, maintenance, and replacement of the harbor improvements, because it gives us the capability to replace the transferred infrastructure before it is lost.

Thank-you.

ALASKA STATE LEGISLATURE

SESSION

State Capitol, Rm 30
Juneau, Alaska 99801-1182
(907) 465-3873 Phone
(907) 465-3922 Fax
(877) 463-3873 Toll Free
Senator Bert Stedman@legis.state.ak.us



INTERIM

50 Front Street
Ketchikan, AK 99901-6442
Phone (907) 225-8088
Fax (907) 225-4713

SENATOR BERT K. STEDMAN

SPONSOR STATEMENT SB 291

"An Act relating to the municipal harbor facility grant program; and providing for an effective date."

For Alaskan coastal communities, harbors are their road to resources. Harbors are critical transportation links, hubs of waterfront commerce that many businesses depend on and protection areas for ocean going vessels.

Over the past 10 years, the Department of Transportation has transferred ownership of state harbors to 22 municipalities around Alaska's coast. In many instances the state had neglected its responsibility for conducting major preventative maintenance on those harbors. Although funds accompanied the transfers, the funds were insufficient to bring the harbors up to safe and serviceable condition. Accordingly, when local harbor masters took over the budgeting for their facilities they inherited a major financial burden that their local governments could not afford.

In 2005 the Statewide Harbor Masters Association met to find a solution to the approximately \$99,858,000 in needed repairs. They brought forward a proposal for a 50/50 matching grant program. That proposal is reflected in Senate Bill 291.

SB 291 establishes the Municipal Harbor Facility Grant Fund and a 50/50 capital matching funding program administered by the Department of Transportation. The bill sets out strict criteria to determine project eligibility. For example the application must be for a capital improvement project, not routine maintenance, which is considered a local responsibility, and the municipality must have the financial capability to maintain the harbor in the future. The bill prioritizes repair and major maintenance projects above other projects or new construction. Once a harbor facility receives funding under this program it will not be eligible for additional grants.

In order to access resources and continue to stimulate our economy, Alaskan harbors must be in good working order. This legislation partners the state and municipalities in this endeavor.

Contact: Kim Carnot, Aide to Senator Bert Stedman at (907) 465-3873

DISTRICT A

*Ketchikan • Sitka • Petersburg • Wrangell
Pelican • Elfin Cove • Port Alexander • Saxman • Meyers Chuck • Thorne Bay • Coffman Cove • Hollis*



Alaska State Legislature

Senate Majority Web: www.akrepublicans.org

Sponsor: Senator Bert Stedman
Current Version: SB 291
Contact: Kim Carnot, 465-3873

Fact Sheet for: Senate Bill 291

Short Title: MUNICIPAL HARBOR FACILITY GRANTS

Summary:

- Establishes a capital improvement program for harbor facilities with a one time 50/50 matching grant program for municipalities.
- Funds major maintenance and capital improvements by using a portion of the watercraft fuel tax.
- Requires the Alaska Department of Transportation and Public Facilities to administer the program.

Benefits:

- Creates safer and more functional harbors for coastal communities.
- Helps stimulate the economy of the entire state by improving harbors, which are the main economic engine of coastal communities.

Background:

- Alaska has more coastline than the entire contiguous United States. Harbors are critically important to Alaska. Over the past decade, the state has transferred ownership of harbors to municipalities. Unfortunately, the harbors were in poor condition at the time of transfer due to the state's failure to keep up with deferred maintenance. SB 291 helps alleviate the burden on municipalities by creating a 50/50 matching grant program to pay for major maintenance and capital improvements.



Cordova District Fishermen United

P.O. Box 939
Cordova, Alaska 99574
(907) 424-3447 FAX (907) 424-3430

February 22, 2006

RECEIVED
2/27/06

Senator Bert Stedman
State Capitol, Room 30
Juneau, AK 99801-1182

RE: Support SB 291 - Municipal Harbor Facilities Grant Fund

Dear Senator Stedman,

Cordova District Fishermen United (CDFU) supports SB 291 that will create a program to achieve capital improvements for harbor facilities through a one-time 50/50 match grant to municipalities.

The transfer of harbor management and funding from the state of Alaska to local communities has proven to be extremely costly to those communities that have been willing to assume this responsibility. This is in part due to deferred maintenance and the rising cost of repairs

For Alaska's coastal communities, harbors maintenance & facilities are critical for the fishing industry as well as residents & visitors. It is imperative that these harbors be in a good state of repair, both for functionality & safety of its users.

CDFU supports the creation of a program that will fund capital improvements as well as major maintenance of harbor facilities made possible through SB 291.

Sincerely,

Diane Platt
Executive Director



City

of

RECEIVED
11/16/06

Pelican

RD# 737 PELICAN ALASKA 99817 PHONE 735 2202 2203 FAX 735 2298 E-MAIL cityhall@pelicancity.net WEBSITE www.pelicancity.net

**CITY OF PELICAN
RESOLUTION 2006-2**

A RESOLUTION TO PROVIDE MATCHING MAINTENANCE AND REPAIR FUNDS TO LOCAL GOVERNMENT OWNED HARBORS

WHEREAS, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and,

WHEREAS, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and,

WHEREAS, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and,

WHEREAS, local governments are willing to assume financial responsibility of their ownership roles; and,

WHEREAS, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and,

WHEREAS, increased moorage fees is a disincentive for using the Pelican Boat Harbor; and,

WHEREAS, local governments seek financial assistance from the Legislature to improve Alaska's harbor facilities; and

WHEREAS, local governments request the Legislature to provide a 50% match funding program for the maintenance and repair of the transferred harbors.

NOW, THEREFORE BE IT RESOLVED that the City of Pelican requests that the State of Alaska Legislature provide capital matching funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments to fund deferred port and harbor maintenance projects.

RESOLUTION 2006-2
PAGE 2

PASSED, APPROVED AND ADOPTED this 31ST day of JANUARY,
2006.

Signed: Patricia Phillips
Patricia Phillips, Mayor

Attest:

Betty T. Bean
Betty T. Bean, City Clerk/Treasurer

RESOLUTION # 1791

**A RESOLUTION REQUESTING THE STATE LEGISLATURE PROVIDE
MATCHING MAINTENANCE AND REPAIR FUNDS TO LOCAL
GOVERNMENT OWNED HARBORS**

Offered by: Anderson
Supported by: Sarff

Whereas, the State of Alaska built and owned many of the harbor facilities in Alaska's communities and under State of Alaska ownership the maintenance and repair of the harbor facilities was minimal; and

Whereas, when transferring ownership of the harbor facilities to the local governments the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and

Whereas, local governments are willing to assume financial responsibility of their ownership roles, but have realized that ownership requires moorage rates to the public be increased substantially to restore the harbors to "good" condition; and

Whereas, local governments are not able to implement the dramatic moorage increases needed to restore the facilities and must seek financial assistance from the Legislature.

THEREFORE, BE IT RESOLVED by the Petersburg City Council - in order to prevent Alaska's harbor facilities from decaying and disappearing, the State of Alaska Legislature is requested to provide a 50% capital matching fund program to local governments who have accepted ownership of the previously State owned harbors for the purpose of helping the local governments fund deferred port and harbor maintenance projects.

PASSED AND APPROVED by the Petersburg City Council February 6, 2006.


Ted Smith, Mayor

ATTEST: 
Kathy O'Rear, City Clerk

CERTIFIED COPY

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 05-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, URGING THE LEGISLATURE TO PROVIDE MAINTENANCE AND REPAIR FUNDS TO LOCAL GOVERNMENT OWNED HARBORS

WHEREAS, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and,

WHEREAS, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and,

WHEREAS, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and,

WHEREAS, local governments are willing to assume financial responsibility of their ownership roles;

WHEREAS, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and,

WHEREAS, many local governments may not be able to implement such dramatic moorage increases without financial assistance; and

WHEREAS, local governments seek financial assistance from the Legislature to prevent Alaska's harbor facilities from disappearing.

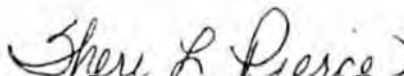
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that the State of Alaska Legislature is urged to provide capital funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments transition to their ownership roles.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 22nd day of February, 2005.

CITY OF VALDEZ, ALASKA


Bert L. Cottle, Mayor

ATTEST:


Sheri L. Pierce, CMC/AE, City Clerk



ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS

Resolution Number 2005-01

A resolution of the Alaska Association of Harbormasters and Port Administrators for the Legislature to provide matching maintenance and repair funds to local government owned harbors.

Whereas, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and,

Whereas, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and,

Whereas, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and,

Whereas, local governments are willing to assume financial responsibility of their ownership roles;

Whereas, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and,

Whereas, many local governments may not be able to implement such dramatic moorage increases without financial assistance; and

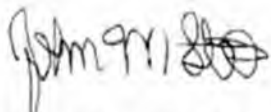
Whereas, local governments seek financial assistance from the Legislature to prevent Alaska's harbor facilities from disappearing; and

Whereas, local governments request the Legislature to provide 50% match funding program for the maintenance and repair of the transferred harbors.

THEREFORE, BE IT RESOLVED by the Alaska Association of Harbormasters and Port Administrators that it requests that the State of Alaska Legislature provide capital matching funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments to fund deferred port and harbor maintenance projects.

Section 1. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the Alaska Association of Harbormasters and Port Administrators, this 12nd day of October, 2005.



John M. Stone, P.E., President
Alaska Association of Harbormasters and Port Administrators



UNITED FISHERMEN OF ALASKA

21, Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

March 8, 2006

Senator Bert Stedman, Chairman
Senate Resources Committee
Alaska State Legislature
State Capitol (Mail Stop 3100)
Juneau AK 99801

COPY

Dear Senator Stedman,


United Fishermen of Alaska (UFA) supports Senate Bill 291 and House Bill 478, establishing the Municipal Harbor Facility Grant Fund and a 50/50 capital matching funding program administered by the Department of Transportation. The funds are not for routine maintenance, but for capital improvement projects.

Alaska's harbors are the foundation of the transportation infrastructure in many or most coastal communities, serving commercial fishermen as well as other businesses and recreational users. After the transfer from state to local management in recent years, many harbors suffer from deferred maintenance, and efforts to fund the necessary repairs through local taxes and user fees have in many cases not been affordable to users.

An amendment to HB 478 in House Resources Committee has added the fisheries business tax as a potential source for harbor funding, and UFA prefers the original legislation calling for the watercraft fuel tax as the source of funding. The allocation of fisheries business tax brings complications with other uses of these funds, and raises concern that the burden for harbors may fall disproportionately upon commercial fishermen among the many users of the harbors. We prefer the legislation in its original form, but are completely in support of the concept and need for harbor facility funding.

UFA represents thirty-one Alaska commercial fishing groups from fisheries throughout the state, altogether representing thousands of individual Alaska fishermen.

Thank you for your consideration.


Mark Vinsel
Executive Director

HB

42

24-LS0309\G
Utermohle
3/7/05

SENATE CS FOR HOUSE BILL NO. 42(CRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES ELKINS, Foster, Kelly, Holm, Chenault, Stoltze, Hawker, Croft, Meyer, Anderson, Berkowitz, Cissna, Coghill, Crawford, Dahlstrom, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Thomas, Weyhrauch, Wilson

A B I L

FOR AN ACT ENTITLED

1 **"An Act naming the Joseph C. Williams, Sr., Coastal Trail."**

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

3 *** Section 1.** AS 35.40 is amended by adding a new section to read:

4 **Sec. 35.40.053. Joseph C. Williams, Sr., Coastal Trail.** The bike path
5 adjacent to the South Tongass Highway between Ketchikan and Saxman is named the
6 Joseph C. Williams, Sr., Coastal Trail.

24-LS0760VA
Utermohle
3/7/05

**SENATE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Introduced:
Referred:

*Introduced: 3/2/05, 10:00 AM by Sen. Utermohle
Referred: 3/2/05, 10:00 AM by Sen. Utermohle*

A RESOLUTION

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**
2 **Legislature, concerning House Bill No. 42, relating to the Joe Williams, Sr., Coastal**
3 **Trail.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
6 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
7 changes to the title of a bill, are suspended in consideration of House Bill No. 42, relating to
8 the Joe Williams, Sr., Coastal Trail.

ALASKA STATE LEGISLATURE

INTERIM

50 Front Street
Suite 203
Ketchikan, Alaska 99901
Phone (907) 247-4672
Fax: (907) 225-8546



SESSION

Suite 416
State Capitol Building
Juneau, Alaska 99801
Phone: (907) 465-3424
Fax: (907) 465-3793

REPRESENTATIVE JIM ELKINS

Sponsor Statement

If adopted, House Bill 42 will rename the three miles of trail alongside the South Tongass Highway between Ketchikan and Saxman, Alaska the Joe Williams Sr., Coastal Trail.

Joe was an advocate for the construction of a trail alongside the South Tongass Highway between the Cities of Ketchikan and Saxman. Residents of these communities for many years, without the means of transportation, commonly walked the three miles between towns alongside the road with tragic results.

After the trail was completed, it quickly became a favorite walking and bicycling path used by visitors and locals alike. Set between the Ocean and the Highway the Joe Williams Sr. Coastal Trail is both scenic and historically important to the people of the Ketchikan Area.

Joe's son, William K. "Bill" Williams, while serving as a member of the Alaska State House of Representatives, worked diligently to obtain funding for the construction of this traditional path between these two communities.

This Legislation honors the memory of a highly respected member of the Native Community in Southeast Alaska, and will help recognize the Twelve Years of service to the people of the State of Alaska by his son.


City of Ketchikan



JAN 26 2005

334 Front Street
Ketchikan, Alaska 99901
Phone 907-225-3111
Fax 907-225-5075

January 21, 2005

Representative Jim Elkins 
Alaska House of Representatives
State Capitol, Room 416
Juneau, AK 99801-1182

Dear Representative Elkins:

I am writing in support of House Bill 42 "An Act naming the Joe Williams, Sr., Coastal Trail."

Mr. Williams was a highly respected tribal and political leader in Saxman and Ketchikan for many years. Naming the trail that connects these two communities would honor Mr. Williams and memorialize his efforts over a long period of time to make our communities better places to live.

Sincerely,

Bob Weinstein
Mayor

KETCHIKAN GATEWAY BOROUGH

OFFICE OF THE BOROUGH MAYOR

Michael B. Salazar

344 FRONT STREET

KETCHIKAN, ALASKA 99901

PHONE: 907.228.6605

FAX: 907.247.8439

Office of Representative Elkins

JAN 27 2005


January 21, 2005

Representative Jim Elkins
Alaska State Legislature
State Capitol, Room 416
Juneau, AK 99801-1182

Dear Representative Elkins:

I would like to offer my full support for House Bill No. 42 which names the bike path adjacent to the South Tongass Highway, between the City of Ketchikan and the City of Saxman, as the "Joe Williams, Sr., Coastal Trail." It is a fitting way to honor Mr. Williams, who has contributed so much to the community of Ketchikan.

Sincerely,


Michael B. Salazar
Mayor

*Mayor/Personal Address: P.O. Box 6918, Ketchikan, AK 99901
Telephone: 907.225.6608*

City of Saxman

19 January 2005


Representative Jim Elkins
Capitol Building
Juneau, Alaska 99801

Dear Representative Elkins:

The City Council members of the City of Saxman would like to thank you for introducing House Bill 43, for naming the "bike path" the "Joe Williams, Sr. Coastal Trail". Joe Williams, Sr. was a political leader for Saxman from a very early age until his death. He was Mayor of Saxman for 38 years as well as being Tribal President during the same time period. He was also Alaska Native Brotherhood Camp 15 President and Grand President of the Alaska Native Brotherhood. Joe Williams, Sr. worked hard at connecting the community of Ketchikan and Saxman in more ways than the highway. Joe Williams, Sr. was highly respected in Saxman, Ketchikan and throughout South East Alaska, no matter the culture. He was of the Raven moiety, of the Beaver Clan and instrumental in preserving the Tlingit Culture in Saxman.

Naming this Coastal Trail after Joe Williams, Sr. will ensure his memory. His legacy will be remembered and cherished by the people of the communities of Saxman and Ketchikan for many years to come. Thank you very much.

Respectfully yours,



Gilbert Bengé
Mayor of Saxman

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 42
 (H) Publish Date: 2/9/2005

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
 Title: Joe Williams, Sr. Coastal Trail RDU: Administration and Support
 Component: Commissioners Office
 Sponsor: Rep. Elkins
 Requester: (H) Transportation Committee Component No. 530

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 The only foreseeable cost to DOT&PF would be a minimal cost for the production of signs used to identify the trailhead and DOT&PF has agreed to absorb these costs internally.

Prepared by: Jos Govaars Phone 465-6873
 Division: (H) TRA Committee Aide Date/Time 2/9/05 3:16 PM
 Approved by: Rep Elkins Date 2/9/2005
 Agency: Co-Chair (H) Transportation Committee

HB

108

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

SECTIONAL ANALYSIS FOR CS HB 108(FIN) **BY: Representative Tom Anderson**

Section 1. Inserts language that includes water and sewer utilities under the exemption of RCA regulation.

Section 2. Adds to uncodified law language continuing any pending matters before the RCA and thereby not affecting those matters through this legislation.

Section 3. Adds to uncodified law language allowing the legislation to take effect only if the governing body establishes a separate body to continue the fair and open process of setting rates based on standard industry practices.

Section 4. Establishes the effective date as the day after the date the chair of the RCA notifies the lieutenant governor and the revisor of statutes under section 3(b) of this Act that a political subdivision has been created and functions according the intent of the legislation

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

SPONSOR STATEMENT FOR CS HB 108(FIN) BY: Representative Tom Anderson

TITLE: "An Act relating to the regulation of water and sewer utilities of political subdivisions that are not in competition with other water and sewer utilities; and providing for an effective date."

House Bill 108 would exempt Anchorage Waste Water Utility from regulation by the Regulatory Commission of Alaska (RCA). Except for the City of Pelican, no other municipal owned water/wastewater utility is regulated by the RCA. (Pelican requested regulation of its water utility by the RCA).

The current RCA regulation processes are cumbersome, slow, expensive, and non-responsive to local needs. Ratepayers are required to pay for the expensive RCA regulatory process as a surcharge on every bill, whether or not their utility has a case pending. For example, from 1993 until 2003 AWWU never had a rate increase from the RCA or the APUC, yet ratepayers have paid a regulatory assessment to the RCA as part of every bill. In 2004 AWWU ratepayers are projected to pay about \$500,000 to the RCA to cover the costs of regulation. The greatest costs appear in the form of regulatory delay in obtaining approval of a requested change.

The MOA is directly accountable to ratepayers served by the utilities - they are voters. The Municipality has experience successfully regulating enterprise activities. The Port of Anchorage, Solid Waste Services and Merrill Field are all financially sound and provide first class customer service. Municipal public hearings are held on any proposed rate increase and the public is very involved in the hearing process.

HB 108 changes existing law by adding language stating a water or sewer utility owned by a political subdivision not directly competing with another water or sewer utility is exempt from RCA regulation. Additionally, Section 2 continues any pending matters before the RCA and therefore those matters are not affected by this legislation.

HB 108 also contains a contingency clause in Section 3, which allows the legislation to take effect only if the governing body establishes a separate body to continue the fair and open process of setting rates based on standard industry practices.

I would ask for your support on HB 108.

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

LABOR & COMMERCE COMMITTEE CHAIRMAN
ADMINISTRATION REGULATION REVIEW COMMITTEE CHAIRMAN
JUDICIARY COMMITTEE VICE CHAIR

website: <http://www.alrepublikans.org/Anderson.htm>



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JUNEAU, AK 99801 1182
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1-800-465-4939
FAX (907) 465-2410

Representative Tom Anderson

email: Representative_Tom_Anderson@legis.state.ak.us

MEMORANDUM

Date: March 31, 2005

To: Senator Gary Stevens, Chair
Senate Community & Regional Affairs Committee

From: Representative Tom Anderson, Chair *T.A.*
House Labor & Commerce Committee

Re: HB 108

I would request you schedule HB 108 for a hearing before your committee at your earliest convenience.

This legislation would require an exemption from regulation by the Regulatory Commission of Alaska (RCA), something that every other municipally owned utility in Alaska, except one, already enjoys (the City of Pelican requested continued RCA regulation of its water utility when it was sold). Anchorage as the largest, most highly sophisticated city in the state is fully capable of soundly regulating its own municipally owned utilities. Self-regulating Anchorage's water utility would save ratepayers money and enhance local control.

Anchorage has extensive experience regulating other municipally owned enterprises. The Port of Anchorage, Merrill Field, and Solid Waste Services are all financially sound and provide first class customer service. Actually, Anchorage has self-regulated its public utilities for more years than have state regulators. RCA regulation is slow, expensive and partially duplicates the review process that the municipal administration and assembly already apply. AWWU ratepayers pay in excess of \$500,000 per year to the RCA to cover the cost of regulation. The greater cost is in the form of regulation lag, the delay in obtaining approval of a requested rate change.

Thank you for your consideration of this request. Please contact Josh Applebee at 4954 in my office if you have any additional questions.

CSHB 108(FIN)

Committee Changes

House Finance Committee added Section 2 continuing any pending matters before the RCA and thereby not affecting those matters through this legislation. Thus, open dockets will not be unduly overturned or prematurely closed.

House Finance Committee added Section 3, which adds to uncodified law language allowing the legislation to take effect only if the governing body establishes a separate body to continue the fair and open process of setting rates based on standard industry practices.

House Finance Committee added Section 4, which establishes the effective date of the legislation.

FISCAL NOTE

Gary - (This is a new indeterminate fiscal note by law)

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB108-LAW-RAPA-3
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW *1 zero*
 Title: "An Act relating to the regulation of water and sewer utilities of political subdivisions that are not..." RDU: CIVIL *indeterm*
 Sponsor: House Labor and Commerce Committ Component: Regulatory Affairs and Public Advocacy *1 fiscal*
 Requester: Senate Community and Regional Affa Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	(*****)	(*****)	(*****)	(*****)	(*****)	(*****)
Travel	(*****)	(*****)	(*****)	(*****)	(*****)	(*****)
Contractual	(*****)	(*****)	(*****)	(*****)	(*****)	(*****)
Supplies	(*****)	(*****)	(*****)	(*****)	(*****)	(*****)
Equipment	(*****)	(*****)	(*****)	(*****)	(*****)	(*****)
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	(*****)	(*****)	(*****)	(*****)	(*****)	(*****)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other - Regulatory Cost Charge	(*****)	(*****)	(*****)	(*****)	(*****)	(*****)
TOTAL	(*****)	(*****)	(*****)	(*****)	(*****)	(*****)

Estimate of any current year (FY2005) cost: 00
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This bill removes municipal water and sewer utilities from the regulatory cost charge pool and from oversight by the Regulatory Commission of Alaska. Passage of this legislation will have a significant fiscal impact on both the Regulatory Affairs and Public Advocacy section of the Department of Law and the RCA in terms of lost funding, however the exact amount of the fiscal impact is difficult to determine. It may become necessary to amend the statutory cap governing the amount of regulatory cost charge the State is allowed to collect in order to fund the Commission and public advocacy function.

Prepared by: Kathryn Daughhete, Director Phone 465-3673
 Division: Administrative Services Division Date/Time 3/31/05 4:34 PM
 Approved by: Kathryn Daughhete for David Marquez, Attorney General Date 3/31/2005
 Agency: Department of Law



Municipality of Anchorage

P.O. Box 199950 • Anchorage, Alaska 99519-0950 • Telephone: (907) 343-4331 • Fax: (907) 343-4322 <http://www.muni.org>

Mayor Mark Begich

Office of the Mayor

March 14, 2005

Representative Tom Anderson
State Capitol, Room 432
Juneau, Alaska 99801-1182

Subject: AWWU Authority

Dear Representative Anderson:

It is my intent to work with the Anchorage Assembly to create an Authority to manage the Anchorage Water and Wastewater Utility (AWWU). I have worked with the AWWU Advisory Commission over the last year to develop this proposal. The effort led to the Advisory Commission holding five public meetings in just the last six weeks. Both the Advisory Commission and I are in agreement with the proposed Authority concept.

In support of HB 108, and discussions regarding this Authority structure, I offer the following concepts which I and the AWWU Advisory Commission support.

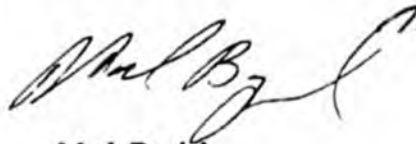
- The proposed structure will provide for strong consumer protection by focusing expert resources on financial and system integrity and customer interests.
- The Authority proposal is for a seven member board with staggered five-year terms. Board members would be recommended by the Mayor and appointed by the Assembly. The board will be made up of members with qualifications in engineering, finance, public health, business, law, and consumer advocacy.
- The ratemaking process will follow industry standard practices, as expressed by the America Water Works Association (AWWA) and the Water Environment Federation (WEF). All rate adjustments will be recommended by the Board to the Assembly for approval. Both the Board and the Assembly will hold public hearings on rate adjustments.

Community, Security, Prosperity

A work session is scheduled with the Anchorage Assembly on April 8th to discuss this Authority concept. It is my intent to introduce an ordinance in mid-April to establish the Authority. This will allow for complete analysis and discussion by the Assembly and the public.

As the process for the creation of an AWWU Authority moves forward, I will keep you informed.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark Begich".

Mark Begich
Mayor

cc: Patricia Curl, Chair AWWU Advisory Commission



Municipality of Anchorage

P.O. Box 196650 • Anchorage, Alaska 99519-6650 • Telephone: (907) 843-4451 • Fax: (907) 343-4499 <http://www.muni.org>


Mayor Mark Begich

Office of the Mayor

MEMORANDUM

DATE: February 3, 2004

TO: The Honorable Tom Anderson, Chair
House Labor & Commerce Committee

FROM: Anchorage Mayor Mark Begich 

SUBJECT: Self-regulation of Anchorage Water and Wastewater Utilities

The Municipality of Anchorage and the Anchorage Assembly have designated "Regulating Anchorage's Own Water/wastewater Utilities" as a top municipal legislative priority for 2004. This would require an exemption from regulation by the Regulatory Commission of Alaska (RCA), something that every other municipally owned utility in Alaska, except one, already enjoys.* Anchorage as the largest, most highly sophisticated city in the state, is fully capable of soundly regulating its own municipally owned utilities. Self-regulating Anchorage's water utility would save rate-payers money and enhance local control.

AWWU has provided its customers excellent service, low, stable rates and sound finances, as well as continuity of management. Over the years, the mayor and assembly have made sound decisions in their oversight of municipally owned utilities. Municipal public hearings are held on any proposed rate increase. Municipal regulation will continue to balance consumer protection with the financial soundness of the public utility. It will allow the utilities to continue to operate on a sound business basis. The process will be accountable to local people, more responsive, timely and economical than current RCA regulation.

Anchorage has extensive experience regulating other municipally owned enterprises. The Port of Anchorage, Merrill Field and Solid Waster Services are all financially sound and provide first class customer service. Actually, Anchorage has self-regulated its public utilities for more years than have state regulators.

RCA regulation is slow, expensive and partially duplicates the review process that the municipal administration and assembly already apply. AWWU ratepayers pay in excess of \$500,000 per year to the RCA to cover the cost of regulation. The greater cost is in the form of regulatory lag, the delay in obtaining approval of a requested rate change.

* The City of Pelican requested continued RCA regulation of its water utility when it was sold.

Community, Security, Prosperity

The Municipality in 1991 petitioned the APUC (predecessor to the RCA) to exempt AWWU and the electric utility from regulation. The Commission denied the request for self-regulation of the electric utility. By a 2-2 vote, the commission split on the question of exempting AWWU. The opinion by the commissioners who opposed self-regulation cited competition by the electric utility with other electric utilities as the reason why AWWU should remain regulated by the state.

To accomplish the exemption from RCA regulation a new section is needed in AS 42.05.711:

"A water/wastewater utility owned by and serving a first class or home rule municipality is exempt from regulation by the Commission, other than AS 42.05.221 - 42.05.281 and 42.05.385."

This section was amended as recently as the year 2000 by SB 324 to protect Ketchikan's public utilities, which have been self-regulated for 50 years, from the risk of regulatory takeover by the RCA in light of possible telephone competition.

**2005 STATE LEGISLATIVE PROGRAM
MUNICIPAL PRIORITY ISSUES**

Legislation

ISSUE/PROJECT NAME: Regulate our own utilities to save taxpayers money
ISSUE/IMPROVEMENT TYPE: Economic Development Legislation
PRIORITY: 1

ISSUE/PROJECT DESCRIPTION:

We support state legislation that would include the Municipality of Anchorage water and wastewater utilities (AWWU) in the existing exemption from regulation by the Regulatory Commission of Alaska (RCA) that state law already provides to other municipally owned utilities.

AWWU is the only municipally owned water and wastewater utility in Alaska subjected to state regulation, with the sole exception of the City of Pelican. [Unlike AWWU, Pelican requested to be regulated by the RCA.] Anchorage ratepayers pay higher rates for state regulation, but these regulatory charges are not imposed on utilities owned by other municipalities. Currently Anchorage ratepayers pay about \$550,000 per year.

Municipal regulation of AWWU will continue to balance consumer protection with the financial soundness of the utilities. It will be:

- Directly accountable to local people
- More responsive
- More timely
- More economical
- Simpler

Utility customers are also municipal voters. They will hold the Mayor and Assembly members fully accountable for their actions overseeing municipally owned utilities like AWWU.

The Municipality has extensive experience regulating other municipally owned enterprises. They are all financially sound and also provide first class customer service. For example, the Solid Waste Services Collection Utility has been regulated by the Municipality for many years. Its customers enjoy among the lowest refuse collection rates in the country. The rates for residential and commercial refuse collection have not increased in the past thirteen years. This exemption could be accomplished by amending AS 42.05.711 to add a new section to read:

"A water/wastewater utility serving a municipality with a population of more than 200,000 is exempt from regulation by the Commission, other than AS 42.05.221 - 42.05.281 and 42.05.385."

Legislative District (s):

House: 16-32

Senate: I-P

CONTACT PERSON: Robert Lohr, Management Systems Officer, 343-4467

MUNICIPALITY OF ANCHORAGE

Gina Anderson 1
Rene Romero - 5 years ASHA

**2004 STATE LEGISLATIVE PROGRAM
MUNICIPAL PRIORITY ISSUES
LEGISLATION**

ISSUE/PROJECT NAME: Regulating our own utilities

ISSUE/IMPROVEMENT TYPE: Legislation- Utility

STATE GRANT REQUEST: None

LOCAL MATCH: N/A

PRIORITY: 1

ISSUE/PROJECT DESCRIPTION:

We support state legislation that would include the Municipality of Anchorage utilities in the existing exemption from regulation by the Regulatory Commission of Alaska (RCA) already provided to other municipally owned utilities.

Anchorage utilities are the only municipal utilities in Alaska subjected to state regulation. The sole exception is the City of Pelican's water utility, where Pelican requested to be regulated by the RCA. Anchorage ratepayers pay higher rates for this state "service" but these regulatory charges are not imposed on any other municipal utility, except Pelican. Currently Anchorage ratepayers pay \$930,000 per year.

Municipal regulation would continue to balance consumer protection with the financial soundness of the utilities. It would be:

Directly accountable to local people
More responsive
More timely
More economical
Simpler

The Municipality has extensive experience regulating other municipally owned enterprises. They are all financially sound and also provide first class customer service. For example, the Solid Waste Services Collection Utility has been regulated by the Municipality for many years. Its customers enjoy among the lowest refuse collection rates in the country. The rates for residential and commercial refuse collection have not increased in the past thirteen years.

Voters in the Municipality would hold the Mayor and Assembly members, those elected officials who would set and approve utility rates, fully accountable - and they do vote.

During the recent California energy crisis the utilities regulated by the state public utilities commission got in trouble, with the largest gas and electric utility having to file bankruptcy. On the other hand, municipally owned utilities fared very well.

POLITICAL SUBDIVISIONS:

Community Council: Anchorage

Assembly Section: 9

Legislative District(s):

House: 16-32

Senate: I-P

CONTACT PERSON: Robert Lohr, Management Systems Officer, 343-4467

ANCHORAGE WATER UTILITY
RATE HISTORY
 1992 THROUGH 2004

Docket/Order	Type of Rate Increase	Rate Increase Received	Effective Date of Increase	Single Family Rate	Commercial Metered Rate
per U-90-64(4)	Permanent	6.00%	3-Jun-92	\$24.75	\$3.14
per U-94-89(5) COSS	Cost of Service ⁽¹⁾	0.00%	1-Jun-95	\$25.80	\$2.64
per U-04-023(1)	Interim	13.61%	23-Feb-04	\$29.35	\$3.00

⁽¹⁾ Cost of Service rates reallocate costs to customer classes without changing the total revenue to the Utility

ANCHORAGE WASTEWATER UTILITY
RATE HISTORY
 1992 THROUGH 2004

Docket/Order	Type of Rate Increase	Rate Increase Received	Effective Date of Increase	Single Family Rate
per U-90-64()	Permanent	14.89%	8-Jun-92	\$21.65
per U-94-88(5)COSS	Cost of Service ⁽¹⁾	0.00%	1-Jun-95	\$21.80
per LO# L0001127	Permanent	-2.75%	1-Jan-01	\$21.20
per U-04-022(1)	Interim	8.06%	23-Feb-04	\$22.90

⁽¹⁾ Cost of Service rates reallocate costs to customer classes without changing the total revenue to the Utility

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 108
 (H) Publish Date: 2/11/2005

Revision Date/Time (Note if correction): _____ Dept. Affected: Environmental Conservation
 Title: Adding exemptions to the regulation of water and sewer utilities RDU: Division of Water
 Sponsor: House Labor & Commerce Component: Facility Construction
 Requester: House Community & Regional Affairs Component No.: 637

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This bill would have no effect on DEC programs or resources.

Prepared by: Dan Easton Phone: 465-5135
 Division: Water Date/Time: 2/9/05 8:04 AM
 Approved by: Kurt Fredriksson, Acting Commissioner Date: 2/9/2005
 Agency: Department of Environmental Conservation

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 108
 (H) Publish Date: 2/11/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Water & Sewer Utilities RDU Regulatory Commission of Alaska (399)
of Political Subdivisions Component Regulatory Commission of Alaska
 Sponsor Labor & Commerce
 Requester House Community & Regional Affairs Component No. 2417

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	(345.0)	(345.0)	(345.0)	(345.0)	(345.0)	(345.0)
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	(345.0)	(345.0)	(345.0)	(345.0)	(345.0)	(345.0)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1141)	(345.0)	(345.0)	(345.0)	(345.0)	(345.0)	(345.0)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1141 RCA Receipts	(345.0)	(345.0)	(345.0)	(345.0)	(345.0)	(345.0)
TOTAL	(345.0)	(345.0)	(345.0)	(345.0)	(345.0)	(345.0)

Estimate of any current year (FY2005) cost: 345.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time	-3	-3	-3	-3	-3	-3
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would remove the Municipality of Anchorage d/b/a AWWU (water and sewer utilities) from RCA oversight. AWWU is expected to pay approximately \$345,000 in RCC in FY2005. This removal from RCA oversight would result in the loss of funds for the equivalent of three positions.

The RCA's budget is funded through the Regulatory Cost Charge (RCC) mechanism and direct charge mechanisms. No general funds are allocated for support of the agency. The RCC is recalculated each year and allows the agency to recover its operating costs through an assessment on the revenues of the utilities and pipeline carriers it regulates.

Prepared by: Kate Giard, Chair Phone 907.263.2110
 Division: Regulatory Commission of Alaska Date/Time 2/9/05 1:00 PM
 Approved by: Edgar Blatchford, Commissioner Date 2/9/2005
 Agency: Commerce, Community & Economic Development

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: HB 108
 (H) Publish Date: 2/18/05

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
 Title: Water & Sewer Utilities of Political RDU: CIVIL
 Subdivisions Component: Regulatory Affrs & Public Advocacy
 Sponsor: Labor & Commerce
 Requester: House Community & Regional Affairs Component No: _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	(93.0)	(93.0)	(93.0)	(93.0)	(93.0)	(93.0)
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	(93.0)	(93.0)	(93.0)	(93.0)	(93.0)	(93.0)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1141 RCA Receipts	(93.0)	(93.0)	(93.0)	(93.0)	(93.0)	(93.0)
TOTAL	(93.0)	(93.0)	(93.0)	(93.0)	(93.0)	(93.0)

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time	-1	-1	-1	-1	-1	-1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill would effectively remove the Municipality of Anchorage d/b/a AWWU (water and sewer utilities) from oversight by the Regulatory Commission of Alaska (RCA). This removal would result in significant loss of funding for both the RCA and Law's Regulatory Affairs & Public Advocacy Section (RAPA). Both RCA and RAPA are funded wholly through the RCA's Regulatory Cost Charge (RCC) mechanism and other direct charges assessed against the regulated utilities and pipeline carriers. Loss of these funds would necessitate elimination of one professional level analyst position from the section or a one-third reduction to the section's utilities expert/witness consulting budget.

Prepared by: Robert Meiners, Dep. Director Phone 465-5427
 Division: Administrative Services Date/Time 2/16/05 8:35 AM
 Approved by: Robert Meiners for Scott Nordstrand, Acting Attorney General Date 2/16/2005
 Agency: Department of Law

HB

133

ALASKA STATE HOUSE OF REPRESENTATIVES

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North Pole, AK 99705
(907)-488-5725
Fax# (907)-488-4271



Session Contact:
(907)-465-3719
FAX# (907)-465-3258
State Capitol
Room 204

REPRESENTATIVE JOHN COGHILL

CSSSHB 133 (CRA) Local Boundary Commission SPONSOR STATEMENT

Committee Substitute for Sponsor Substitute for House Bill 133 makes four changes in the way the Local Boundary Commission deals with municipal incorporation, annexation, detachment, merger, consolidation, reclassification, and dissolution.

This legislation protects the voters' right to incorporate, outline the boundaries, and select the levels of service. The Local Boundary Commission will no longer be able to amend the petition or impose conditions on the incorporation without giving public notice of each proposed amendment or condition and giving an opportunity for public comment on each proposed amendment or condition.

Also we will add a provision that requires at least two public meetings before the Local Boundary Commission can take a proposal directly to the legislature.

AS 29.06.040(c)(1) requires a proposed annexation to be approved by a "majority of the votes on the question cast by voters residing in the area proposed to be annexed". The Local Boundary Commission has a regulation that expands that requirement to "an aggregate vote of the people in the borough and the people in the area to be annexed." This is a requirement above and beyond what the legislature had in mind and dilutes the voting rights of those voters in the area to be annexed.

HB 133 requires a majority approval of the voters residing in the area to be annexed and a majority approval of voters residing in the existing municipality.

This legislation is about fairness, preserving a representative form of government, and making sure that laws implemented by non-elected servants of government through regulation do not extend beyond the laws implemented by elected legislators.

ALASKA STATE HOUSE OF REPRESENTATIVES



Session

Contact:

Interim Address:

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REPRESENTATIVE JOHN COGHILL

CSSSHB 133(JUD)
Sectional

Section 1. Changes Local Boundary Commission's ability to amend petitions or impose conditions on petitions approved by a vote of the people. The Local Boundary Commission will no longer be able to amend the petition or impose conditions on the incorporation without giving public notice of each proposed amendment or condition and giving an opportunity for public comment on each proposed amendment or condition.

Sec. 2. When a proposal is to be submitted to the legislature for approval, the proposal would be required to have two public hearings in the area of the proposed action.

Sec. 3. This section requires two separate votes for an annexation and both elections separately must be approved by a majority of the voters. One election is a vote of the people to be annexed and the other election is a vote of the people in the existing municipality.

Sec. 4. Makes it very clear that regulations cannot extend requirements beyond those requirements set in statute and clears up the conflict of aggregate votes. The aggregate vote regulation adds to the statutory requirements and way to annex property that is inconsistent with the constitutional provision of Article 12, section 11: "Law-Making Power ~ As used in this constitution, the terms "by law" and "By the legislature," or variations of these terms, are used interchangeably when related to law-making powers. Unless clearly inapplicable, the law-making powers assigned to the legislature may be exercised by the people through the initiative, subject to the limitations of Article XI. (Article XI deals with initiatives, referendums, and recall)

Sec. 5. This applicability clause directs the existing applications before the LBC that have not been finalized before the enactment of HB 133 to be processed by the conditions of HB 133.

Sec. 6. This is an effective date clause.

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IN THE SUPERIOR COURT FOR THE STATE OF
FIRST JUDICIAL DISTRICT AT JUNEAU

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Petitioners for the Dissolution
of the City of Skagway and
Incorporation of a Skagway
Borough,

Appellants,

v.

Local Boundary Commission,

Appellee.

FILED IN CIVIL
STATE OF ALASKA
FIRST JUDICIAL DISTRICT
AT JUNEAU

9-20-05

BY: *dh*

1JU-02-1024 CI

I. INTRODUCTION

Qualified voters in Skagway ("Skagway") petitioned the
Local Boundary Commission ("the Commission") to concurrently
incorporate a Skagway borough and dissolve the City of Skagway.
The Commission denied the petition. Skagway appeals, contending
that the Commission improperly adopted a geographic size
requirement in its Statement of Decision that is otherwise not
required by existing law. Skagway argues that the size
requirement is the equivalent of a new regulation that was not
adopted in accordance with the Administrative Procedure Act,
("APA") thus denying Skagway due process notice of the standards

1 that would apply to its petition. Skagway further argues that
2 the Commission's conclusion that a large geographic size
3 requirement is imposed by the Alaska Constitution before a
4 borough may be incorporated is in error.

5 The court concurs that the Commission's adoption of
6 "fundamental principles" that impose a minimum geographic size
7 requirement for Skagway's borough incorporation is essentially a
8 new legal requirement or regulation. This size requirement was
9 not adopted in accordance with the Administrative Procedures
10 Act. Skagway did not have notice of the new regulatory
11 requirements prior to the Commission's decision on Skagway's
12 borough petition. As such, the petition must be remanded to the
13 Commission for reconsideration based on legal standards
14 established by law.

16 The Commission remains free to deny the petition. However,
17 any decision must be based on standards adopted according to
18 law.

19 II. FACTUAL BACKGROUND

20 A. The Skagway Petition for Borough Incorporation

21 Skagway is Alaska's largest city, encompassing 443.1 square
22 miles. It includes an area at the head of the Lynn Canal,
23 surrounded by Canada, mountains, and water. Skagway has
24
25

1 approximately 800 year-round residents. The State of Alaska
2 does not provide any city services to Skagway.

3 Skagway residents have been interested in borough formation
4 since the 1970's. Interest turned to action in the early 1990's
5 when the Department of Community and Economic Development
6 ("DCED")¹ developed the Model Borough Boundary concept, which
7 recommended combining the City of Skagway with the Haines
8 Borough. Neither Skagway nor Haines accepted the model.
9

10 About this time, the City of Yakutat submitted a petition
11 to incorporate as a borough. That petition raised unique issues
12 for the Local Boundary Commission to consider because there were
13 no other cities in the area of the proposed Yakutat borough and
14 Yakutat asked to become a single-city borough. Also, Yakutat
15 did not technically meet one of the regulatory standards for
16 borough formation because its population consisted of less than
17 1,000 permanent residents.² Yakutat stressed its unique
18
19

20 ¹ The DCED serves as staff to the Local Boundary Commission.
21 It evaluates petitions filed with the Commission and issues
22 reports and recommendations on those petitions. AS 29.05.080; 3
AAC 110.530.

23 ² 3 AAC 110.050(b) provides that "[a]bsent a specific and
24 persuasive showing to the contrary, the commission will presume
25 that the population is not large enough and stable enough to
support the proposed borough government unless at least 1,000
permanent residents live in the proposed borough."

1 geographic characteristics. Yakutat, like Skagway, is
2 geographically isolated.

3 DCED opposed the concept of a single-city borough and
4 opposed relaxing the presumptive 1,000-person population
5 standard. It recommended that the Commission deny the Yakutat
6 petition. The Commission granted the petition, although it made
7 the borough smaller than that originally proposed by Yakutat.

8 Commissioner Shelley Dugan dissented from the Yakutat
9 borough decision. She set forth out a number of concepts
10 she believed should be imposed before any boroughs are
11 incorporated, including a minimum geographic size
12 requirement.

13
14 Skagway submitted its Petition on January 22, 2001. On
15 October 23, 2001, DCED accepted the petition for filing. The
16 Skagway petition called for no changes in the capacity or
17 practice of the Skagway local government regarding local
18 services. Skagway also submitted a resolution by the Haines
19 Borough Assembly urging the Commission to approve the petition.
20 Skagway also included a letter by Vic Fischer, delegate to the
21 Constitutional Convention and Secretary to the Constitutional
22 Convention's Committee on Local Government. In that letter,
23 Fischer complained about DCED's preliminary report on the
24 Yakutat petition, noting that the report improperly concluded
25

1 that a small, single-city borough violated the constitution.
2 Fischer urged the Commission to accept Yakutat as a single-city
3 borough, and urged the Commission to judge each case on its own
4 merits.

5 2. DCED Opposition to the Skagway Petition

6 In June 2002, DCED completed a 230-page preliminary report
7 on the Skagway petition, recommending denial of the petition.
8 DCED Local Government Specialist and staff to the Local Boundary
9 Commission Dan Pockhorst submitted the final recommendation to
10 the Commission on August 9, 2002. The final report addressed
11 written comments on DCED's preliminary report. The final report
12 stated that the petition did not satisfy multiple
13 constitutional, statutory and regulatory requirements,
14 essentially concluding that the proposed Skagway borough was too
15 geographically small and too small in population to be properly
16 considered for incorporation as a borough.³

18 3. The Commission Decision

19 Hearing on the petition occurred August 31, 2002. A
20 preliminary non-binding vote by the Commission was 5-0 to deny
21 the petition. On September 27, 2002, the Commission met to
22 discuss and review the draft Statement of Decision prepared by
23

24 ³ R. 515 - 519.

1 DCED. During the time set aside for questions, Skagway Mayor
 2 Bourcy noted that the draft Statement of Decision said that the
 3 Commission adopted ten new principles of borough formation. He
 4 asked whether public meetings had been held on the newly-adopted
 5 principles.⁴

6 Commissioner Tesche said the purpose of the principles was
 7 to make clear the Commission's view on borough formation,
 8 especially since the Commission had drawn somewhat contradictory
 9 conclusions regarding Yakutat and Skagway, two similarly-
 10 situated communities. Commissioner Tesche said the principles
 11 would provide guidance and set public policy for future borough
 12 formation.⁵

14 Lengthy discussion ensued, including:

15 TESCHE: I think that it would be incumbent on the
 16 Commission to set the record straight as far as the
 17 Yakutat decision and to adopt the principles set out
 18 in the minority decision in that case . . . so that
 19 somebody reading the decisional law . . . of the
 20 Commission can make some sense over what could be seen
 21 as two fundamentally different decisions.⁶

19 ***

20 GARDNER: [I] need clarification on this . . . [A]m I
 21 to understand now that the [Commission is] adopting

22 ⁴ R. 793.

23 ⁵ R. 806-11.

24 ⁶ R. 806-07.

25

1 the views expressed by the dissenting Commissioner on
 2 the Yakutat borough issue as - for the purpose of [the
 3 Statement of Decision on the Skagway petition] and to
 4 set forth a clear standard governing future
 5 incorporations of boroughs in Alaska? It will be the
 6 Commission's current policy that [the Commission]
 7 adopt and set the record straight for following . . .
 8 a dissenting Commissioner when the Commission as a
 9 body approved Yakutat?'

6 TESCHE: [Y]es . . . [T]he dissenting view in that case
 7 is correct. Personnel has changed on the Commission.
 8 I think our analysis is correct in this particular
 9 case that we have before us and basically I am
 10 proposing that we, in essence, overrule the legal
 11 reasoning that was set out in the Yakutat decision . . .

12 GARDNER: But it reads, it says, "We are to set forth a
 13 clear standard governing future incorporations of
 14 boroughs in Alaska." And as I know this, we have not
 15 had legal counsel's advice with respect to this type
 16 of public policy decision?"

17 TESCHE: The Commission is free, in the context of this
 18 decision, to say what we believe the law is or even
 19 what our policy should be for the purpose of this
 20 decision. At another point in the agenda I will
 21 propose . . . that we ask staff to explore the
 22 possibility of a regulation that would set these
 23 principles out in . . . regulation that would go
 24 through the entire process, which means review by the
 25 Attorney General's office and public hearing and the
 like. In that sense it would become a strictly binding

7 R. 808.

8 Id.

9 R. 809.

1 legal principal by regulation. And obviously that has
2 a different force if you will than a statement that we
3 make in a decision because we can change our view of
4 the law and our interpretation of the law in
5 decisions. And that's precisely what I'm proposing
6 here. I'm proposing getting back now to the motion
7 I'm proposing that we recognize and I think that there
8 has been a shift in how the Commission views the law
9 and for purposes of our decisions, we can make the
10 statements we're making. But they are not necessarily
11 binding if you will on future Commissions because the
12 Commission could change its mind once again. Unless
13 we did it by regulation which I have also proposed.¹⁰

8
9 GARDNER: [I] think the cart is, in effect, before the
10 horse, I believe that it would be appropriate for the
11 Commission to . . . adopt a motion to propose
12 regulations to address this and to get legal review. .
13 . . . I am not a lawyer and I don't believe that it's
14 appropriate for us to adopt such a motion that says
15 we're setting forth a clear standard governing future
16 incorporations of boroughs in Alaska based upon a
17 dissenting Commissioner's comments in a previous case
18 that was approved by the Commission.¹¹

14 Commissioner Harcharek joined Commissioner Gardner's concerns,
15 stating:

16
17 I also voice opposition to the motion . . . The very
18 crux of government is oversight, and the [Local
19 Boundary Commission] . . . is intended to be the
20 oversight committee for DCED.¹²

19 Following discussion, Commissioner Tesche responded:

20
21 In light of the comments . . . I . . . propose
22 [o]n the first line where it says, "The Commission

22
23 ¹⁰ R. 810.

24 ¹¹ R. 811.

25 ¹² R. 812.

1 today adopts ten," . . . substitute . . . "recognizes
 2 several." So that first sentence would [read]: "The
 Commission recognizes several fundamental
 3 principles."¹³

4 The Commissioners voted 3-2 to include the following
 language in the Statement of Decision on the Skagway Petition:

5 The Commission recognizes several fundamental
 6 principles about the formation of organized boroughs
 in Alaska in this decision. Addressed in subsection A
 7 of this decisional statement, these principles are
 grounded in the constitutional and decisional law of
 8 the State of Alaska as well as earlier decisions of
 the Commission.¹

9
 10 ¹ Many of these principles were first addressed by
 the dissenting Commissioner in the Commission's 1992
 decision in City and Borough of Yakutat.¹⁴

11 In Section III, Part A of the Skagway Statement of
 12 Decision, the Commission outlined the fundamental nature of
 13 borough government in Alaska, specifically recognizing nine
 14 principles.¹⁵ The Commission stated that the principles are
 15 "intended to guide the Commission and others in future
 16 discussions concerning borough proposals."¹⁶

17 Skagway argues that the eleven-page discussion of
 18 fundamental borough formation principles, subsequently
 19

20
 21 ¹³ R. 816.
 22 ¹⁴ Exc. 8-9.
 23 ¹⁵ Exc. 8.
 24 ¹⁶ Id. at n.9.
 25

1 repeatedly referenced in the application of statutory standards
 2 to Skagway's petition, imposes a geographic size requirement
 3 that any proposed borough must be "large." There is language in
 4 the statement of principles and the subsequent consideration of
 5 Skagway's petition that supports this contention.

6 Principle 3 provides in part that "[b]oroughs are
 7 governments that serve relatively large natural regions."¹⁷ The
 8 heading for Subsection b of Principle 3 states:

9 "Geographically, Boroughs were Envisioned as Relatively Large
 10 Regional Units while Cities are Intended to be Relatively Small
 11 Units."¹⁸ Further discussion under Principle 3 states: "Indeed,
 12 it is difficult to suppose that a city government's boundaries
 13 could be consistent with both 3AAC 110.040(b) [providing
 14 guidelines for the establishment of city boundaries] and the
 15 constitutional and statutory standards for borough boundaries."¹⁹

17 Specifically addressing whether Skagway's petition met the
 18 first of eighteen constitutional and statutory standards for
 19

21 ¹⁷ Exc. 9.

22 ¹⁸ Exc. 11.

23 ¹⁹ Exc. 13. This language further suggests that another
 24 "fundamental principle" of borough formation is that a borough's
 25 boundaries must necessarily be larger than a city government's
 boundaries.

1 borough incorporation, the "common interests" standard, the

2 Commission stated:

3 [T]he Commission finds that the Skagway borough
4 proposal does not embrace an area and population with
5 the fundamental characteristics of a borough as
6 outlined in Section III-A of this decisional
7 statement. In other words, the 443.1 square mile
8 territory in question lacks the geographic scope and
9 social, cultural, and economic characteristics of an
10 "area," as that term is used in the Constitution of
11 the State of Alaska, Alaska Statutes, and Alaska
12 Administrative Code with respect to borough
13 incorporation proposals. *

14 *The Commission ascribes significance to the fact
15 that the term "area" is used both in Article X,
16 Section 3 of the constitution and AS 29.05.031 with
17 respect to a borough. The word "area", in that
18 context, is a term of art that describes a regional
19 territory possessing all of the fundamental
20 characteristics of a borough outlined in Section III-A
21 of this decisional statement.²⁰

22 The Commission went on to conclude that while Skagway would
23 otherwise meet certain other statutory standards, it did not
24 meet those statutory standards after application of the
25 "fundamental principles" of borough formation. By example, the
Commission found that Skagway "clearly has the resources needed
to provide the current level of municipal services" in

20 Exc. 20 (text and n.28)

1 addressing the "borough resources" standard.²¹ However the
2 Commission then stated:

3 Notwithstanding, the Commission concluded earlier
4 (Section III-B) that the 443.1 square miles proposed
5 for incorporation and to which the proposed borough
6 would provide services does not possess the
7 characteristics of an "area" in the context of Article
8 X, Section 3 of Alaska's constitution and AS
9 29.05.031(a). For that reason, the Commission reaches
10 the conclusion that the proposed Skagway borough does
11 not satisfy the standard set out in [the resources
12 standard].²²

13 The Commission similarly relied on its Section III-B
14 principles of borough formation to conclude that the Skagway
15 petition did not meet the population size and stability
16 standard,²³ the communications and exchange standard,²⁴ the media
17 and transportation standard,²⁵ the natural geography standard,²⁶
18 and the adequate land and water standard.²⁷

19 ²¹ Exc. 24-25.

20 ²² Exc. 25.

21 ²³ Exc. 25.

22 ²⁴ Exc. 28.

23 ²⁵ Exc. 28-29.

24 ²⁶ Exc. 29.

25 ²⁷ Exc. 30.

1 The Final Statement of Decision on the Skagway petition was
2 adopted by the Commission in a 3-2 decision. Reconsideration
3 was denied. This appeal followed.

4 **III. STANDARD OF REVIEW**

5 Questions of law, including the interpretation of statutes
6 and regulations, are decided on an independent judgment basis.²⁸
7 If the issue involves agency expertise or a determination of
8 fundamental policy questions on subjects committed to an
9 agency's discretion, the court uses a rational basis standard.²⁹

10 Deciding whether the fundamental principles relied upon by
11 Commission in its final decision is the equivalent of a new
12 regulation is a question of law that includes interpretation of
13 statutes and regulations.³⁰

14 **IV. DISCUSSION**

15 **A. That Portion of the "Fundamental Principles" for**
16 **Borough Formation Set Forth in the Statement of**
17 **Decision that Requires that Boroughs Encompass**
18 **"Relatively Large" Geographic Areas That Are Larger**
19 **than the Skagway Borough's Proposed Size Is the**
20 **Equivalent of a New Regulation**

21 ²⁸ Chalovich v. Dep't of Natural Resources, 104 P.3d 125, 128
22 (Alaska 2004).

23 ²⁹ Id.

24 ³⁰ Jerrel v. State, Dep,t of Natural Resources, 999 P.2d 138,
25 141 (Alaska 2000).

1 Administrative agencies must comply with APA guidelines
2 when altering, amending or issuing regulations.³¹ Agency action
3 creates a regulation when it establishes a future course of
4 conduct, has the effect of a standard of general application, or
5 makes an addition of substance to an existing policy or
6 regulation.³²

7 In Jerrel v. State, Department of Natural Resources,³³ the
8 issue presented was whether the Department of Natural Resources
9 ("DNR") created a new regulation by interpreting an existing
10 regulation that required animal branding or marking to "show
11 distinctly" to mean "plainly distinguishable from a distance of
12 twenty feet."³⁴ DNR contended that its expertise allowed it the
13 power to make policy rules interpreting regulations.
14

15 The court applied a two-part test to decide whether the
16 policy was a *de facto* regulation: (1) whether the policy or rule
17 interprets or makes specific the law enforced or administered by
18 the agency; and (2) whether the policy or rule affects the
19
20

21 ³¹ Id. at 143.

22 ³² Id. At 146.

23 ³³ 999 P.2d 138 (Alaska 2000).

24 ³⁴ Id. at 142.
25

1 public or is used by the agency in dealing with the public.³⁵

2 The court concluded that the twenty-foot visibility rule met
3 both standards and was thus a regulation adopted without
4 compliance with the Administrative Procedures Act.

5 In Alaska Center for the Environment v. State,³⁶ the issue
6 presented was whether a state division's decision as to the
7 applicability of regulations governing a "major energy facility"
8 in turn created a regulation. The court concluded that the
9 division's interpretation of standards did not amend,
10 supplement, or revise existing law and did not provide for new
11 or more specific requirements. Rather, the court held that the
12 agency interpretation was simply "the interpretation of the
13 regulation according to its own terms."³⁷

15 The Commission's "fundamental principles" interpret the
16 Alaska Constitution, state statutes and regulations to
17 implicitly require that boroughs be "relatively large regional
18 units."³⁸ As set forth in detail in Skagway's briefing, there is
19 no constitutional, statutory or regulatory language that imposes
20

21 ³⁵ Id. At 143.

22 ³⁶ 80 P.3d 231 (Alaska 2003).

23 ³⁷ Id. at 243-44.

24 ³⁸ Exc. 11.
25

1 a minimum size requirement for incorporation as a borough.

2 Also, although the Commission cites Vic Fisher, recognized
 3 by the Supreme Court and the Commission as "an authority on
 4 Alaska government"³⁹ they do not include his statement to
 5 Constitutional Convention Delegate Nordale regarding the meaning
 6 of the language in Article X, Section 3 of the Alaska
 7 Constitution that "[e]ach borough shall embrace an area and
 8 population with common interests to the maximum degree
 9 possible." Delegate Nordale asked whether the "maximum extent
 10 possible" language "refers to the common interests, not to the
 11 area, the size?" Mr. Fisher responded, "No, that is right."⁴⁰

12
 13 The Commission here concluded that the term "area" as used
 14 in Article X, Section 3 of the Alaska Constitution and Alaska
 15 Statute 29.05.031⁴¹ is "a term of art that describes a regional
 16 territory possessing all of the fundamental characteristics of a
 17

18
 19 ³⁹ Exc. 11 n.15; Keane v. Local Boundary Commission, 893 P.2d
 1239, 1244 (Alaska 1995).

20 ⁴⁰ 4 Proceedings of the Alaska Constitutional Convention 2711
 21 (January 20, 1956).

22 ⁴¹ AS 29.05.031(a)(1) provides in pertinent part that an "area
 23 that meets the following standards may incorporate as a home
 24 rule, first class, or second class borough, or as a unified
 25 municipality: (1) the population of the area is interrelated
 and integrated as to its social, cultural, and economic
 activities"

1 borough outlined in Section III-A of this decisional
2 statement."⁴² The Commission then repeatedly stated that
3 Skagway's 443.1 square miles do not possess the characteristics
4 of an "area" in the context of Article X, Section 3 of Alaska's
5 constitution and AS 29.05.031(a).

6 It might otherwise be found that a "fundamental principle"
7 that boroughs must be "relatively large" is essentially
8 meaningless because "relatively" is a relative term.⁴³ However,
9 application of the Commission's fundamental principle requiring
10 relatively large boroughs to its clear finding that the proposed
11 Skagway Borough size of 443.1 square miles is not an "area"
12 meeting borough incorporation standards effectively imposes a
13 specific size standard for boroughs, i.e., they must be larger
14 than Skagway's proposed 443.1 square miles.

15 This new standard is the functional equivalent of a
16 regulation. It interprets and makes specific the generally
17 flexible considerations for borough incorporation set forth in
18

19
20 ⁴² Exc. 20 n.28.

21 ⁴³ The North Slope Borough, at 94,770 square miles, is
22 presumably "large" as it is the largest borough in the state.
23 Alaska Department of Community and Economic Development,
24 Borough Government in Alaska at p. 3. (Nov. 2000). However,
25 Bristol Bay Borough encompasses 850 square miles and is less
than 1% of the geographic size of the North Slope Borough. Id.
Presumably both boroughs constitute a sufficient area for a
borough, despite the great difference in size.

1 the constitution, state statute and regulation. It was used by
2 the Commission in dealing with the public in that the
3 fundamental principles were repeatedly applied to the Skagway
4 petition. It establishes a future course of conduct and has the
5 effect of a standard of general application.

6 **B. The Commission Did Not Promulgate the "Relatively**
7 **Large/Larger Than Skagway Geographic Size Requirement"**
8 **in Accordance With the Administrative Procedures Act**

9 As noted, the Commission adopted and applied its
10 "relatively large" geographic size requirement to determine that
11 443.1 square miles does not qualify as an "area" for borough
12 incorporation. This action was taken without deference to the
13 Administrative Procedures Act, although at least one
14 Commissioner indicated that he would seek to have the
15 fundamental principles adopted as regulations in the future.

16 In United States Smelting, Refining and Mining Co. v. Local
17 Boundary Commission,⁴⁴ the Alaska Supreme Court considered the
18 proper scope of judicial review of an administrative decision by
19 the Local Boundary Commission in order to assure compliance with
20 due process under Alaska law. The court held that former AS
21 44.19.260(a)(2), requiring the Commission to develop proposed
22 standards and procedures for changing local boundary lines, was

23
24
25 ⁴⁴ 489 P.2d 140 (Alaska 1971).

1 mandatory and that the exercise of Commission discretion was
2 conditioned upon the development of such standards and
3 procedures.⁴⁵ The court concluded that the challenged annexation
4 was invalid because the Commission had not developed standards
5 prior to the annexation hearings.⁴⁶

6 The same due process concerns enunciated in United States
7 Smelting guide the court in this case. This court agrees with
8 the state's argument that the Commission has the discretion to
9 reject a petition for borough incorporation even if the petition
10 meets the statutory standards for incorporation.⁴⁷ The court
11 also agrees with the state's argument that it is possible that
12 the Skagway petition could be denied due to failure to meet the
13 statutory and regulatory standards for incorporation, without
14 reference to the fundamental principles.

15
16 However, the issue presented in this appeal is not whether
17 the Commission reached the correct result. Rather, the core
18

19
20 ⁴⁵ Id. at 141-42. Current AS 44.33.812(a)(2) states in
21 pertinent part that the Local Boundary Commission "shall" adopt
22 regulations providing standards and procedures for municipal
reclassification and dissolution. Here, Skagway sought
dissolution and reclassification as a borough.

23 ⁴⁶ Id. at 142.

24 ⁴⁷ This argument is presumably premised on the assumption that
25 the Commission would not act in an arbitrary and capricious
manner in exercising its discretion.

1 issue here is whether the result was reached in a manner
 2 consistent with fundamental notions of due process, i.e., fair
 3 notice of the standards that would be applied to the petition.

4 The proper limit of judicial review where the issue is one
 5 of due process compliance has been stated as follows:

6 The safeguard which due process assures is not that a
 7 court may examine each factual finding to see that it
 8 is correct, or even that it is supported by
 9 substantial evidence. Rather, we will review to
 10 assure that the trier of fact was an impartial
 11 tribunal, that no findings were made except on due
 12 notice and opportunity to be heard, that the procedure
 at the hearing was consistent with a fair trial, and
 that the hearing was conducted in such a way that
 there is an opportunity for a court to ascertain
 whether the applicable rules of law and procedure were
 observed."⁴

13 Here, fair and statutorily-required notice of the new standards
 14 for borough incorporation set forth in the "fundamental
 15 principles" was not given to Skagway.

16 The Commission argues that Skagway knew that the regional
 17 nature of its government functions would be considered for
 18 borough incorporation. This is likely true. However, the
 19 problem here is that, without prior notice, the Commission
 20 applied a newly-enunciated "fundamental principle" to conclude
 21 that 443.5 square miles is not "relatively large" enough to be a

22 _____
 23 ⁴ United States Smelting, 499 P.2d at 143, quoting K & I
 24 Distributors, Inc. v. Murkowski, 486 P.2d 351, 357 (Alaska
 25 1971) (footnote omitted).

1 borough. This new standard, if it is to be adopted, must be
 2 done according to law, following the public process provisions
 3 of the Administrative Procedures Act.

4 The Commission also argues that it should be able to
 5 consider non-statutory criteria. The court again agrees. The
 6 Commission is free to consider non-statutory criteria in
 7 deciding a borough incorporation petition and the geographic
 8 size of a proposed borough naturally may have some relation to
 9 existing statutory and constitutional standards.

10 Again, however, the problem with the decision at issue is
 11 not whether geographic size is an appropriate factual
 12 consideration in deciding borough incorporation. Rather, as
 13 previously stated, the Commission can not impose minimum size
 14 requirements for borough incorporations without taking those
 15 necessary steps to assure that any new standards are adopted
 16 according to law.

17
 18 **IV. CONCLUSION**

19 For the reasons set forth above, this matter is remanded to
 20 the Local Boundary Commission for reconsideration consistent
 21 with this decision. The Commission is not required to hold a new
 22

1 hearing unless it intends to apply new legal standards to its
2 decision.

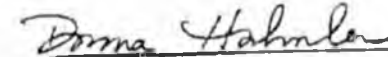
3 DATED at Juneau, Alaska this ⁴20 day of September, 2005.

5
6 

7 Patricia Collins
8 Superior Court Judge

9 CERTIFICATION

10 The undersigned hereby certifies that on the 20th day of
11 September, 2005 a true copy of the foregoing document was served
12 on Robert Blasco via courtbox and Michael Mitchell via US mail.

13 

14 Donna Hahnlen
15 Assistant to Judge Collins
16
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25



State of Alaska Local Boundary Commission

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May 2, 2005

The Honorable Gary Stevens, Chair
Senate Committee on Community and Regional Affairs
State Capitol, Room 103
Juneau, AK 99801-1182

RE CSSSHB 133(JUD) am

Dear Senator Stevens:

I regret that I am unable to testify before the Senate Committee on Community and Regional Affairs this afternoon regarding HB 133. Please consider the enclosed "Statement in Opposition to CSSSHB 133(JUD) am" and include the statement in the record as the official position of the Local Boundary Commission (LBC).

The LBC expressed its opposition to the bill (CSSSHB 133(CRA)) by a unanimous vote on March 25. Since then, the bill has been amended to address some of the concerns of the LBC. However, the LBC remains opposed to the bill.

Sincerely,

A handwritten signature in cursive script that reads "Darroll Hargraves".

Darroll Hargraves
Chair

Enclosure: Statement in Opposition to CSSSHB 133(JUD) am

cc: Members of the Local Boundary Commission



State of Alaska Local Boundary Commission

550 West Seventh Avenue, Suite 1770 • Anchorage, AK 99501
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STATEMENT IN OPPOSITION TO CSSSHB 133(JUD) AM **Before the Alaska State Senate Committee on Community & Regional Affairs** **By Darrell Hargraves, Chair, Local Boundary Commission** **May 2, 2005**

The Local Boundary Commission (LBC) provided substantial testimony before various committees of the Alaska State House of Representatives regarding different versions of House Bill 133. The version passed by the House was the fifth adaptation of the original bill.

I am pleased that many of the concerns expressed by the LBC are reflected in the final version of the bill. However, the LBC still has concerns regarding Sections 3, 4, and 5 of the bill.

Section 3 is characterized by supporters of the bill as requiring any annexation to be approved both by the voters within an annexing municipality and, separately, within the area or territory proposed for annexation. That characterization is overly broad. It does not recognize, for example, that Article X, Section 12 of Alaska's Constitution allows any annexation without any vote. Moreover, the LBC views the methods set out in AS 29.06.040(c) as being exclusive, or independent of one another. If the counter view is correct, however, the bill will allow a relatively tiny number of voters to thwart the interests of a vastly superior number of voters by denying a legitimate local action annexation proposal.

Section 4 is characterized by supporters as nullifying the aggregate voter method of annexation. The LBC does not interpret the bill as having that effect. However, if the supporters are correct, it will eliminate one local action method by which annexation may occur. It will likely result in an increase in the number of legislative review annexation proposals, which have no provision for any local vote.

Section 5 of the bill purports to annul any "municipal incorporation, annexation, detachment, merger, consolidation, reclassification, or dissolution proposal that has not taken effect on or before the effective date of this Act and that has been initiated or considered under regulations that do not meet the requirements of AS 44.33.813(a)(2), as amended in sec. 4 of [HB 133]." One petition for annexation by the aggregate voter method is currently pending before the LBC. Other such petitions may be filed with the LBC before the Act takes effect. The Commission is concerned that any annulment of such petitions by HB 133 will encounter legal challenges.

Given these concerns, the LBC urges the Senate Community and Regional Affairs Committee to not give favorable consideration to the bill. The LBC is certainly willing to

Statement in opposition to CSSH B 133(JUD) am
May 2, 2005
Page Two

cooperate with individual legislators during the interim to better understand and address any concerns they may have regarding procedures for local action annexation.

Alaska State Legislature

Senator Gary Stevens, Chair
Alaska State Capitol, Room 103
Juneau, Alaska 99801-1182
Phone 907-465-4925
Fax 907-465-3517



Committee Members:
Senator Bert Stedman
Senator Tom Wagoner
Senator Johnny Ellis
Senator Albert Kookesh

Senate Community and Regional Affairs Committee

Agenda

Monday, May 6, 2005, 1:30 – 3:30 p.m.
Beltz Comm. Room 211

- **CS SS HB 133(JUD)am Relating to incorporation of boroughs, to annexation by local action, and to regulations of the LBC to provide standards and procedures for municipal incorporation, reclassification, dissolution, and certain municipal boundary changes**

Held

Rynniva Moss from Representative Coghill's office will re-introduce the bill. We do not need to adopt a CS. She has prepared a draft amendment to help with a situation with the City of Petersburg where they filed a petition to annex an area. The version passed by the House is before us. It has a further referral to the Senate State Affairs Committee. There is an updated zero fiscal note that should be adopted. A few people have indicated that they may call into the teleconference. Mike Black will be online to testify and answer questions.

adopted u.c.

- **HB 217 Full and true value of taxable municipal property determinations.**

We've received the original version of the bill. *here* Pete Fellman from Rep. Harris's office will introduce via teleconference. The bill has a further referral to the Sen. Finance Committee. Steve VanSant will be online for questions/testimony, and Mike Black will be here. There is a **previous zero** fiscal note to adopt.

*R.O.
5-6-05*

- **HB 293 Relating to a borough sales tax exemption for a source that is taxed by a city in that borough.** Previously reported out of Sen. CRA (4/15/05) as SB 161

*R.O.
5-6-05*

HB 133 - plea to report to Sen. STA

AMENDMENT

OFFERED IN THE SENATE

TO: CSSSHB 133(JUD) and

1 Page 3, lines 15 - 20:

2 Delete all material.

3 Insert "the effective date of this Act and that has been initiated before the effective
4 date of this Act remains valid and subject to AS 29.05.100(a), AS 29.06.040(c),
5 AS 44.33.812(a), and regulations adopted under those provisions, as those provisions and
6 regulations read on the day before the effective date of this Act."



CITY OF PETERSBURG
P.O. BOX 329 • PETERSBURG, ALASKA 99833
TELEPHONE (907) 772-4519
FAX (907) 772-3759

May 2, 2005

To: Senate Community & Regional Affairs Committee

Cc: Delegation

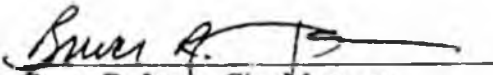
Fr: City of Petersburg

RE: HB 133

The City of Petersburg requests that Section 5, Applicability, of HB133, be considered for amendment.

The City is presently preparing a response brief to public comments and briefs filed on its petition to annex that was filed with the Boundary Commission in December, 2004. The response brief is due to the boundary commission by July 15, 2005. The City does not want its petition void if this Act passes as considerable time, personnel resources and money have been placed into the petition application.

Consideration should be given to allow incorporations, annexations, detachments, mergers, consolidations, reclassifications or dissolutions that are currently in process to be amended to meet the requirements of AS 44.33.812 (2) or under procedures that do meet the requirements of AS 29.05.115.


Bruce R. Jones, City Manager



DIVISION OF COMMUNITY ADVOCACY

Frank H. Murkowski, Governor

May 6, 2005

The Honorable Gary Stevens, Chair
Senate Committee on Community and Regional Affairs
State Capitol, Room 103
Juneau, AK 99801-1182

RE CSSH B 133(JUD) am

Dear Senator Stevens:

The Department of Commerce, Community, and Economic Development (Department) welcomed the modifications to HB 133 that result in the current version, CSSH B 133(JUD) am, (hereafter "HB 133") that passed the House. The Department views this legislation, in its present form, as providing an additional option to municipalities to annex by local action, and it requires the Local Boundary Commission (LBC) to establish procedures for the new local action option.

It has been the long-standing interpretation of the LBC that AS 29.06.040(c)(1) - (3) is a listing of the minimally required methods for which the LBC must provide procedures with respect to municipalities that seek annexation or detachment by local action. This interpretation stems from the language used in AS 29.06.040(c) which reads in relevant part: "The procedures established under this section *must include*¹ a provision . . ." The language "must include" does not act as a limitation on the LBC; instead it requires the LBC to provide, at a minimum, procedures for the listed methods. HB 133 would add one more required method for which the LBC must provide procedures under AS 29.06.040(c); namely, when a municipality chooses the option of proposing annexation "by a majority of votes on the question cast by voters residing in the annexing municipality."

¹AS 01.10.040(b) provides that: *When the words "includes" or "including" are used in a law, they shall be construed as though followed by the phrase "but not limited to."*

The Honorable Gary Stevens
May 6, 2005
Page 2

It is also apparent from reading the specifics of the required methods for local action annexation or detachment (AS 29.06.040(c)(1) – (3)), that these methods are independent of one another. For example, a municipality seeking an annexation under AS 29.06.040(c)(2) --“municipally owned property adjoining the municipality may be annexed by ordinance without voter approval” -- would not also need to conduct an election under (c)(1). Nor would a municipality need to have “ all property owners and voters in the area petition the governing body” under (c)(3) if it were seeking annexation under (c)(2). In fact, the procedures in (c)(2) and (c)(3) allow annexation by local action “without” any type of election. Similarly, if a municipality seeks annexation or detachment under the local action method under (c)(1), which requires approval by “a majority of votes on the question cast by voters residing in the area proposed to be annexed or detached” it would not be necessary to also meet the requirements of (c)(2) or (3) as discussed above. We are confident in our interpretation based upon principles of statutory construction as well as the historical interpretation of AS 29.06.040(c).

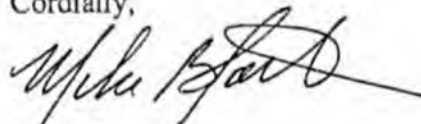
It is our view that Section 5 of the bill does not annul regulations of the LBC already promulgated, particularly regulations providing for an aggregate voter method as one of the local action annexation options available to municipalities. As stated above, we believe the amendment to AS 29.06.040(c) made in Section 3 of the bill provides municipalities with an additional option for local action annexation and the LBC must provide procedures for this additional method. It does not nullify other procedures the LBC may provide for in regulation.

As noted by the LBC in testimony before the House Community and Regional Affairs Committee, the House State Affairs Committee, and the Senate Community and Regional Affairs Committee, one petition for annexation by the aggregate voter method is currently pending before the LBC. Specifically, the City of Petersburg has one such proposal pending before the LBC. Under our interpretation of HB 133, in its current form, that annexation petition process will not be affected by the changes proposed to AS 29.06.040(c) in Section 3 of the bill.

In concert with the above comments, HB 133 does not, in any manner, eliminate or limit the LBC's authority with respect to a boundary change effected under AS 29.06.040 (b) -- the legislative review method provided for in Article X, Section 12 of the Alaska Constitution. Further, as provided in AS 29.06.040(d), a boundary change proposed under the legislative review method prevails over a boundary change initiated by local action, without regard to priority in time.

Therefore, the Department has no objection to this bill in its current form. Thank you for this opportunity to comment on this legislation.

Cordially,



Mike Black
Director

cc: The Honorable John Coghill, House Majority Leader
The Honorable Darroll Hargraves, Chair, Local Boundary Commission

HB133 Comments

William Egan expressed the view that boroughs represented a "better form of local government." In 1963, Governor Egan signed the Mandatory Borough Act into law. This created 8 boroughs, which today encompasses almost 84% of the state's population. These people did not vote to form a borough, but those borough governments have been working fine for the past 42 years.

A borough is an important if not essential tool to respond to the impacts of low levels of education funding and in dealing with cuts in funding for local governments, i.e. revenue sharing. It is also the most effective means to address important regional planning and economic development issues. Borough formation represents good public policy from a statewide perspective in several important aspects.

1. It fosters greater compliance with the equal protection clause of Article 1, Section 1 of the state constitution. Specifically, it would increase the extent to which citizens of Alaska have comparable obligations to support local services.

2. Article 10, Section 1 of the state constitution encourages borough formation. The constitutional concept of municipal government in Alaska is predicated upon the presumption that organized boroughs will exist wherever areas are capable of supporting them.

3. Creation of boroughs would dramatically ease the financial burdens on the state. For example, education costs for the state would decline because local contributions required of borough school districts would increase.

In 1988, the city of Valdez organized a PWS Borough Feasibility Study Group. The group hired Darbyshire & Associates to conduct the study, which was completed in April of 1988. The conclusions reached by the study indicated that a basic borough exercising only mandatory powers is a very viable proposition for residents of the area.

Another study was conducted for PWS by Northern Economics, ResourceEcon and Darbyshire & Associates in 1997, which concluded that the people of PWS would be better served by leaders who are proactive in the matter of borough formation rather than waiting to react to other borough annexation requests or the state legislature.

Requiring a vote on every borough formation can be likened to an annexation into a city. Those people that are outside the city limits reap the benefits of schools, libraries, roads and more, yet pay little or nothing in taxes to support those services. They resist annexation to avoid paying those taxes and would certainly vote against it. In 1992, the City of Cordova passed a resolution requesting to annex population developments near the old city. In 1993, the Local Boundary Commission approved the annexation and passed that recommendation along to the state legislature, which approved it by legislative review. No vote was cast in this annexation.

The same issues arise with borough formation, but can be taken one step further. When local officials in some areas are strongly opposed to being included with other communities in regional boroughs, their views are likely shared by many of the voters in the area as well. Thus, voters in parochial or special interest areas would most times dictate the out come of an election, in effect preventing any borough formation. Passage of HB133 will prevent future borough formation and municipal annexations except in special interest areas, which will insure that only small special interest boroughs will ever form and freeze city boundaries at their current locations, which is contrary to the ideas of the framers of the state constitution.

Jim Joyce

Mayor

Cordova, Alaska

AMENDMENT

OFFERED IN THE SENATE

TO: CSSSHB 133(JUD) am

1 Page 3, lines 15 - 20:

2 Delete all material.

3 Insert "the effective date of this Act and that has been initiated before the effective
4 date of this Act remains valid and subject to AS 29.05.100(a), AS 29.06.040(c),
5 AS 44.33.812(a), and regulations adopted under those provisions, as those provisions and
6 regulations read on the day before the effective date of this Act."

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSSHB 133(JUD) AM
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title: Municipal Boundary Changes/Commission RDU: Comm Assist & Ec Dev (405)
 Component: Community Advocacy
 Sponsor: COGILL, Harris, Salmon, Thomas, Elkins,
 Requester: Neuman Component No.: 2703
Senate Community & Regional Affairs

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation amends certain powers of the Local Boundary Commission established in Title 29 and Title 44. This legislation has no fiscal impact on the operations of the division.

Prepared by: Michael Black, Director Phone 269-4540
 Division: Community Advocacy Date/Time 5/2/05 12:36 PM
 Approved by: Edgar Blatchford, Commissioner Date 5/2/2005
 Agency: Commerce, Community, and Economic Development