

1977-78

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

TABLE OF CONTENTS

1977 MINUTES: 2/1/1977 - 5/12/1977

1978 MINUTES: 1/24/1978 - 6/10/1978

1978 HEARING AGENDAS

1978 BILL SUMMARIES

1977-78  
SCRA  
MINLOG

Minutes  
1977

1977

MINUTES

2/1/1977 - 5/12/1977

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

February 1, 1977

Present: Chairman Orsini, Ed Willis and Frank Ferguson.

Absent: Bill Sumner and Glen Hackney

At 3:45 Mr. Leo Rhode, Representative and Author of Senate Joint Resolution No. 9 presented his testimony to the members of the Senate Community and Regional Affairs Committee.

Mr. Rhode testified that the Bradley Lake hydroelectric plant project has been studied extensively as to the results of such a project, and has been approved by Congress although no appropriations have been made to start the construction of the plant.

An Environmental Impact Study was conducted and as a result, it has been decided that there will be no adverse environmental effects on fishing or other natural resources.

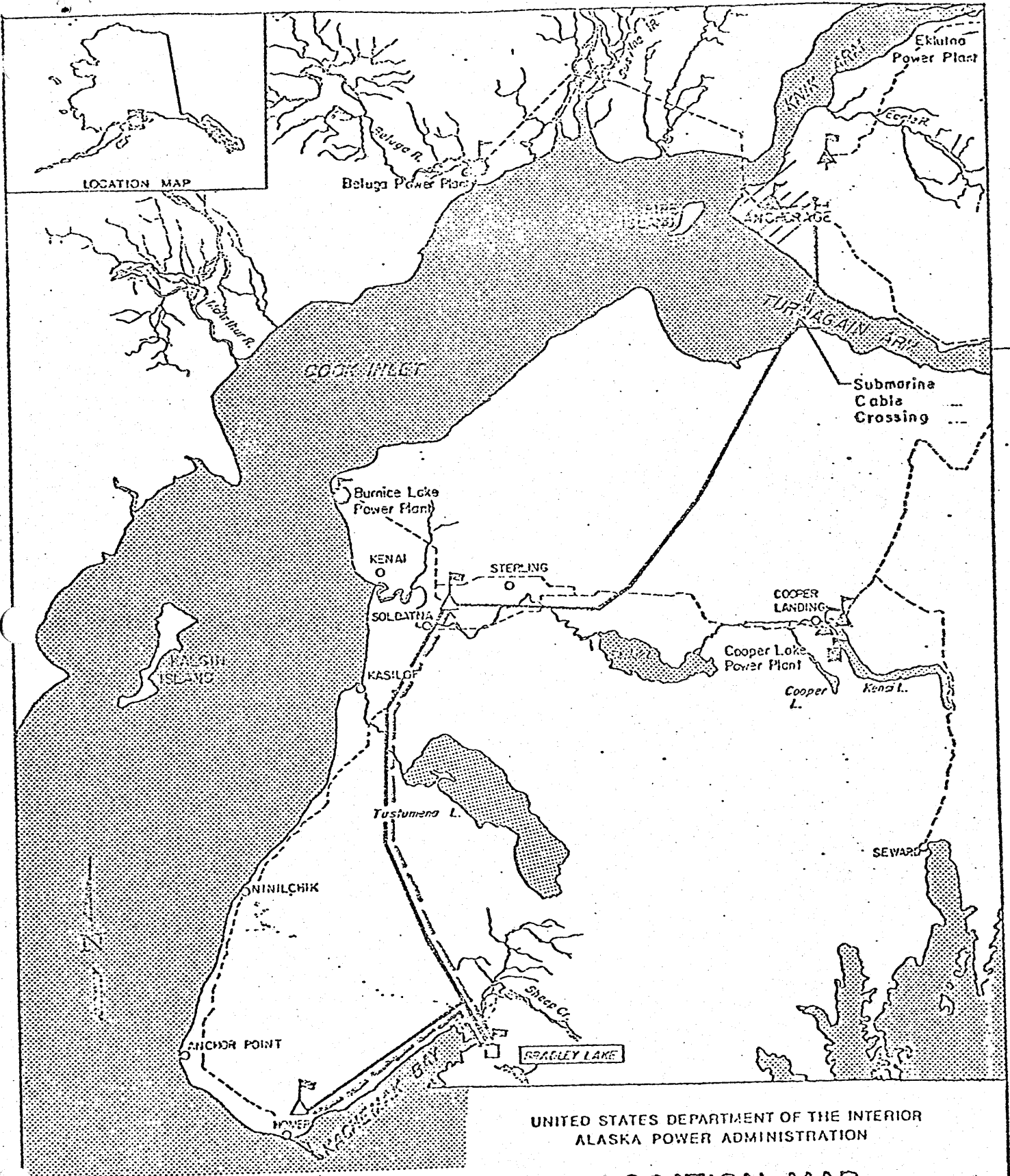
Mr. Rhode stated that if the Resolution is passed, the plant could be operating within 5 years. By 1980, a transmission line from Soldotna could provide power to Anchorage, if necessary, and relieve the demand for natural gas, of which the supply is limited.

Chairman Orsini noted that the Alaska Power Administration and the Alaska Public Utilities Commission were in favor of the Resolution. Also, no environmental agencies or groups had notified him of any objections to the project.

Mr. Rhode said that this was a good project, and that it would relieve the rising gas problems throughout Alaska.

Senator Ferguson moved that the Resolution be passed and Chairman Orsini and Senator Willis voted "Do Pass" on HJR No. 5.

The meeting was adjourned at 3:55 p.m.



UNITED STATES DEPARTMENT OF THE INTERIOR  
ALASKA POWER ADMINISTRATION

# LOCATION MAP

## BRADLEY LAKE PROJECT

### ALASKA ALTERNATIVE TRANSMISSION ROUTE

#### LEGEND

- CEA Substation
- Federal Substation
- Proposed Federal Substation
- Existing Transmission

- CEA Hydroplant
- CEA Gas Turbine
- Proposed Federal Hydroplant
- Corps Selected Route - 230KV

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

February 7, 1977

Present: Chairman Orsini, Senators Glen Hackney, Ed Willis, Bill Sumner; Ted Burns, Assistant Anchorage Municipal Attorney, Anchorage; Lee Sharp, City and Borough Attorney, Juneau; Don Statter, Director, Division of Waters and Harbors; Palmer McCarter, Director, Local Government Assistance; and Andy Edge, A.A. for Senator Hohman.

Absent: Frank Ferguson

Testimony on SB 32 began at 3:15 p.m., given by Don Statter, Director of the Division of Waters and Harbors. Generally, he stated, he did not support the concept for the reason that if the State is going to provide the improvements and fund 100% of the costs of a facility, and the user pays for the operation, he saw no logical reason for the State to support a project to any further degree. As a result of the Bill, he saw no advantages or disadvantages to the local harbor management.

Chairman Orsini asked regarding profits made from a port facility, and Mr. Statter replied that they are capable of making a profit but seldom do.

Senator Hackney asked for the definitions of boat harbor and port facility in order to differentiate between the two.

Mr. Statter stated that it is difficult to distinguish between the port and harbor facilities, and whether or not under the terms of present laws, who qualifies and who doesn't in order to receive revenue sharing dollars.

Ted Burns, Assistant Anchorage Municipal Attorney, testified that he supports the Bill. He feels that it will provide incentive for communities to expand the number of transit systems that they currently offer. He hopes that the additions of eligible categories will encourage mass ground transit for Anchorage, which is badly needed.

Palmer McCarter, Director of Local Government Assistance, testified that the Department of Community and Regional Affairs had no objections to the concept of SB 32 if there is sufficient funding. He stated that the purpose of municipal revenue standards was to provide sharing of State

revenue with the municipalities so they could reduce property taxes or not increase existing taxes. He pointed out that if the municipality does have a small boat harbor and does get revenue sharing for that harbor, there are no requirements to expend that money for a boat harbor. The argument is that if the community provides certain types of facilities you increase your maintenance costs, police costs and other municipal services which are generated by the fact that they have these facilities. Municipal transit in Alaska is heavily subsidized by the municipalities. He stated that their concern is that there are sufficient revenues to extend the revenue sharing program to provide more money to the municipalities.

He stated that larger municipalities might not lose anything and would be eligible for more categories, but the smaller communities would suffer unless they become eligible and increase their categories. He added that the smaller communities benefit more with the revenue sharing program.

He stated that in the Governor's budget, the funding for operation of this program is represented as an expenditure of 90% of the amount requested by the Community and Regional Affairs.

Lee Sharp, Attorney for the City and Borough of Juneau testified that they supported the concept of the Bill 32. He stated that Juneau's transit system and harbor is operating "in the red", and hopes this additional funding will offset the deficit. He also noted that Juneau might not qualify for a port facility, but if it's possible, it would have a substantial impact on the Assembly's decision as to how soon they could have a port facility in operation. He stated that if more money is gained by the number of categories, the City would possibly try to qualify for as many as they could.

Andy Edge, the former City Manager of Bethel made his statement in defense of the villages. He feels the villages would not qualify for the transportation categories, and therefore lose money. He felt they would be at a distinct disadvantage unless the programs are fully funded.

Chairman Orsini noted that it wouldn't matter what category they increase, the government will use the money for whatever they think is important. Mr. Statter added that in order to qualify for the funding, the service must be provided.

Senate Bill 19 was then introduced, and Mr. Sharp stated that the Valley area in Juneau has an extremely high vandalism rate, and police protection is badly needed. He commented that a few years ago the people in the Valley were asked if they wanted police protection and they said no.

Mr. Sharp then stated that by increasing the police protection component is one way to encourage a municipality to increase the police protection.

He felt that a lower level of these services could be provided in the Valley at a lesser cost. He added that at this time the old city of Juneau and Douglas are receiving police services.

Senator Sumner felt that the cost to give Anchorage adequate police protection with the concept of the Bill would cost \$9 million, and that was a staggering amount. He did not feel that it would make the system more efficient.

Mr. Burns stated that he was in favor of SB 19.

Senator Hackney stated that he had heard of a vigilante group in the Eagle River area and Senator Willis stated that he had learned that they were a difficult group to control and the Department of Public Safety was not supportive of this group.

Senator Sumner supported the concept of an auxiliary force, stating that citizens should be involved, and Senator Willis added that with the help of CB Radios, doctors could be reached quickly. He added that citizens were not given police authority.

Senator Orsini agreed with this concept, and Senator Sumner stated that partial funding for an auxiliary unit could stretch the dollar amount for police protection.

Senator Sumner considered the possibility of using Senior Citizens who could become involved in an auxiliary unit of police services.

It was agreed among the members to do some research into the feasibility of an auxiliary police force.

The meeting was adjourned at 4:45 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

February 10, 1977

Present: Chairman Orsini, Senators Glen Hackney, Ed Willis, Bill Sumner; Charles Jones, American Association of Retired Persons; Danny Plotnick, Senator Patrick Rodey, Lauren Pomeroy, Dept. of Community and Regional Affairs.

Absent: Frank Ferguson

The hearing began at 3:15 p.m. and Chairman Orsini explained the concept of the three Bills being discussed. HB5 in essence is the same as SB6.

Senator Rody, sponser of SB6, offered his testimony. He stated that he feels the senior citizens of Alaska should have tax relief. He commented that this Bill would minimize the amount of bureaucracy involved in the present system. He stated that it was unfair to the senior citizen, whose property is assessed at an extremely high level, to be expected to pay extremely high taxes when his income is minimal.

Senator Sumner stated that he was co-sponsor of the SB6.

Lauren Pomeroy, Assistant State Assessor, testified, defining the "Circuit Breaker" alternative. The "Circuit Breaker" would provide a method of tax relief to those senior citizens whose assessed property value exceeds the exemption amount prescribed by law. Data was presented regarding this alternative.

Senator Hackney asked if there had been any research done in regards to long-range effects of this approach. He felt the future impact of this alternative should be realized.

Charles Jones testified in favor of SB6, stating that people over 65 would be encouraged to stay in Alaska if they were exempt and therefore contribute to Alaska's economy by remaining in the State. Most of the senior citizens want to live in Alaska, he said, but cannot because of the high cost of living. Mr. Jones asked that they "give us old timers a break".

Danny Plotnick then spoke in favor of the Bill. He suggested that local government assume the tax burden of the senior citizen and give the municipality the option of being reimbursed by the State.

There was some discussion as to the appropriation for this bill.

Procedure dictates that HB5 be acted upon in place of SB6, and Senator Sumner asked for a Do Pass vote, and Chairman Orsini suggested "individual recommendation". HB5 was passed accordingly.

The hearing was adjourned at 4:30 p.m.

## EXEMPTIONS:

Are, or ought to be, carefully and strictly construed;

Serve to recognize a service or other provision which would otherwise be a demand on public funding;

Forgive the tax liability on a service or other provision which is wholly charitable and non-discriminatory.

## SENIOR CITIZEN PROPERTY TAX EXEMPTION

Alaska Senior Citizen Property Tax Exemption originally designed to partially relieve the financial burden of home ownership on home owners 65 years of age or older whose income was less than \$10,000 annually.

The difficulties and impossibilities of equitable administration dictated that a different manner of measuring eligibility be devised for continuation of the basic program.

In the interim, the hue and cry of an invasion of privacy fostered legislation to remove the income limitation requirement. This was accomplished without providing an alternate method of measuring eligibility and resulted in full funding of local property tax without regard to the financial capabilities of the beneficiaries.

Subsequent legislation provided a formula for establishing a property value limitation based on the statistical analysis of property values which were approved in the prior year program.

The formula which is stated in statistical language says in effect that the least valuable 3/4 or 75% of the properties will have the total tax liability paid to the municipality by the state from General Fund Grant to the program. The other 25% of the properties will be liable for the tax liability on the value that exceeds the assessment on the highest property included in the first 75% of the total program.

Mr. Charles H. Jones, Lobbyist  
for Alaska Joint State Legislative  
Committee of the American Association  
of Retired Persons  
P. O. Box 668  
Douglas, Alaska 99824  
February 10, 1977

Mr. Joseph Orsini, Chairman  
Chairman of the Senate  
Community and Regional Affairs Committee,  
State of Alaska  
Juneau, Alaska

Dear Mr. Orsini:

Mr. Joseph Orsini, Chairman and members of the Senate  
Community and Regional Affairs Committee.

I am a registered Lobbyist representing the Alaska Joint  
State Legislative Committee of the American Association of  
Retired Persons which has about 8,000 members in the State of  
Alaska.

The Association that I represent favors and urges you to  
recommend that the State Senate pass Senate Bill No. 6 "An Act  
relating to exemption from Real Property Taxes for Senior Citizens".  
This is the same as Committee Substitute for House Bill No. 5  
except the House Bill was passed making the Act retroactive to Jan.  
1, 1977. *SBB*

The American Association of Retired Persons contends that  
all owners of real property and occupied as a permanent place of  
abode by the resident owner 65 years of age or over should be  
exempt from taxation of the full assessed value of the real property.  
Any attempt to Tax any of the owners would cost the State more than  
the amount of the taxes that would be collected. In simple words  
the cost of administrating the collection of these taxes would be  
excessive considering the amount of taxes collected.

I as representative of the American Association of Retired  
Persons request that you give the pending legislation mentioned  
your favorable action.

*Charles H. Jones*  
Charles H. Jones, Lobbyist  
for AARP.

SB 50

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

February 15, 1977

Present: Chairman Orsini, Senators Willis, Ferguson, Hackney, and Sumner; Charles Thompson, Dept. of Highways; Bill Corbus, Alaska Utilities Association; and Ted Burns, Municipality of Anchorage

The hearing was begun at 3:00 with the testimony from Charles Thompson, Chief Utilities Engineer of the Department of Highways. Ketchikan Public Utilities had sent a letter stating their feelings about SB 50, and Mr. Thompson explained and clarified the terms of the letter.

Bill Corbus from the Alaska Utilities Association then stated that they were endorsing SB 50. He testified that by having the State reimburse the utilities for relocation, their rates to the consumer are stable.

Senator Sumner asked if the \$100 penalty was necessary, that he did believe the general public should not have to pay this fine. He pointed out that there had been no testimony or support from anyone on this point.

Mr. Corbus stated that they had never, to his knowledge, had any problems with unauthorized encroachment.

Ted Burns, the Assistant Anchorage Municipal Attorney, stated that they were favor of SB 50. He said that utility rates were ever-increasing and the cost imposed by relocating lines were contributing to the high cost of usage. He explained the difference between underground and overhead lines in relation to relocation costs.

Chairman Orsini asked Mr. Thompson about the definition of an functionally equal facility, and Mr. Thompson explained that the State would provide the funds for a new relocated facility with the same capabilities as the old one. The utility then would assume the costs for any extra capability or improvements.

Chairman Orsini asked if there were any motions to amend SB 50, and Senator Sumner suggested that page 2, line 18-20 be deleted, beginning after the word chapter, and ending after the word exist. This motion was passed unanimously, and Senator Ferguson then moved to pass the Bill as amended and all the members voted "Do Pass" on SB 50.

The hearing was adjourned at 3:55 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

February 21, 1977

Present: Chairman Orsini, Senators Hackney, Willis and Ferguson; and Sam Coxon, Administration Assistant to the Municipality of Anchorage; and Jim Baldwin from Legislative Affairs, Division of Legal Services.

Absent: Senator Sumner

The hearing began at 3:45. Chairman Orsini asked Mr. Coxon for the background of CSSB 84.

Mr. Coxon stated that it had come to his attention that the formula for taxation had been inverted on last year's bill, and therefore this CSSB 84 should be recalculated with the proper formula. He also pointed out that mobile homes would be excluded from registration tax. These two items were the only changes in the present bill.

Jim Baldwin from the Division of Legal Services concurred with Mr. Coxon, and Chairman Orsini asked the Legislative Affairs Agency to submit a letter to the Committee indicating that the Bill will not change existing law other than to make it clearer as to what the intent is.

Senator Willis asked where the definition of mobile home originated and Paul Conger stated that this definition was derived from the Department of Motor Vehicles definition of mobile home.

Senator Orsini presented a letter from Avis Rent A Car. They expressed concern in regards to double taxation. It was brought out that two addresses are requested by the Department of Motor Vehicles: the location of the car and the residence of the owner. Mr. Coxon stated that if they are the same, then there is no problem, otherwise the owner would be taxed according to the vehicles location.

Senator Ferguson noted that CSSB 84 had passed the Senate Commerce Committee, and recommended that the Senate Community and Regional Affairs Committee also pass the Bill.

Senator Orsini asked for any objections, and there were none. The CSSB 84 was passed. Senator Hackney asked that the record show that he was pleased to see that by sitting on this committee, he realized what shape the bill was in.

Senate Bill 80 was then presented for discussion. Chairman Orsini stated that the concept of SB 80 was to authorize the Division of Natural Resources to classify State land as recreational land. He stated that a letter from Ted Smith, Director, Division of Land and Water Management, revealed that he believed the authority to classify State land already exists.

Chairman Orsini questioned Part (b) of SB 80, stating that it was his understanding that if there is State land within a municipality, but it's not included in the comprehensive plan, then the State should not designate the area as recreational land. He added that this bill seemed to contradict a Navigable Waters Bill from last year.

It was agreed among the members that Senator Croft, sponsor of SB 80, must have some reference to a specific problem.

Senator Orsini stated that the concept is to avoid having the State buy back land for recreational areas.

Senator Hackney suggested that the bill was shot full of loopholes and asked if they could have further discussion on SB 80 with Senator Croft to clarify some points.

Chairman Orsini stated that he felt the question was whether the State should comply with the municipalities regulations, or let the State do whatever it will no matter what the municipality's position is.

It was decided to take up SB 80 at the next hearing. The meeting was adjourned at 4:15 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 1, 1977

Present: Chairman Joe Orsini, Senators Sumner, Hackney, Willis and Ferguson; Don Berry, Alaska Municipal League; Sam Coxon, Municipality of Anchorage; Palmer McCarter, Community and Regional Affairs; and Senator Patrick Rody.

At 3:10, the hearing was started with testimony from Senator Pat Rody, sponser of SB 126. He explained that this bill attempts to improve the quality of elections, as there are problems which occur where there are no run-off elections. He stated that when there is a poor turn-out for an election, sometimes as low as 5%, democracy is not being practiced.

Senator Hackney stated that he was very supportive of this bill.

Mr. Don Berry, Executive Director from the Alaska Municipal League testified that he was in favor of SB 126 but stated his preference for SB 125 because it includes the office of mayor being exempt from the requirements imposed by AS 29.28.040.

Discussion followed concerning the interpretation of the Statute.

Senator Ferguson asked Senator Rody if he would object to amending his bill to exempt mayors from the requirements and Senator Rody explained that he had no strong feelings about it except that from a practical standpoint, he felt that the mayors' position should not be exempt.

Senator Orsini, in reference to an issue raised by Mr. Berry, asked Palmer McCarter if this bill would apply to Home-Rule cities and Boroughs. Palmer answered that the current law is not applicable to Home-Rule cities and boroughs. Mr. McCarter added that he was supportive of the bill, and also in agreement with Mr. Berry, that he would like to see mayors exempt.

It was decided to move the bill out with a unanimous vote of "Do Pass".

Senate Bill 114 was introduced for discussion and Mr. McCarter stated that he supported the bill. Chairman Orsini stated that the Department of Highways had not expressed any objections to the concept of the bill.

Sam Coxon from the Municipality of Anchorage presented a memo from Tom Nelson of the Planning Department, City of Anchorage. Mr. Coxon added that this memo expressed the reasons that they support the concept of SB 114.

Senator Orsini stated that if the local support could veto government action, it could possibly cause problems for the State. Senator Willis stated that the State has at times, moved ahead on projects without notifying community groups, so in essence, it works both ways. Senator Sumner suggested that local people could use legislation to solve their problems and therefore compromise the situation.

It was then agreed that if there were no objections from the Highway Department, and the Administration supported the bill, then it was agreed to pass it with one individual recommendation, and three no recommendation.

The hearing was adjourned at 3:50 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 3, 1977

Present: Chairman Orsini, Senators Hackney, Sumner, and Willis; Representative Miles; Palmer McCarter, Community and Regional Affairs; Lee Sharp, City and Borough of Juneau; and Ted Berns, Municipality of Anchorage.

Absent: Senator Ferguson

The hearing was begun with the testimony of Representative Miles, sponsor of HB 94. He stated that the sole purpose of the bill is to let the local governing body determine between ASHA and a regional housing authority, who will build housing and how it shall be built.

Charman Orsini suggested that the word village should be added to line 14 so that villages would be included in this bill.

There was discussion concerning governing bodies of villages, the difference between IRA Councils and traditional councils, and who would claim the authority to resolve conflicts between ASHA and a regional housing authority. Palmer McCarter stated that he had no specific interest in the bill, but felt that it could solve most of the present conflicts. He suggested that the language of the bill could be expanded later.

The bill was passed.

Testimony for SSSB 37 was begun by Mr. Ted Berns. He stated that he was very supportive of the bill although he recommended changes which he felt would not detract from the efforts of the bill. He explained how title searches on all foreclosed property could impose an economic burden on municipalities and the Administration. He commented that the municipalities are already bound by statute to notify a lienholder if property he has an interest in becomes delinquent. The only prerequisite required is that the lienholder must request notification if he interest becomes subject to foreclosure proceedings. He added that with problems with the mail and human error, a person might not receive his notice.

Senator Sumner suggested that the lienholder's address be on the lien, and therefore avoid the title search.

Mr. Berns also pointed out problems which could arise due to no time limit being set in Section 3. He stated that a person could claim his land years after the city has built

on it, or sold it. He suggested a time limit and public hearings to provide a person the opportunity to regain the property.

Mr. Berns also stated that Section 4 should establish a time limit.

Mr. Lee Sharp reiterated the same observations that Mr. Berns had brought up.

Discussion followed as to how to make the lienholder "prudent and knowledgeable" in order to give him the chance to regain his property within an established amount of time.

Chairman Orsini adjourned the hearing at 4:30 p.m., after requesting Senator Willis to confer with appropriate individuals so as to resolve some of the problems raised.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 10, 1977

Present: Chairman Orsini, Senators Ferguson, Hackney,  
Sumner and Willis.

Chairman Orsini opened the hearing on SB 47, stating that with the Committee's concurrence, the bill could be passed without public testimony. He further explained that he could see no problems with the concept of the bill, except that the municipalities might have more "bookwork" as a result of keeping track of what exemptions were applicable in an assessment of real property.

The Committee members were in agreement with the Chairman and the bill was passed.

Committee discussion was then started on SCR 13 and SCR 14. The purpose of this discussion was to familiarize the members with these Resolutions before introducing public testimony.

Senator Sumner stated his concern in the case of Dr. Beirne, and asked the Chairman if this particular situation would be examined by the Committee.

Chairman Orsini responded that he felt the Committee should not direct their attention to any particular case but work to resolve any problems in order to attain reasonable regulations. The Chairman pointed out areas of concern; that throughout the history of the legislation on hospital construction revenue-sharing, the definitions of "other facility sponsor" and "total project cost" have not been given, yet the terms have been used consistently. It was suggested that the Commissioner of Community and Regional Affairs be invited to the public hearing in order to define these terms. Senator Sumner asked that Mr. Barrier, from the Division of Legal Services also attend.

The Chairman advised the members to study the material regarding these Resolutions, and the public hearing would be held Tuesday, March 15, 1977. The meeting was adjourned at 4:05 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 15, 1977

Present: Chairman Orsini, Senators Hackney, Willis, Sumner, and Ferguson; Ms. Lee McAnerney, Commissioner, Dept. of CRA; Palmer McCarter, Director, Local Government Assistance, Dept. of CRA; Rod Peques, Dept. of Law; Jack Chenoweth, Staff Attorney, Legislative Affairs Agency; Lois Jund, Deputy Commissioner for Program Management, Dept. of Health and Social Services; Lowell Swartz, Coordinator, Health Facilities Development, Dept. of Health and Social Services; Ted Berns, Attorney for the Municipality of Anchorage; and Mike Bradner, Sponsor.

Chairman Orsini brought the meeting to order. Lois Jund, Deputy Commissioner for Program Management, was asked to inform the Committee why Hill-Burton Regulations were adopted by the Department of Health and Social Services as a guideline in determining allowable and non-allowable cost relating to hospital construction. Lois Jund replied that Department of Health and Social Services adopted these regulations in 1972 but deferred to the specific question as to why they adopted these regulations to Lowell Swartz.

Lowell Swartz stated that prior to the adoption of Hill-Burton regulations, there were several claims which bore no resemblance to hospital construction and some criteria had to be established by which the State could determine allowable construction costs. At this time the Hill-Burton manual was widely accepted in determining the above mentioned cost, so the Department submitted a request to the AG's office to determine if this would be a suitable standard for the Department to adopt. Mr. Swartz stated that after receiving approval from the Department of Law, the Department implemented the regulations in 1972.

Chairman Orsini asked if any thought had been given to the possibility that in the future assistance might be requested regarding acquisition of land for the purpose of constructing a hospital. Mr. Swartz commented that some discussion had been directed at this possible situation; however, it was not considered a problem because the majority of the facility sponsors had acquired their own land.

Senator Sumner then inquired if the term "total project cost" had ever been defined in the Hill-Burton regulations and Mr. Swartz said no. Mr. Swartz stated that to his knowledge there is no definition of the term.

Senator Orsini asked if, at the time the CRA became involved with the revenue sharing program of providing construction money to sponsors of hospitals, did the regulations that were adopted by Health and Social Services transfer to the CRA or were new regulations adopted? Jack Chenoweth, Legislative Affairs Agency, Staff Attorney, Division of Legal Services, who was a Director in CRA in 1972 indicated that he had not researched that particular issue but felt that the regulations may not have been adopted officially by the CRA but that they were given the authority to do so by the Statute.

Senator Sumner suggested that Mr. Chenoweth should testify further for clarification purposes regarding this matter.

Senator Sumner referred to a letter written by Mr. Chenoweth to Representative Mike Bierne regarding the denial of Fiscal Year 1975 budget Legislative intent redirecting revenue sharing grant in the amount of \$100,000 for Lake Otis Hospital. Senator Sumner remarked that because the Department had not complied with a legislative intent report that earmarked a \$100,000 for for Lake Otis Hospital, that Mr. Chenoweth set the view that only the administration is correct and asked for clarification on this point.

Mr. Chenoweth stated that in regards to the \$100,000 denied the Lake Otis Hospital, the reason for this was because Dr. Beirne did not apply in a timely manner in compliance with the regulations and therefore was not granted the money. Jack Chenoweth pointed out to Senator Sumner that there was a provision in the "legislative intent" report, referred to above, which expressed that this money would be granted only if eligibility standards had been met in compliance with the law and regulations for payment of construction grants to hospitals. Since Dr. Beirne had not complied with the regulations by not applying in time, the money was not granted.

Mike Bradner testified to provide some background as to the purpose for which the bill was created which led to the statute. He explained that the bill was written for the purpose of rendering financial assistance to the Fairbanks hospital, a private, non-profit corporation located inside a municipality, which had run into financial difficulties. After the statute went into effect, Fairbanks did receive the requested revenue sharing funds.

Senator Sumner asked Mike Bradner "for the record" if there was any intent to produce this legislation for Dr. Beirnes benefit, and Mr. Bradner replied no.

Palmer McCarter, Director, Local Government Assistance, Department of Community and Regional Affairs, accompanied by Rod Peques, Assistant Attorney General, Department of Law, testified in opposition to the resolutions.

Senator Sumner, referring to the term "total project cost", indicating that this term is not defined in our Statutes, asked the Director how this term relates to project cost as interpreted by the Department. Mr. Pegues replied to this question and informed Senator Sumner that the Department had adopted Hill-Burton regulations as the standard for defining "total project cost". Palmer McCarter concurred with the answer and proceeded to provide the Committee with some insight to the term "other facility sponsor". Palmer stated that he was familiar with the development of this term and knew from discussions with interested groups that this term was intended to apply to fire departments located outside of organized boroughs or other sponsors that were performing municipal services outside of the borough. Palmer stated that an example of this would be the hospital located in Glennallen.

Palmer stated that hospital construction and operational funding was sponsored by the municipalities. The definition of the term "other facility sponsor" was discussed with the Municipal League and various legislators. It was interpreted to include aid to local government, which would perform the same functions as a municipal sponsor. Therefore, health and hospital facilities outside the municipality could apply for revenue sharing funds which would not otherwise be eligible.

Mr. McCarter stated that after several public hearings for input and corrections, their proposed regulations were submitted to the Department of Law for acceptance. Palmer added that at that time, Dr. Biernes was the only person who objected to the regulations' interpretation.

Senator Orsini asked Palmer if the Department of Health and Social Services' use of Hill-Burton standards in their regulations prohibited the CRA from expanding the term "total project cost" to include cost for land. Palmer said no. Senator Orsini then asked why the CRA had never tried to define the terms in the Hill-Burton regulations and Palmer stated that legislation had been introduced which clearly delineates what the project costs were and who administers state aid for construction in the hospital programs. However, the legislation never passed.

Ted Berns stated that on behalf of the Anchorage Health Commission, they were opposed to the resolution, partly due to costs involved when a facility is not fully utilized. He

stated that a Position Paper was being written and would be submitted next week.

It was decided to table the resolutions until March 29th. Senator Orsini adjourned the hearing at 5:15 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 22, 1977

Present: Senators Willis, Hackney, Ferguson and Sumner

Absent: Chairman Orsini

At 3:05 the hearing was begun by Vice-Chairman Willis. He asked for comments on SB 63, and Senator Ferguson moved that the bill be passed on "individual recommendation". The motion was approved and was passed out.

Vice-Chairman Willis asked for comments on HB 110, and Senator Ferguson moved that the bill be passed. There was no objection and the bill was passed out with the unanimous "do pass" vote.

Committee Substitute for House Bill 134 was introduced and the Committee felt that Representative Parr, sponsor of the bill should be present to testify. Senator Sumner suggested that the bill be tabled until Rep. Parr is present. Senator Ferguson moved that the bill be tabled, and there were no objections.

Senator Sumner asked if the Committee had any objection to acting on SCR 13 and SCR 14 which was tabled after the hearing of March 15, 1977. Senator Willis stated that he felt more information was needed before action should be taken, and that it was agreed among Committee members to wait until March 29th when requested information had been received. Vice-Chairman Willis stated that he desired a better understanding of the issue.

Senator Sumner concurred with the Vice-Chairman.

The meeting was adjourned at 3:25 p.m.

SB 241 & SB 249

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 24, 1977

Present: Chairman Orsini, Senators Ferguson, Sumner and Willis and Hackney.

The hearing opened with a move by Senator Ferguson to pass SB 241 with a Do Pass recommendation. This motion was ruled out of order by Senator Orsini. Senator Ferguson moved that SB 249 pass with individual recommendations. Senator Orsini stated that this bill was before the Committee for discussion and would not be acted upon at this time.

Senator Sumner stated that he had an amendment for SB 249, which was to delete Section 4, on page 2, line 19 and renumber accordingly.

Senator Orsini asked for a vote and the bill was passed out as amended with a "Do Pass" from Senators Ferguson, Sumner, and Willis and a "no rec" from Chairman Orsini.

Senator Sumner then moved to take SCR 13 and SCR 14 "off the table". Senator Willis stated that he felt there should be more information presented before the committee took action on these resolutions. Senator Ferguson suggested moving them out with an individual recommendation, and Chairman Orsini asked for a motion on SCR 13 and SCR 14. Senator Sumner made the motion to pass SCR 14 on individual recommendation. At this time, Senator Orsini moved that SCR 14 be amended deleting 19 AAC 30.140(3) which defines "applicant". Discussion ensued regarding this motion to amend. Chairman Orsini asked for any objections and none were made. SCR 14 was passed with "do pass" from Senators Ferguson, Orsini and Sumner and a "do not pass" from Senator Willis and a "no rec" from Senator Hackney.

SCR 13 was passed without further discussion. Senators Orsini, Ferguson and Sumner voted "do pass" and Senator Willis voted "do not pass" and Senator Hackney voted "no rec".

Senator Orsini began the discussion for SB 241 stating that a Committee Substitute was being drafted for consideration but that testimony would be accepted for SB 241 at this time.

Senator Orsini asked for testimony for SB 241, and the draft substitute of SB 241. Mr. Mike Smith, Director, Division of Lands presented his testimony by outlining the draft substitute for the Committee. He stated that it was attempting to do three things: 1) Establish "how much" land a municipality is entitled to; 2) establishing "which" land will be used for entitlement and 3) what can be used as land entitlement when a municipality doesn't have any vacant, unappropriated, unreserved land within its municipal boundaries. He added that for this situation, a proposed Alaska Municipal Land Account to compensate the municipality without this entitlement has been proposed.

He stated that there were several reasons that the bill is needed now. 1) The municipalities need a definition of entitlement; 2) the Kenai and Matanuska-Susitna Boroughs need terms for entitlement; 3) Anchorage needs a settlement for a municipality whose land has been designated for their selection and then given to the State for park land and; 4) they wish to eliminate any causes for legal actions. He added that one point he wished to address was in regards to "less than fee-simple" title to agricultural land. He stated that if the municipality selects this land, that it be conveyed to the municipality for less than fee-simple. If the Committee differs with this view, then the legislature should mandate whether conveyance of this land should be contingent upon less than fee simple title.

In regards to the land fund, he stated that the first 10,000 acres of municipally entitled land be valued at \$1,500 per acres, the second 10,000 acres valued at \$750 per acre, and anything over 20,000 acres be valued at \$350 per acre.

Mayor Don Gilman from the Kenai Borough stated his support for the draft substitute for SB 241. He went on to explain that the Borough has to sort out what lands should be used for public use. This bill established that the boroughs have valid and existing rights to land, sets up a cooperative state and local planning effort to identify certain areas, and allows them to go back and look at the selections that have already been made and consolidate the land for the first time.

John Sedwick, attorney for the Matanuska-Susitna Borough stated his support of the draft substitute for SB 241. He stated that in the past 14 years, the borough has received less than 20% of its entitled land. He added that this bill was so important that they would not object to the provision for agricultural land be at "less than fee-simple" title, although they did have objections to this section.

Michael Robbins, attorney from the Kodiak Island Borough presented his testimony in support of the draft substitute for SB 241. He stated that the borough is faced with a scarcity of selectable land due to the ANSCA, but that the borough has worked with the state and the natives and does support the native land claims. They want the State to make selection of general grant lands and have this land be available to the municipality for selection. In regards to the agricultural provisions, he objected because he felt that the municipalities should have the rights to decide what their land will be used for and also because in a futuristic sense, land that is used now for agriculture purposes might be later needed for community expansion.

Ted Berns, attorney for the Municipality of Anchorage stated the Anchorage has 20,855 acres of entitled land selection but due to the geographic position of Anchorage, it is unlikely that they will receive this amount of land. He supported the Alaska Municipal Land Account for this reason although he stated that Anchorage would not expect a massive amount of money in a lump sum as compensation. The Municipality of Anchorage would agree to take a modest amount of money over a long period of time, and would also like to see an increase in the price allotted per acre in this bill. He suggested tha a "sliding scale" be used in regards to the value of the land being purchased, as various acreage fluctuate in value.

Lee Sharp, attorney for the City and Borough of Juneau presented testimony for the Southeasten Alaska Boroughs. He stated that the 10% entitlement provisions are not equitable in this area, and hoped that entitlement could be granted in proportion to population and geographic location of a municipality. He supported that land fund. He added that most of the selectable land is already Mental Health Lands, which comprises of 11,000 acres of the most developable land in the area, and that the rest of the most selectable land is tied up as National Forest land. He hoped that alternatives for the Southeastern Alaska areas could be given consideration.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

March 29, 1977

Present: Chairman Orsini, Senators Hackney, Willis and Sumner; Palmer McCarter, Department of Community and Regional Affairs; Lee Sharp, Attorney, City and Borough of Juneau

Absent: Senator Ferguson

The hearing began with SB 19. Chairman Orsini offered information about the situation with auxiliary police, stating that it was not, in general, as successful as the volunteer fire department. The men did not get proper training, and there were problems with "overreaction". Senator Willis made the motion to move the bill with a "do pass" individual recommendation. Senator Orsini then motioned to amend the bill by adding July 1, 1977 as an effective date. The bill was passed as "do pass" as amended from Senators Orsini, Willis, and Hackney and a "no rec" from Senator Sumner.

Chairman Orsini introduced SB 152 for comments, stating that he felt the \$40,000 to purchase property for an access road, the Chugach Park Road, was warranted. He explained that the property was currently owned by a homesteader.

Senator Sumner motioned to move the bill with an unanimous "do pass" vote with individual recommendation. Senator Orsini suggested an amendment to page 2, line 11, deleting "to provide matching funds". The bill was passed with this amendment,

Chairman Orsini then introduced CSSSB 37. He proceeded to explain the changes which were in this substitute. Lee Sharp, Attorney for the City and Borough of Juneau offered testimony, suggesting by sections, changes to this bill. He stated that Sec. 1 could cause problems for the municipality if a notification was not received by a lienholder. A claim could be made against the municipality. He pointed out that Section 2 warrants a cut-off date for the requirement of a notice of change to the classification of property. He stated that 5 or more years would be a reasonable time span. He felt that Sections 4 and 5 were satisfactory, but that in Sec. 5, a 5-10 year cut-off date should be added.

Chairman Orsini stated that in Sec. 1, it was his intent that the expenses incurred for title search and notice to a lienholder and back taxes on the property would be paid for by the lienholder, not the municipality.

Palmer McCarter from Community and Regional Affairs supported Sections 2-5, but opposed Section 1, stating that often insurance and title search expenses are costly when imposed on property which is worth very little.

Senator Hackney suggested that the municipalities should not be responsible for the smaller parcels and Senator Orsini added that a property evaluation could be made which would provide a minimum dollar amount to exclude the small, worthless parcels.

Senator Willis stated that his intent was simply to guarantee notification to a lienholder.

It was agreed among the members that Senator Willis would work on further refining CSSSB 37 and present it for discussion again at a later date.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

April 5, 1977

Present: Senators Orsini, Ferguson, Hackney, Sumner and Willis

The hearing began with the testimony of Rick Garnett, Municipality of Anchorage on SB 259. He stated that it is not their goal to be under APUC regulation. By reason of the competition that exists with AEL&P and the Chugach Electric Co. they are the only utilities where there is any regulation on a competitive basis. There are many municipalities in the state who do own all their own utilities and regulate them pursuant to Title 29, and are not subject to APUC regulation.

He also stated that he felt it illogical to have a board supervising a decision of elected officials with regards to matters of direct interest only to constituents of those elected officials.

Mr. Garnett stated that much of the utility rate increases were attributable to time delay caused by the APUC. He stated that at times it takes up to 6 months for the APUC to act on a rate increase.

Donald Meyer, Financing Consultant from Marshall & Meyer in Seattle, stated that it was evident in 1975 that the municipal utility (Anchorage) needed a different source of revenue because it wasn't meeting the requirements under the indenture in which bonds had been issued. He explained how Anchorage bonds were harder to sell due to a disclosure requirement by the Federal Government. He explained "marketability" with the existence of any type of control in a municipally owned utility, other than the elected officials or a board appointed by those officials to raise rates to meet the covenant, is very detrimental to the sale of bonds.

S.D. Beligratis from John Nuveen and Co. explained that his company buys and sells municipal bonds. He stated that a major concern in buying and selling of these municipal bonds is the marketability of these bonds. Beligratis commented that a body, like the APUC, puts a cloud on the marketability of municipal bonds because the municipality is not permitted to adjust its rates, without APUC regulation, to conform with the cost of operating the utility. Being unable to adjust rates to accommodate costs jeopardizes the viability of the municipality and therefore reduces the marketability of the bonds. Beligratis testified that the utility should be regulated by the municipal officials who are accountable to their constituents. If the utility is not being operated to the satisfaction of the populace, then the officials can be removed at the next municipal election.

Donald Holman, Bond Counsel from Seattle, testified in opposition to SB 259 and the proposed CSSB 259. He stated that a basic problem of regulating public utilities is that it is difficult to discern the basic disparity between municipal financing and public financing.

Frank Killeen, Chairman of the Public Utilities Board in Fairbanks, stated that they do not wish to be under the APUC regulations. He stated briefly that the only problem his facility has is giving the customers all the service they want.

Max Mikell, also a member of the Public Utility Board, Fairbanks, stated that if they had to operate under the APUC, bonding and funding would be very difficult to obtain. He stated that by having to go through the City Council, time is very important, and if they had to also go through APUC, they would have to cease operation. He suggested that the APUC is a necessary body in arbitration but not regulation.

Gordon Zerbetz, Commissioner of APUC stated that there are three aspects of utility regulation: 1) Rate structure; 2) quality of service provided and 3) handling and processing customer complaints. Mr. Zerbetz stated that the APUC was established to act as a substitution for the marketplace. Poor service, otherwise unacceptable in a competitive market is taken care of by APUC. He felt that this commission deals with the public on an "eyeball to eyeball" basis.

Larry Markley from Chugach Electric Co., stated that they support SB 259, and definitely the Committee Sub. for SB 259. For the best interests of everyone, he stated, they felt it's the most equitable treatment. He added that APUC is skilled and the Chugach Electric wants someone with higher authority applying the regulations to them. He stated that it was their understanding that the APUC was created to operate on a statewide basis and that Chugach feels that this function is best carried out by a qualified, independent agency.

Don Berry stated strong opposition to regulation by the APUC and that it is an unnecessary infringement on local government powers.

Norman Banfield offered testimony in respect to the history of the original bill. He stated that it was his position that no damage would result from regulating a utility when competing with another, but had insisted that the regulations delineate the service areas.

Lee Sharp, Attorney for the City and Borough of Juneau, stated that he felt the utility owner would rather go through his own representative rather than the APUC in

regards to the utility. He stated that local control of the utility is good incentive to keep the rates down.

Senator Orsini asked for a motion on this bill and Senator Willis asked that movement on the bill be postponed until a resolution from the Anchorage Borough Assembly is received.

Senator Orsini adjourned the hearing at 6:15 p.m.

SB 8, SB 259, SB 208 & CSSB 37

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

April 7, 1977

Present: Chairman Orsini, Senators Hackney, Ferguson Willis and Sumner; Palmer McCarter, Dept. of Community and Regional Affairs; Ted Berns, Municipality of Anchorage.

Senator Orsini began the hearing by proposing the Committee Substitute for Sponsor Substitute to Senate Bill 37. He stated that the two major items which were to be changed regarding notices to lienholders and a limitation to land value, were taken care of by this Committee Substitute. The members agreed to the Committee Substitute, and Senator Hackney moved that the CSSSB 37 pass. Senators Orsini, Willis, Hackney and Sumner voted "do pass" and Senator Ferguson voted "no rec".

The next bill brought before the Committee was SB 259. Senator Orsini stated that the Anchorage Borough Assembly did not have time in its last meeting to write its resolution. Senator Sumner read a letter he had received from the Water Utility Advisory Commission stating they they were opposed to de-regulation of utilities by the APUC. He and Senator Willis expressed that they would rather not move on this bill until they had received a position from the Anchorage Borough Assembly.

Ted Berns, Attorney from the Municipality of Anchorage offered some clarification on the last Borough Assembly meeting, stating that they were going to offer a substitute resolution providing for an effective date of the bill.

Senator Hackney suggested an alternative that a utility could go under the regulations of the APUC if it wanted to, or could get out from under the regulations if they wanted to.

It was agreed that a Committee Substitute would be written, permitting the City Council or Borough Assembly the option of municipal utilities being regulated under the APUC by ordinance, or being able to withdraw from APUC by ordinance.

Senator Ferguson moved that the Committee Substitute pass with individual recommendation. Senators Orsini, Sumner and Ferguson voted "do pass" and Senators Hackney and Willis voted "no rec".

SB 8 was postponed until a later date when Senator Ziegler could attend and present testimony.

Chairman Orsini asked Palmer McCarter from the Dept. of Community and Regional Affairs to present testimony for SB 208 relating to organizational grants to newly incorporated cities and boroughs. Mr. McCarter pointed out that the biggest problem is that for the first few months to 2 1/2 years of incorporation, funding which usually comes from property and sales tax revenues is very limited. He stated that it takes over a year for property to be evaluated, etc. before the actual revenue can be collected.

He also stated that in order to promote the idea of regional government, the state should offer more than \$25,000 in a single grant.

Mr. McCarter pointed out that this bill would not apply to areas requesting boundary expansion. He felt that the state would benefit in the long run by paying more money for the organization of cities and boroughs.

The hearing was adjourned at 4:15 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

April 12, 1977

Present: Chairman Orsini, Senators Ferguson, Hackney, Sumner and Willis and several representatives from Boroughs; Michael Smith, Director, Division of Lands.

Senator Orsini asked the Committee for approval of the Gubernatorial Appointees, and the majority approved the selection of representatives.

SB 220 was presented by Senator Orsini, and Mr. Akin presented a history of Coastal Zone Management. He stated that the major objectives was to get an understanding of what types of natural uses and impacts will occur along the 47,000 miles of coastline. He stated that the program involves developing better information on coastal resources and impacts on these resources; and extensive funding of local management programs. It also involves a planning effort in the NE Gulf of Alaska area to help site facilities for off-shore oil docking activities and prepares for a coastal energy impact fund. This program would try to create more coordination among state agencies in regards to regulatory projects.

There was discussion regarding the reviewing process outlined in the bill. Mr. Akin stated that the guidelines would be created by the local council, then the local government creates a plan which is reviewed then by the council to insure consistency with the guidelines.

Lee Sharp suggested that the municipality have more opportunity of selecting members of the council before the governor appoints his own representatives, thereby giving the council more credibility.

Mayor Don Gilman of the Kenai Peninsula Borough stated that the most important reason for passing SB 220 was that the Coastal Zone Management Program was given 7 years to adopt legislation. If there is no significant advancement by 1979, the municipalities could lost millions of dollars of available assistance.

Senator Ferguson offered an amendment to SB 220. Senator Orsini asked if there were any objections to the amendment and there were none. Senator Orsini then presented a "Committee Letter of Intent" and explained its contents. He asked for any objections to this "Letter of Intent" and there were none. Senator Willis made a motion for a "do pass" with amendment and "Committee Letter of Intent", and Senators Orsini, Willis and Hackney voted "do pass" and Senator Ferguson voted "no rec".

Ron Garzinni, North Star Borough in Fairbanks stated that they were opposed to SB 241. He commented that they were primarily opposed to the December 31, 1976 deadline date imposed by the bill. He stated that the state would be entitled to another 1 1/2 million acres after this date, and the borough should be entitled to select their portion from that additional amount granted to the state.

Next, Mike Smith, Director of Lands, presented testimony by giving some background on the Borough Act of 1963. This Act allowed the boroughs to select from 10% of the vacant, unappropriated, unreserved state lands within the boroughs. The boroughs could then dispose of this land by selling it and the proceeds would provide funds for the newly created borough. He explained that the Governor felt that they should no longer treat land as an economic commodity to be sold in order to fund local governments. He added that since 1963 several problems have occurred due to the vagueness of the Act, and new legislative direction is needed. Mr. Smith testified that SB 249 provided the necessary guidelines and definitions to correct the problems and felt that these definitions were agreeable to both the administration and municipalities. He pointed out that this new Act would permit the municipalities to select from 10% of the maximum total acreage of vacant, unappropriated, unreserved land available to the municipalities since the inception of the Borough Act of 1963 up to December 31, 1976. He commented further that a Five Year Program will be established for study of selection by the municipalities in order for them to select the land they want.

Mr. Smith stated that he felt the administration was making a significant concession to the municipality by requiring municipal approval of any classification of state land greater than 5,760 acres within its boundaries. Mr. Smith stated that most boroughs were in favor of the bill.

A gentlemen from Skagway stated that he was opposed to this legislation because Skagway had no unappropriated, unreserved, vacant land, and if Skagway wished to become a municipality, they would not have any land entitlement because of the cut-off date imposed by the bill of December 31, 1976.

Mr. Smith explained that the bill's intent was to "settle up" with the old bill and not establish new entitlement. He stated that Skagway's situation did not apply in the concept of SB 241.

Senator Orsini adjourned the hearing.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

April 21, 1977

Present: Chairman Orsini, Senators Hackney and Willis;  
and Ferguson; Russ Cahill, State Historic Preservation Officer

Absent: Senator Sumner

The hearing began on CSHB 72 with the testimony of Russ Cahill, State Historic Preservation Officer. He stated that many Alaskan communities are showing a great interest in preservation of historical buildings. He stated that reconstruction and restoration of these buildings falls into a "wise-use" category of conservation. Property values all across the country have risen in areas where historic preservation has been implemented, and districts once avoided are now tourist attractions. He went on to explain that the new tax reform law provides that restoration in Nationally Registered Local and State historic districts can receive the same tax benefits as new construction while it takes away the benefits for new buildings which have destroyed similar historic district properties.

Senator Orsini asked Paul Conger to explain the concerns expressed by opponents of the bill. Mr. Conger stated that he had discussed this with Mr. Harland Davis, an Anchorage attorney, and that property owners were concerned about the ramifications of this bill and the impact it would have on the owners of buildings that would be affected by this bill. They were also concerned about the criteria that would be used to establish guidelines to determine exactly which areas would be classified historical districts.

Mr. Cahill explained that a Commission of professional members; one an architect with experience in historical preservation, an archeologist, a historian and two native Alaskans would set the values for a historical district determination. He stated that this is a very effective group whose best interests are in the historic preservation of our Alaskan heritage.

Senator Orsini asked Senator Ferguson if he had an amendment to CSHB 72, and he offered that on page 1, line 16, the municipalities may "by ordinance" establish a historical district commission.

The amendment was accepted by the Committee, and Senator Ferguson motioned to pass the bill as amended. His motion was accepted by the Committee with unanimous "do pass" as amended.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

April 26, 1977

Present: Chairman Orsini, Senator Willis and Senator Sumner. Orne Pomeroy representing the Department of Community and Regional Affairs.

Absent: Senator Hackney and Senator Ferguson

The meeting was called to order and Senator Orsini asked Mr. Pomeroy if he had any objections to this bill. Mr. Pomeroy stated that he did not. Senator Willis suggested an amendment to SB 339, changing "April" to "May". Senator Orsini asked Mr. Pomeroy if he objected to the amendment, and he said he did not. Senator Willis moved that the bill be passed as amended, and it was.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMUNITY

April 28, 1977

Present: Chairman Orsini, Senators Hackney, Sumner and Willis; Bruce Erinson, Dept. of C&RA; Marge Gorsuch, League of Women Voters; Patty Ann Polley, Division of Elections; and Ed Hildebrand, Elections Official.

Absent: Senator Ferguson

Chairman Orsini began the hearing with an explanation of the proposed CS for HB 147. He stated that the difference between the Committee substitute and the original bill is the clarification of the discrepancy with respect to villages having disapproving authority regarding the construction of a public project by the state as manifested in the bill. The villages do not have the authority to disapprove a public project because they are unincorporated communities. Otherwise, Senator Orsini stated, Section 1 of the bill is the same.

With regard to Sec. 2, Senator Orsini pointed out that this section pertains to the hiring of Alaska residents for construction and pre-construction projects, including engineering studies, surveys and consulting.

To emphasize the problem with the practice of hiring "outside" professionals, Senator Orsini made refered e to a memo dated Sept. 9, 1975, from the Governor to the Department Commissioners stressing his concern over the hiring of outside agencies when there are agencies within the state who can do the job.

Chairman Orsini added that he wrote to all the Commissioners a year ago asking them what their position was regarding Alaska hire, and the response was not very supportive. The Department of C&RA did provide the committee with a list of outside agencies who had entered into a contract with the Department of C&RA, the contracts consisting primarily of impact studies on the state.

Senator Orsini stated that it was his contention that the 1972 amendments to AS 36.10.010 were intended to be broader than has been interpreted by the Attorney General's Office. The intent of Sec. 2 of the SCS CSHB 147 was to insure that

contracts for services that may eventually lead to public construction, such as planning studies, impact assessments, and feasibility studies, would also be covered by the resident preference concept.

Bruce Erinson, Dept. of C&RA, provided the following for the committee to consider. He asked who would provide review of a proposed public project in a borough or city that did not have a planning commission. Chairman Orsini understood this to mean that the municipality should have some sort of review and approval if they don't have a planning commission that perhaps the Council or Assembly could act as a planning commission. Mr. Erinson suggested deleting the words "the planning commission of" on page 1, line 15. The members agreed on this change to the proposed SCS for CCHB 147. Senator Sumner moved that SCS CS HB 147 as amended pass with a "do pass". There were no objections.

Chairman Orsini then explained that HB 84 is not in the Senate CRA Committee, but in the Finance Committee. His intention is to divide the "housekeeping" changes of the election code from the controversial issue of registering on election day.

Senator Orsini asked Ed Hildebrand, Elections Official, Juneau, to testify on CS HB 188 and CS HB 84. He stated that he objected to registering and voting on the same day due to the additional cost for extra people working at the polls and because of the added confusion that would be inevitable at the polls. Senator Sumner asked how residency would be determined at the polls if registration did occur on election day. Mr. Hildebrand stated that the only way would be a challenge or question ballot, which would later be investigated before the final canvass was conducted. Senator Orsini asked how registration takes place at this time, and Mr. Hildebrand explained that when a person signs the registration certificate they are attesting to the fact that they are residents of the state. He added that the form requires the residence and mailing address of the voter, then the registration goes back to the state and goes through the registrations listing which then goes down for each precinct and is distributed out to the precinct workers. That is one of the reasons why the poll workers are chosen from the precinct so they can tell whether a person resides in that place or not.

Senator Orsini then asked for comments. He asked Mr. Hildebrand what he thought of the polls being open for another hour. He added that he had called the municipal clerk in Anchorage, and she had stated that the Municipal Association

is opposed because no matter how long the polls are open there are always people who wait until the last minute. Senator Sumner stated that whoever wants to vote can get there by 8:00.

Mr. Hildebrand also commented in regards to AS 15.13.060(c). He suggested that each candidate for municipal office file the name and address of the campaign treasurer with the commission not later than the date of filing the declaration of candidacy or his nominating petition and shall file a duplicate of the commission's filing with the municipal clerk not later than the last day on which he would file the declaration of candidacy and nominating petition. He stated that he would like to see this filing in the hands of the municipal clerk in addition to the commission.

Marge Gorsuch from the League of Women Voters then testified in regards to Section 10. She stated that the issue is not whether the name of the campaign treasurer is filed but rather if the candidate is filing his campaign financing report. The League believes there should be some mechanism for making the public aware of the non-compliance of candidates before they vote. She offered wording to this effect, but Senator Orsini stated that at this time, the Committee would not address this issue.

Ms. Gorsuch stated that she had no objection to HB 84. She felt that there should be a standard time that the polls are open throughout the state so the voter wouldn't be confused. She added that an additional hour probably wouldn't increase voter turnout, and the League of Women Voters doesn't take a strong position on this issue, but they did not want to leave the decision up to the discretion of the municipality.

The League supports the election day registration. According to Ms. Gorsuch, the voter registration system will encourage maximum voter participation. Ms. Gorsuch referred to other states who have election day registration, and used the following statistics to support the League's position: Minnesota, 68%-75% voter increase; Wisconsin, 62%-65%; and Maine, 61%-65% voter increase. She added that many people don't get around to registering otherwise.

She stated that the major criticism against this concept is fraud. There has been no fraud in the states of Minnesota, Wisconsin, Maine or North Dakota documented. She added that there was some confusion because of heavy voter turn-out, but no fraud reported. She stated that if there was concern over fraud, then those who registered and voted on election day, could have their ballots designated as question ballots and the question ballot would be put in a separate category

to be checked and counted later. Some concern exists that this would hold up the returns of the election, but the League feels it is more important to give the people a chance to vote. She also stated that when a person registers to vote, they swear under oath that they live at their address, and could perhaps also sign an additional statement that they are voting only once and are subject to penalty if violating that statement.

She stated that in answer to Mr. Hildebrand's concerns regarding the extra cost, that a bill has been introduced, providing a subsidy which would initiate the system. The League does not feel that the extra expense is a valid objection, but that the issue is whether or not people have a right to vote.

In regards to the confusion at the polls expressed by Mr. Hildebrand, Ms. Gorsuch pointed out that at the present time, registration is going on during an election although the voter registration is not effective until 30 days hence.

Her final statement was in regards to the fraud which might occur, and she stated that they would question the validity of this argument, as opposed to the democratic right to vote.

Senator Orsini then asked Ms. Gorsuch if she attributed the percentage of voter increase in those other states totally to registration at the polls and for no other reason, and Ms. Gorsuch said she would find out for sure if there were any other possibilities for the voter increase. She added that she feels this is a very effective method and that she has been very impressed with the number of people who register at the polls even though at the present time, they cannot vote.

Senator Hackney then stated that he is not opposed to people voting but that it is so easy for people to register now, that all they have to do is exert themselves a little ahead of time, and that's not an imposition on the voter.

Regarding HB 188 and HB 84, Senator Orsini pointed out that the intent was to incorporate those proposed amendments by the Lt. Governor's Office into CSHB 188, take out the issue of the registration on election day and put that into CSHB 84.

Patty Ann Polley, Director of the Division of Elections stated that Sec. 6 of CSHB 188 could be changed by making a "sliding scale" in regards to the number of registration

officials per number of voters. She suggested perhaps three officials per 250-500 voters. She concurred with Sections 7, 8, 9 and 10 and stated that sec. 11 could perhaps state that both the voter and official could drop the ballot into the ballot box.

In regards to CSHB 84, she stated that they are opposed to registration on election day. She stated that people will put off registering until then and then confusion will certainly result at the polls. People have enough trouble now finding out which precinct to vote in, and often end up at the wrong places. They would have no way to cancel a registration from another state, so a voter could have an absentee ballot from a previous state, walk into the polls with an Alaskan drivers license that they've had for 30 days and vote. She went on to give instances of fraud and dual registration, and the time involved in investigating registration. She stated that if people register on election day, they would probably never be checked out.

Senator Orsini asked how often fraud occurs and she answered that about 100 occur per year.

DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

Out of State Contracts  
 FY 75 thru FY 77

<u>FY</u>	<u>CONTRACTOR</u>	<u>DOLLAR AMOUNT</u>	<u>DESCRIPTION</u>
76	Robert R. Nathan, Inc. Washington, D.C.	\$ 8,846	Report on effect of Federal poverty guidelines as applied to programs in Alaska
76	The Jacobs Company Chicago	325,000	Juneau Indemnification - base year assess
76	The Jacobs Company Chicago	20,000	Coordination of Juneau Indemnification Assessment efforts
76	Dornbusch and Company California	35,000	Develop management guide for OCS related industrial Development study
77	The Jacobs Company Chicago	20,500	Update and reprint appraiser's Cost Manual for Alaska assessors
77	Rudolph and Peck Seattle	10,000	Design and graphics for Gulf of Alaska OCS booklet
77	Woodward, Clyde & Wright San Francisco	50,000	Study Marine facility development in Kodiak
77	Cramer, Chin & Mayo Seattle	60,000	Study OCS impact - Kodiak

## OFFICE OF THE GOVERNOR

TO:  All Commissioners

DATE : September 9, 1975

FROM: Jay S. Hammond  
Governor

SUBJECT: State Contracts

I have been receiving disturbing communications from the business community indicating a distress with what some believe to be a flagrant disregard for utilization of talent to be found within Alaska. There, of course, have been instances of contracts going to "outsiders". The current headliner is the Tourism Advertising Contract.

While there may well be justification in most if not all such instances for utilizing the services of outside agencies, I want this Administration to bend every effort to improve upon the utilization of Alaskan agencies for such contractual activities.

Specifically, this Administration is being criticized for failure of State agencies to respond to letters of inquiry regarding such contracts without even calling for bids or proposals from Alaskans.

While aware that little can be done regarding contracts already tendered, a number of members of the business community want to know how to approach the problem and "make the bureaucraties at least consider the spectrum of services that are located around the State." I am advised that some members of the business community have considered forming an association in order to combat what they feel to be a severe deficiency on the part of the State Administration.

Henceforth, I would ask that all agencies increase their diligence in responding to inquiries from within the State and bend every effort possible to utilize Alaskan talent when such is available.

JSH/mlp

*Low*  
15

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

April 14, 1977

Present: Chairman Orsini, Senators Hackney, Sumner and Willis; Rep. Nakak; Ted Berns and Sam Coxon, Municipality of Anchorage; Lee Sharp, City and Borough of Juneau; Mike Smith, Director, Division of Lands.

Absent: Senator Ferguson

Representative Nakak presented testimony for HB 260. He explained that Nome had been given an appropriation for a barge port facility by the Legislature, but that the city of Nome had to provide 10% of the appropriation in matching funds.

In 1974 the storm in Nome caused extensive damage to the community and the city needed money at that time to rebuild. He noted that Nome experienced a compounded problem at this time because due to the storm the community had to purchase a new generator. While the generator was enroute to Nome it was destroyed and the city had to provide the additional money required to purchase a second generator that was not covered by insurance. The 1974 storm was a severe drain on the city's coffers and the money that would have been applied to the matching fund obligation had to be redirected toward rebuilding Nome. Therefore, Rep. Nakak was seeking additional funds from the State that would satisfy Nome's matching funds requirement.

Senators Sumner and Orsini stressed that all the professional services and labor done for this facility be done by Alaskans. Rep. Nakak assured them that he was equally concerned about Alaskan employment activities and that it was his intent to see that Alaskans were used on the project.

Senator Willis motioned that the bill pass out of the Committee with an individual rec, and it was voted unanimously "do pass" by the members.

Chairman Orsini then made a brief presentation regarding SB 307, stating that the concept of this bill was to provide a delivery date for proposed local government boundary changes by the Local Boundary Commission to the Legislature. Senator Willis motioned to pass the bill and it was voted "do pass" unanimously by the members of the Committee.

Chairman Orsini began the informal discussion for SB 241. Senator Sumner stated that he did not support the concept of a compensation fund for municipalities who were not going to receive their total land entitlement. He suggested that possibly municipalities could select land outside of their respective boundaries to fulfill their land entitlement. Senator Hackney stated that the land would have to be an extension of a municipality and not off somewhere else, and Senator Sumner suggested that this land, outside a municipality could be leased or rented. Mr. Sharp commented that he supported Senator Hackney's comments that the land should be adjacent to the Borough.

Ted Berns state that Anchorage was in a "land crunch" and that if they were given money instead of land, Anchorage could buy private land to convert the land into public use. He felt this alternative would help solve Anchorage's land problem.

Senator Sumner suggested that the municipalities be required to designate what they intend to do upon receipt of this land. He felt that the intent of the municipalities should be known before that land is given to them.

Mr. Smith stated that vacant, unappropriated, unreserved land that became available after the State selected their land now located in the National Forest, would be suitable for selection as long as it was adjacent to cities, or suitable for recreation or development.

Mr. Sharp, in addition to testifying, provided the Committee with a letter which suggested that Forest Lands are appropriate lands to select from to provide southeastern communities with their vested land entitlement. He felt that a reasonable apportionment of the acreage could be made by giving weight to the population and area of the three largest southeast communities.

It was also stressed that this legislation is desirable now, or the municipalities are going to be in a land bind. A long discussion ensued regarding the land selection in Southeast Alaska.

Senator Orsini adjourned the hearing at 5:00 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

April 19, 1977

Present: Chairman Orsini, Senators Hackney and Willis; Mike Smith, Director, Division of Lands; Ted Berns, Attorney for the Municipality of Anchorage; Lee Sharp, Attorney for the City and Borough of Juneau and Jack Chenoweth, Legislative Council.

Absent: Frank Ferguson and Bill Sumner

Chairman Orsini stated that the purpose of this hearing was to go through SB 241 by sections, and apply the proposed amendments to the bill for Committee consideration. Jack Chenoweth and Ted Berns recommended several changes and the Committee reviewed each one. Senator Orsini asked Jack Chenoweth to draft a Committee Substitute for SB 241 according to the recommended amendments which were accepted by the Committee.

A copy of the proposed amendments is attached, and a tape recording has been kept of this hearing for any further reference.

DATE: 4/19/1977

PROPOSED AMENDMENTS TO DRAFT SUBSTITUTE FOR SB 241

1. P. 2, Line 6, ADD: North Slope Borough, 645 acres.
2. P. 3, Line 5 after (72 Stat. 339 et. seq.), ADD:  
,provided, however, that this time limitation shall not apply  
to payments in lieu of land under AS 29.18.208.
3. P. 10, Line 3, ADD: Any other provisions of this section  
notwithstanding, the City and Borough of Juneau, City and  
Borough of Sitka and the Ketchikan Gateway Borough shall  
not be eligible for payment in lieu of land under this  
section until the fiscal year after cumulative appropri-  
ations to the Alaska Municipal Land Account have exceeded  
the sum of twelve million dollars or until 1984, whichever  
occurs first.
4. P. 10, Line 8, DELTE: ,or 1,000 acres, whichever is greater.
5. P. 13, after Line 1, ADD: Any other provision of this Chapter  
notwithstanding, land conveyed to the State of Alaska pur-  
suant to Sec. 12 (d) (2) of PL 94-204 (89 STAT 1153) and  
subsequently conveyed by the State to a municipality under  
this chapter or under AS 38.05.315 shall not be deducted  
from the municipality's remaining entitlement.

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 18, 1977

SUBJECT: Draft Committee Substitute for SB 241

TO: Senator Joseph L. Orsini, Chairman  
Senate Community and Regional Affairs Committee

FROM: John B. Chenoweth  
Legislative Counsel

I think the Committee Substitute well drafted to accomplish the purposes, and would offer only the following for the committee's consideration:

Pages 1 and 2, with reference to sec. 202:

Assuming that the committee decides to retain specific reference to the entitlement due to the 11 boroughs and unified municipalities in 202(a), you may substitute the word "cities" for "municipalities" in subsections (b) and (c) of sec. 202. After making specific provision for the boroughs and unified municipalities, the cities are all that are left to consider.

On this same point, the committee may want to try to fashion some sort of method by which the director -- or the city council and borough assembly acting concurrently -- would resolve matters of conflict involving land selections by a city and a borough for selection of same acreage. It may not be a problem, but if it becomes one, I find no provision in the bill for resolution.

Page 2, last two lines:

I think the phrase "as being in the best interests of the state" at the end of subsection (d) redundant. The standards for evaluation are set out extensively in sec. 204(f) and involve a balancing of state and local or community interests by the director.

Senator Orsini  
April 18, 1977  
Page 2

Page 3, lines 5 - 9:

If it is the committee's intent that, as a matter of policy, future state land selections provide for the widest possible opportunity for selection of lands by local governments consistent with the best interests of the state, the second sentence of subsection (f) does not appear to so require. You may (1) want to rethink the mandate, and rephrase it accordingly, and/or (2) amend AS 38.05.290 which is the only section I have been able to find which addresses state policy anent statehood act land selections. This could become a major problem with respect to the community land selections under 6(a) and the balancing of requests among cities and boroughs for fulfillment of the land entitlement under that section.

Pages 4 and 5, section 204(d):

I assume that, as (d) is written, objection on the part of the municipality to a classification stops the classification action. I find no provision for adjudication or appeal.

Page 6, beginning at line 4:

I am troubled that, by merely providing a "laundry list" of state and local responsibilities which are to be considered by the director in his evaluation of an entitlement without attempting to assign any priority or weight among the factors, you put the director in the unenviable position of having to balance all the elements. The state shall reject the selection if the request involves land carrying a value which is "primarily of greater than local concern." I realize that the determination of those values in any quantifiable manner will be tough. However, this is a new provision, and, because of the extensive acreage which local governments will be looking to receive under this "settlement" legislation, the balancing of values and decisions of the director are critical.

Pages 6 and 7, subsection (g):

As an alternative in an appeal, you may want to provide that the municipality may appeal the decision to the commissioner of natural resources rather than ask reconsideration by the director of the division of lands, on the theory that the commissioner would be able to "balance" both arguments and reach a decision.

Senator Orsini  
April 18, 1977  
Page 3

Page 7, last sentence of (g):

The appellate reference should be to AS 44.62.560 - 44.62.570, treating, generally, with judicial review of final administrative orders.

Page 7, section 206(a):

The committee may want to hazard a definition of "reasonably compact tracts," unless the term is so well understood by the division and the local governments as to preclude litigation on the point.

Page 8, subsection (b):

What is the status of "overselections?" I assume that they are invalid.

Page 9, section 208(b):

The act, which carries an immediate effective date, allows the director (in section 202(b)) six months to ascertain the entitlements due the cities. Therefore, it would appear that no certification of entitlement under this section would be practically possible for August 1, 1977. You may want to provide an exception from the requirement in the first year or provide, in a temporary section, for a different date applicable for calendar 1977.

Page 10, fifth line under subsection (d):

Should the phrase at the beginning of the sentence be redrafted to read:

The requested appropriation shall be in an amount which is not more than the total of all revenues ...

As offered in the draft, the language leads me to conclude that, over and above the amount required to meet the needs of the Fund from state land transactions, the state would be required to reach into the general fund to meet the appropriation obligation. If you substitute "more" for "less," you establish state land transaction revenues as an appropriation ceiling, and the proration provisions further along in the subsection will be brought into play.

Page 11, line 3:

The word "exchanged" is confusing. We are talking in this section about payments in lieu of land rather than any exchange.

Page 11, section 210:

I'm not that familiar with the requirements in current law having to do with exchanges of land. However, the reference to "non-monetary values of public benefits" strikes me as a source of potential litigation, especially as, further on, the provisions of AS 38.50, relating generally to the exchange of state lands, are made inapplicable to the chapter.

Page 11, subsection (a):

This is better language, to my mind, in terms of providing some direction to the division and the department as to the manner of exercise of statehood act land selections. However, its inclusion in the bill may provide opportunity to shift selection opportunities within, say, the national forest lands away from municipalities which have a reasonable opportunity to obtain a nearly full entitlement in favor of those municipalities which cannot.

Page 12, subsection (b):

I would revise the language beginning at the fifth sentence of (b) to read:

in the public interest, [IT WILL BE THE POLICY OF] the state shall [TO] sell or lease such land at public auction, ~~to~~ [TO] contract ...

Page 14, definition (5): Amend to read:

"municipality" means a general law municipal corporation and political subdivision, which is a first or second class borough or city, or a third class borough, incorporated under the laws of the state.

Though not of overriding import as the draft has been offered, the definition offered in the bill would not recognize land selection rights of third class boroughs.

\* \* \*

With reference to the draft, Senator Sumner has raised the question of inclusion of language requiring municipal recipients to present a plan of intended use of management practice scheme in conjunction with exercise of selection rights. Elsewhere in the draft, (page 11, next-to-last sentence of section 210), you speak to exchanges consistent with "applicable laws and municipal ordinances." So that the members of the

Senator Orsini  
April 18, 1977  
Page 5

committee are aware of current requirements of state statute imposed upon local governments as they consider the bill and this suggestion, there is a provision -- AS 29.48.260(d) -- which appears generally applicable to land transactions under the provisions of AS 29 that are being affected by this legislation.

JBC:hjd

CSHB 188 & CSHB 89 (Fin)

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 2, 1977

Present: Chairman Orsini, and Senators Hackney, Willis and Sumner.

Absent: Senator Ferguson

The hearing began with CSHB 188, and Senator Orsini explained that the committee substitute included the recommendations by the Lt. Governor's Office, but excluded registration on election day. The Committee recommended that CSHB 188 be replaced with CS for SCS CSHB 188 (CRA) by individual recommendation. Senator Orsini voted "do pass" and Senators Hackney, Sumner and Willis voted "no rec".

In regards to CSHB 89 (Fin), Senator Hackney moved that the bill be passed by individual recommendation. Senator Willis voted "do pass" and Senators Orsini, Hackney and Sumner voted "no rec".

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

May 12, 1977

Present: Chairman Orsini, Senators Hackney and Willis; Reed Stoops, Community & Rural Affairs Department; Margo Dick, Day Care Assistance; Palmer McCarter, Dept. C&RA.

Absent: Senators Ferguson and Sumner

The hearing began with CSHB 193 am concerning day care assistance. Reed Stoops, Community and Rural Development, testified in favor of the bill and explained that the proposed changes in the bill would (1) reverse the licensing requirements of day care facilities; (2) redefine definitions of "child"; (3) eliminate the current system of providing assistance to AFDC families and; (4) provide for an effective date.

Mr. Stoops informed the committee that those AFDC families who were receiving 100% funding for day care assistance would henceforth be subjected to eligibility standards determined on a sliding scale income basis coinciding with the formula used to determine how much non-AFDC families will receive in assistance. Stoops stated that enactment of this bill would provide a savings of \$132,000 to the state.

He also stated that changing the required age limit from seven years of age to 11 years of age for non-AFDC recipients, and AFDC recipients from age 14 to 11 years would be an equitable compromise so that more children could benefit from day care assistance without incurring any additional expense. He stated that they estimate 8% more children would be eligible.

Margo Dick, from the Day Care Assistance in Juneau supported Mr. Stoops comments.

Senator Hackney moved that the committee pass the bill out with individual recommendation, and Senator Willis voted "do pass", and Senators Orsini and Hackney voted "no rec".

Chairman Orsini asked Palmer McCarter to testify on HB 424, and he explained that this bill provides reimbursement to municipalities for payments made after July 1, 1975 for judicial services. Senator Hackney moved for a "do pass" vote from the Committee, and the bill was unanimously passed out.

Palmer McCarter offered testimony regarding CSHB 273 am, and stated they the Dept. is against the concept of this bill. He explained that 3rd class boroughs were created as an addition to the existing borough form of government. The 3rd class borough's powers consist of providing education and taxation for the purpose of providing that service.

He also pointed out the the Federal Government might be upset if some areas in the state have Coastal Zone Management without a municipality or borough to carry out planning, platting and zoning.

Senator Willis moved that the bill go out of the Committee with individual recommendation, and he voted "no rec", Senator Orsini voted "do not pass" and Senator Hackney voted "do pass".

Minutes  
1978

1978

MINUTES

1/24/1978 - 6/10/1978

## SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

January 24, 1978

Present: Chairman Orsini, Senators Willis, Ferguson and Hackney; Bruce Aronson, C/RA; Marilyn Miller, Alaska Municipal League; Roger Allington, Alaska Coastal Policy Development and Planning; Glen Akins, DPDP; Annette Smith, HC&RA; Steve Mizera, Republican Caucus; Jack Chenowith, Legislative Affairs; Steve J. Kettlekamp, Exxon; Keith Arnold, Alaska Oil & Gas Association; Oren Pomeroy, C/RA; and Tim Bradner of BP-Sohio.

Absent: Senator Bill Sumner

SENATE BILL 388

The meeting was called to order at 3:15 by Chairman Orsini who announced the formation of a subcommittee to deal with village land reconveyances occurring under paragraph 14 (c) of the Alaska Native Claims Settlement Act. Senator Ferguson was appointed Chairman. Senators Hackney and Orsini were appointed members. Senator Ferguson agreed that the subcommittee would be able to make a report to the committee within a month.

The committee first took-up CSSB 388. The two Co-chairman of the Alaska Coastal Policy Council, Frances Ulmer and Roger Allington, had been invited to present their views of the effects of CSSB 388 on the functioning of the council.

Council Co-chairman Allington referred his letter of January 23, 1978, to Senator Orsini, in which he supported SB 388's provision for the selection by the Governor of alternative members to fill unexpected vacancies in the council.

Co-chairman Ulmer concurred with Allington's assessment and noted that the question of the appointment of alternate members had been heatedly debated in the council without achieving a clear consensus.

She also cautioned against too great an attempt to restrict the number of alternates available for the governor's selection, but she believed that CSSB 388 would clarify the question of the alternate's qualifications. She suggested that assistant, as well as deputy commissioners be designated as acceptable substitutes for State commissioners in the council.

Marilyn Miller, representing the Alaska Municipal League, testified on CSSB 388. She stated that the League would prefer to see public members on the council appoint their own alternates in order to maintain a continuity of view point.

This completed public testimony on CSSB 388. Senator Ferguson moved that CSSB 388 as drafted be passed out of committee with individual recommendations. The committee vote was 2 Do Pass, 1 Do Not Pass Without Amendment and No Recommendations.

## DISCUSSION OF ALASKA COASTAL MANAGEMENT PROGRAM

Chairman Orsini recalled Alaska Coastal Policy Co-chairman Frances Ulmer and Roger Allington to discuss the work of the council regarding the submission of its standard and guidelines to the Legislature. He pointed out the importance of the Legislature receiving these regulations in sufficient time this session to give them adequate consideration. He stated the intention of the committee to work with the unofficial draft regulations during the public hearing process in order to become as familiar as possible with the proposed regulations before their submission to the Legislature in April.

Council Co-chairman Ulmer told the committee that the council had recently completed a new draft of its regulations, copies of which had been made available to legislators. A sixty day hearing process would be underway shortly with public meetings throughout the state. The council believed that the regulations would be ready for submission to the Legislature in early April, following a final council meeting on the regulations in Juneau, March 24 and 25.

Ulmer stressed the need for legislative action on the Coastal Management Program this session in order to allow the state program to receive federal approval by December of 1978. She indicated that there had been some question within the council whether the regulations constituted a part of the program and also required legislative approval, the consensus of the council was that the regulations also required legislative action to accept them.

Glen Akins, Director of the Office of Coastal Management, outlined for the committee the situation in Washington State and Oregon where federal approval for these states' coastal management programs was given before all the local programs were completed. He noted, however, that court challenges against this practice are underway.

He also pointed out that the role of the federal government in funding state coastal programs is significant. So far approximately \$3 million in federal funds have been used in Alaska to finance state and local efforts. Approximately \$250,000 in state funds have been allocated to this purpose. Without federal approval next year, Akins believed that this financial obligation would have to be borne completely by the State.

In response to Chairman Orsini's question on the concept of federal consistency, Akins replied that Federal agencies have observed state coastal policy when public groups, local governments and the state government united behind one position. Ultimately, however, the Secretary of Commerce would be the arbiter in any dispute between a state and federal agency over federal consistency provisions.

### SENATE BILL 372

The committee voted unanimously to pass SB 372 out of committee following the explanation of Senator Willis that the bill was intended to rectify a drafting error regarding a reference citation of Senate Bill 37 to the Alaska Statutes. There was no public testimony.

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE LIST 1/24/78

Name	Representing	Intent to testify?	
		YES	NO
Bruce Aronson	C+RA		✓
MARILYN MILLER	Alaska Municipal League	✓	
ROGER ALLINGTON	ACMPC	✓	
MURRAY R. WALSH	DPDP		✓
GLENN AKINS	DPDP		
Annette Smith	H+RA		✓
STEVE A. MIZERA	RC		✓
Jack Clemmitt	Legislation Affairs		✓
Glenn Akins	DPDP		✓
Steve J. Kuttelberg	Exxon		✓
KEITH FROVOLD	ALASKA OIL & GAS ASSO.		✓
Oren Pomeroy	C+RA		✓
Tim Bradner	BP-Sohio		
Fran Uecker	DPDP	✓	

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

January 31, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner; Jim Christopher, Alaska Wreckers Assoc. and Alaska Towers Conference; Gerald Sharp, City Borough of Juneau; Bruce Aronson, Community and Regional Affairs; Steve A. Mizera, Republican Caucus.

Absent: Senator Ferguson

The meeting was called to order by Chairman Orsini at 3:00 P.M.

CSHB 187:

Chairman Orsini noted that CSHB 187 had been before the committee last year.

James Christopher, Chairman of the Alaska Towers Conference, President of the Alaska Wreckers Association, and co-owner of Alaska Towing and Wrecking in Anchorage, testified in support of CSHB 187. Mr. Christopher pointed out that currently wrecking operators had asked the State Attorney General's Office for an opinion as to which law should be complied with and were told that it would be preferable to have the statutes changed along the lines of CSHB 187. Mr. Christopher also noted that the \$1.50 daily storage fee was sent in the late 1950's and was unrealistic in view of cost increases since that time. He said that current storage charges for vehicles in Seattle were \$5.00, in Portland \$4.50, and in Spokane \$4.00. Although no court cases have resulted so far from this situation, Mr. Christopher said that wrecking operators in Alaska were concerned that without the enactment of CSHB 187 they could be held in violation of either the statutory storage fee or the tariff set by the Alaska Transportation Commission.

Mr. Christopher asked whether language could be added to the bill that would include the contents as well as the vehicle itself as subject to liens. He stated that this was another area of legal ambiguity. Senator Hackney suggested that appropriate language to cover this situation could be added. To prevent delay, Chairman Orsini recommended that the bill be considered as written and that separate legislation be drawn up if necessary to deal with the other issues raised by Mr. Christopher. Senator Sumner commented that the hearings so far indicated to him that CSHB 187 was more properly a bill for the Commerce Committee to take up than Community and Regional Affairs. The other Committee members agreed.

Lee Sharp, representing the City and Borough of Juneau, spoke in support of CSHB 187 as drafted. He said that discussion so far had tended to confuse the statutory issue of the amount

a wrecking operator could recover on his lien with the regulatory question of the amount the public could be charged for the towing and storage of motor vehicles. CSHB 187 rightfully addressed the statutory issue and not the regulatory. He said the City and Borough of Juneau was concerned that wrecking operators were reluctant to tow and store abandoned vehicles, as requested by the municipality, because they could not statutorily recover more than \$1.50 a day in storage charges from their liens. Since this resulted in a loss of money to the wreckers, the municipality was encountering difficulties in having wrecked and abandoned vehicles removed from public view.

This completed public testimony. Chairman Orsini called for a vote. CSHB 187 received 1 Do Pass and 3 No Recommendations.

CSHB 134

Chairman Orsini asked for a motion to bring CSHB 134, which had been tabled by the Committee last year, back before the Committee members. In the absence of the bill's sponsor, Representative Charles Parr, to explain the provisions and purpose of the bill, no motion was forthcoming. CSHB 134 remained tabled.

SENATE COMMUNITY & REGIONAL AFFAIRS  
COMMITTEE

February 2, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner; Murray Walsh, Office of Coastal Management; Roger Allington, Alaska Coastal Policy Council; Annette Smith, House C/RA; Steve Mizera, Republican Caucus.

Absent: Senator Ferguson

The meeting was called to order by Chairman Orsini at 3:10 P.M.

Chairman Orsini said that he wanted the Committee meeting to be a general discussion on the background of the draft Guidelines and Standards for the Coastal Management Program and a review of the goals the Alaska Coastal Policy Council wished to achieve through the regulations.

Glenn Akins, Coordinator of the Office of Coastal Management, gave a summary of the work of the Policy Council and staff to date and outlined a tentative schedule for the completion of the regulations for submission to the Legislature.

Roger Allington, Co-chairman of the Alaska Coastal Policy Council, briefed the Committee members on the goals the Council hoped to achieve by the provisions of the draft regulations. He emphasized that it was the aim of the Council to fulfill the legislative intent of the Alaska Coastal Management Act and to insure, to the greatest extent allowed by law, local control and direction over the management of coastal resource districts. Mr. Allington said that the regulations were drafted to reflect this concept and that the Council would be responsive to legislative suggestions as to how this approach could be better implemented.

The Committee members confirmed that the Legislature intended for local coastal community governments to be responsible for the preparation and management of coastal resources in their areas, consistent with general state and federal policy. The Committee members expressed the hope that the Council and its staff would minimize wherever possible mandatory language in the regulations and provide maximum flexibility for local governments to devise policies reflecting local conditions.

Chairman Orsini stated that the Committee would take up and discuss in further meetings specific provisions in the draft regulations.

The meeting adjourned at 4:30 P.M.

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

FEBRUARY 7, 1978

Present: Chairman Orsini, Senators Willis, Hackney and Sumner.  
Wm. K. Mearig; J. R. Floden; Frances G. Westre; David  
A. Moffat; Gene Owens; Sigvald J. Strandberg; Erick  
J. Simpson; Sunny A. Hick; Gertrude Lyons; Lars Eide;  
Ed Lapeyri; James F. Petersen; Annette Smith; Bruce  
Aronson.

Absent: Senator Ferguson

Chairman Orsini convened the hearings at 3:15 PM. He announced that the Committee would take testimony on SJR 38, 29 & 40 but would take no action on the resolutions that day.

SJR 39 (Proposed Annexation by Haines Borough):

Chairman Orsini asked Sigvald Strandberg, Chairman of the Boundary Commission, to give the circumstances behind the proposed annexation of land on which stood fuel tanks formerly operated by the military. Mr. Strandberg described the action as pro forma in nature to allow the Haines Borough to eliminate a pocket of non-borough land inside its borders. He explained that the final disposition of tank farm property, which would be handled by the General Services Administration, would not be affected by the Borough's action and that the military had not objected to the proposed annexation. Mr. Strandberg also stated that no objections had been made by members of the public during the Boundary Commission's hearings in Haines. No one else wished to testify on SJR 39 and Chairman Orsini closed the hearings on the resolution.

SJR 38 (Proposed Annexation by the City of Skagway):

Mr. Strandberg noted that the City of Skagway originally requested to extend its boundary to the Canadian border and that of the Haines Borough. He noted that this raised the question in the Boundary Commission's opinion of what properly constituted city government versus that of a borough. The Commission therefore recommended a smaller extension of the City's boundaries and informed the City that it could, if conditions warranted, petition the Commission in the future to move its jurisdiction to the Canadian border. The City of Skagway supported this action by the Commission and agreed with the recommendation. Strandberg acknowledged that public testimony by persons residing outside the present City boundaries was opposed to annexations since they believed that they were already paying for municipal services through the sales tax. In response to questions from Committee members, he said that the Commission had not considered the inclusion of the Dyea area into the City of Skagway and that such an action would require separate Commission action.

William Ruddy, an attorney representing the City of Skagway, said that public opposition had been expressed to the proposed annexation but that it was not organized.

In the absence of further public testimony, Chairman Orsini closed the hearings on the resolution.

SJR 40 (Proposed Annexation by the City of Petersburg):

Mr. Strandberg said that public hearings had been held by the Commission in Petersburg January 9 before an overflow crowd with the testimony being broadcast live over the local radio station. On January 16 the commissioners held a telephonic conference and approved a recommendation for the extension of the City of Petersburg boundary.

He explained that the Commission's recommendation called for the city boundary to be extended only over the northern portion of Mitkof Island, an area of approximately 45 square miles. The City had originally petitioned for the annexation of all Mitkof Island, an area of approximately 211 square miles. Mr. Strandberg said that the Commission respected the City's reasons for the larger request, which included concerns about Coastal Management and municipal selection of state lands. He said that this again raised the question of borough versus city government and that the Commission had recommended an area for annexation that would take in almost all residents, but not all the territory, of Mitkof Island. He noted that, in the Commission's view, the natural development of the City of Petersburg lay along Mitkof Highway and that the outlying areas did benefit from municipal services. The incorporation of this area would remove the present tax inequity between the residents of the City and the outlying district. Mr. Strandberg pointed out that the City of Petersburg has a narrow tax base, but a fairly heavy bonded indebtedness. The 2,126 City residents have a bonded indebtedness of \$3.7 million against a property valuation of \$34 million. This gives the City a debt/valuation ratio of approximately 11% as opposed to a 5.4% ratio for the City and Borough of Juneau and 3% for the City of Ketchikan. He noted that there were considerable private land holdings south of Petersburg along the Mitkof Highway.

In response to questions from Committee members, Mr. Strandberg made the following comments: The City indicated that it would assess one-half, or 7 mills, of the present City mill rate against the residents of the outlying area for the first year after annexation. Petersburg City Councilmen run at large and therefore there would be no council seat per se representing the annexed outlying area. During the public hearings in Petersburg, public sentiment ran about four to one against annexation. The August 26, 1975, election during which City voters rejected annexation was a straw vote on another proposed annexation and for which sketchy data had been gathered in regard to potential tax revenues. Service areas in the unorganized Borough could be established by the Legislature only if the same services could not be provided by annexation to existing local governments.

The vote of the Commission had been three to one for the proposed annexation. Children in the outlying area presently attend City schools which receive tuition payments from the State. The economic future of Petersburg lies fishing and some logging. Industry would find it attractive to locate in the outlying area following annexation.

William Ruddy, the attorney representing the City of Petersburg, and William Mearig, representing the Petersburg city government, testified

jointly. Mr. Mearig stated that the 1975 annexation vote concerned the proposed annexation of West Petersburg, which has now incorporated separately as the City of Kupreanof, and did not pertain to the present recommendation. He noted that the Environmental Protection Agency was requiring the extension of sewer and water facilities to outlying areas. Either the City of Petersburg would provide these services or they would be mandated at the state or federal level. In response to questions from the Committee members, Mearig concurred that Petersburg's economic future lay with fishing and stated that any expansion of fishing facilities would probably occur at the four plants currently within the City's boundaries. Because of environmental and esthetic concerns, little or no development is likely to take place in the Narrows. He commented that strictly speaking it was illegal for the City to provide municipal services to the outlying area.

James Petersen, the attorney representing the plaintiffs in the court suit opposing the proposed annexation, testified that his clients opposed the annexation on the grounds that insufficient study had been given to the revenue, tax burden, and expense of the action. He stated that the original petition requesting annexation had been hastily put together and that the municipal ordinance had had its first reading with no public input. The second and third readings took place on the same night. Studies were lacking on population density, cost of police protection, cost of water and sewer facilities, and cost of electric power extension. Peterson said that his clients were not opposed to annexation per se and believed that the establishment of a service district (outside of the municipal boundary) could provide a viable solution. He emphasized that it was not only residents of outlying areas who opposed annexation but the residents of the City as well.

Frances Westre testified, as a member of the Petersburg City Council, that the Council had unanimously approved the proposed annexation as being in the best interests of the community of Petersburg and its environs. She said that the apparent haste in acting upon the petition was due to the legal requirement to submit all annexation recommendations to the Legislature by the tenth day of session. She pointed out that Petersburg and Wrangel were jointly studying a proposal for hydroelectric development in the Thomas Bay area that would provide relatively inexpensive power for economic development in the area. Ms. Westre said that Bruce Aronson of the Department of Community and Regional Affairs had originally raised the annexation question in Petersburg several years ago.

Lars Eide read to the Committee a letter he sent on December 12, 1977, to Commissioner of Community and Regional Affairs Lee McAnerney protesting the proposed annexation as contrary to the wishes of the majority of the people of Petersburg. He stated he was part owner of Mitkof Lumber Company which employes approximately 23 persons about 75% of whom lived in the City and 90% of the company's production was exported.

David Moffat, City Manager of Petersburg, said that the impetus for annexation had originated from residents in the outlying areas and that he had heard of little opposition to the proposal from within the City. He noted that, without the existence of the City of Petersburg, it would be unlikely that industries outside city limits would have located in the area. Moffat pointed out that the City has a

significant interest in exercising planning for Coastal Management for Mitkof Island as well as achieving a wider basis for future municipal selection of state land. He also noted that the possibility of a deep water port had been studied for the southern tip of Mitkof Island.

Ed Lapeyri, a resident and General Manager of Mitkoff Lumber Company, a plaintiff in a court suit against the annexation, testified that outlying residents did not receive municipal services for which they did not pay. He stated that residents outside city limits paid a 15% surcharge for electricity and a 50% surcharge for water. As for fire protection, the State paid the City \$7.50 per capita for residents outside City limits. He submitted to the Committee the following petition signed by 543 residents of the general Petersburg area:

"WE, THE UNDERSIGNED, BEING CITIZENS OF MITKOF ISLAND, BOTH INSIDE AND OUTSIDE THE PRESENT CITY LIMITS OF PETERSBURG, ARE STRONGLY OPPOSED TO THE PROPOSED ANNEXATION TO PETERSBURG AT THIS TIME DUE TO THE METHODS USED BY THE CITY IN DIRECT OPPOSITION TO THE DESIRES OF THE MAJORITY OF THE CITIZENS AND BECAUSE OF ERRORS IN THE FIGURES PRESENTED TO THE LOCAL BOUNDARY COMMISSION AND THE FAILURE BY THE CITY TO PROPERLY RESEARCH AND DOCUMENT THE ECONOMIC CHANGES SUCH ANNEXATION WOULD PRESENT TO THE CITY RESIDENTS AND THOSE IN THE ADJOINING PROPOSED AREAS. WE ARE EXTREMELY CONCERNED IN THE MANNER IN WHICH THE CITY HAS PRESENTED THIS ANNEXATION WITHOUT PROPER PUBLIC INPUT. WE ALSO PETITION THE HOUSE AND SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEES TO HOLD A JOINT HEARING IN PETERSBURG IN ORDER TO OBTAIN THE TRUE FACTS AND PUBLIC INPUT REGARDING THIS PROPOSED ANNEXATION."

Mr. Lapeyri said that these signatures were obtained within three days last week and that every reasonable effort was made to insure that resident adults were the only persons who signed. He told the Committee that of the 543 petition signers, 193 lived outside the City and 350 lived within the City limits.

Mr. Lapeyri charged that during the City Council deliberations on the annexation petition, a show of hands indicated that only 11 of the 98 persons present supported annexation and that, of the 6 who testified in favor of the measure, four were city employees or relatives of Council members. He said that real property valuation for the 1975 proposed annexation was \$6.3 million and in 1977 only \$6.7 million for a slightly different area. He also cited an unidentified study undertaken by a local private firm that indicated no significant economic development in Petersburg in the future. In response to Committee members' questions he acknowledged that fishing was considerably more important economically to Petersburg than logging which he characterized as "shakey".

Gene Owens, a resident of Petersburg, testified in support of the proposed annexation. He stressed that the State had consistently urged localities to assume local government control in the Unorganized Borough in such matters as Coastal Management planning. Mr. Owens said that the annexation of land on Mitkof Island by Petersburg was consistent with that objective.

John Floden, city engineer for Petersburg, spoke in favor of the annexation recommendation and pointed out that the City had basically proposed a service area concept. He noted that 19% of the population

of Petersburg currently lives outside the city limits. This meant that those inside the city pay 19% more for municipal services than their just share, while those outside pay 19% less. Mr. Floden said that without the extension of planning and zoning powers to the present outlying areas they were likely to develop in a haphazard manner leading to severe water and sewage problems in the future. There were instances in the outlying area where land was being subdivided into lots too small handle onsite sewage and water. Mr. Floden said that the City's goal in the annexed area would be to maintain large lots so as to prevent the need to establish sewer and water lines to high density residential and commercial dwellings. Additionally the projected linkage of Mitkof Highway with a proposed Stikine Highway could result in unrestrained commercial development of gas stations, drive-ins, etc. along the way unless proper planning and zoning authority existed to control it. In response to Committee members' questions, he said he believed a comprehensive community development plan for Petersburg had been prepared in 1965/66.

Gertrude Lyons, a plaintiff in the court suite against the proposed annexation and a member of the Board of Directors of the Petersburg Indian Association, testified that the increased costs association with the extension of services to outlying areas would work an undue hardship on Native residents of Petersburg who were primarily dependent upon seasonal employment. Ms. Lyons said that the membership of the Petersburg Indian Association was approximately 185 adult persons and that the Association was the combined organization for the Tlingit-Haida Central Council, the Alaska Native Brotherhood, the Alaska Native Sisterhood, and Sealaska Corporation.

Sunny Hicks, a resident of the Petersburg area and opponent of the proposed annexation, characterized the community atmosphere of Petersburg as a "local Watergate situation" where neighbors were divided against one another and conversations were surreptitiously recorded. She believed that local animosities had been inflamed by the City's handling of the annexation petition. She stressed that the residents of the outlying area considered themselves to be members of the general Petersburg community and were willing to assume their share for local services. She questioned whether the City was capable of efficiently carrying out its present obligations, much less undertake more extensive ones without the compensation of major new revenues.

William Mearig requested to testify a second time to present his views as a private citizen in addition to his capacity as a city official. He said that the proposed annexation offered outlying residents their first chance to participate in the political decisions affecting them locally, even in the absence of a separate election district for the area. He stated that participation in local government in such matters as Coastal Management offered residents more protection than if they remained unorganized and allowed either the State or federal government to impose regulations on them.

In the absence of further public testimony on SJR 40, Chairman Orsini concluded public hearings on the resolution and adjourned the Committee at 6:28 PM.

OK

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE

FEBRUARY 16, 1978

Present: Chairman Orsini, Senators Willis and Hackney. Bruce Aronson; Doug Griffin.

Absent: Senator Sumner and Senator Ferguson

The meeting was called to order by Chairman Orsini at 3:10 PM.

STRANDBERG CONFIRMATION

Chairman Orsini asked if Committee members wished to hold separate confirmation hearings on the reappointment of Sigvald Strandberg to the Local Boundary Commission. Committee members expressed the view that they were familiar with Mr. Strandberg's work on the commission and did not believe that separate hearings would be necessary.

PETERSBURG ANNEXATION (SJR - 40)

Chairman Orsini drew the members' attention to a SC/RA staff study analyzing the economic effects of the recommended annexation of land by the City of Petersburg. He noted that the figures indicated the probability of the City's expenses and new revenue from annexation balancing out, provided the City maintained its present level of services to the annexed area.

Senator Willis noted that the Boundary Commission could have held an advisory election in Petersburg to determine local support for the annexation but that the legislature had no authority to instruct the Commission.

Pending action by the House CRA Committee, Committee members agreed to hold action on SJR 40 unless the members wished the issue to be brought up again for discussion.

COASTAL ZONE MANAGEMENT

Chairman Orsini said that the Guidelines and Standards for the Alaska Coastal Management Program would require a detailed review if the Committee wished to deal specifically with the many points being raised regarding the implementation of the Coastal Management Program.

Senator Hackney said that he was impressed by the Petersburg situation where one of the motivations for annexation was a desire to secure local control over the coastal management of Mitkof Island.

The Committee members expressed their desire to undertake a sectional review of the draft Guidelines and Standards.

OTHER

Chairman Orsini discussed with Committee members the status of CSHB 133 before the House Finance Committee and its Senate counterpart,

CSSB 241.

The Chairman also informed members about the provisions of SB 501 pertaining to binding arbitration and stated that he intended to schedule hearings on the bill within two to three weeks.

Chairman Orsini called an executive session of the Committee to discuss Budget and Audit Committee actions with respect to Coastal Management.

The meeting was adjourned at 4:00 PM.

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE

FEBRUARY 28, 1978

Present: Senators Willis, Ferguson, Hackney and Sumner.  
Representative Phillip Guy from the House.

Absent: Senator Orsini

In the absence of Chairman Orsini, Senator Willis presided over the meeting which he called to order at 3:10 p.m.

COASTAL POLICY GUIDELINES AND STANDARDS DRAFT

Review was done on the draft Alaska Coastal Policy Regulations. Senator Ferguson stressed the importance of having maps of the coastal areas before further discussion of the regulations take place in order to get an idea of the affected areas. Chairman Willis stated that the Committee would request the maps for further review of the regulations and would also make the document presented to the Committee from Representative Phillip Guy a matter of record. Senator Hackney stressed the importance of time in reviewing the regulations. Senator Ferguson moved that a letter be sent to the Alaska Coastal Policy Council requesting that the Committee have the final draft before the Council adopts the regulations, May 6, 1978. Chairman Willis asked if there were any objections. There were none.

The Committee then addressed specific questions concerning the regulations. Senator Ferguson suggested that written questions about the draft be addressed to the Council before the Committee takes any action. He felt that the Council could provide detailed explanations on the issues. The Committee unanimously agreed to submit the questions in writing to the Council as a concern of the Committee.

Concern was expressed at the potential scope of provisions in the draft regulations requiring translation of coastal management hearings into local languages. Senator Sumner suggested that statewide policy should already exist separately for insuring adequate translation of state hearings into Native languages of the area. If such procedures are not already in effect, then separate legislation should be drawn up to remedy the situation. Senator Ferguson concurred that the matter of language translation should be addressed by statewide policy rather than piecemeal within other regulations.

Chairman Willis asked Representative Guy to join the Committee when the final draft was presented to them before adoption to make sure Representative Guy's concerns and questions were also met.

Chairman Willis adjourned the meeting at 3:45 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

March 2, 1978

Present: Chairman Orsini, Senators Willis and Sumner; Bruce Aronson, Department of Community and Regional Affairs; Andy Karella, Fairbanks North Star Borough Assemblyman.

Absent: Senators Ferguson and Hackney

Chairman Orsini called the meeting to order at 3:01 p.m. Senate Bill 223 was taken up for discussion.

SENATE BILL 223

Bruce Aronson, Department of Community and Regional Affairs, testified that the essential purpose of the bill was to provide encouragement and impetus for presently unorganized areas to organize themselves first into first class boroughs and then without delay into home rule governments. Mr. Aronson pointed out that currently voters must elect home rule charter commissioners at the same time they vote whether or not to institute home rule government. As a result, the issue of personalities frequently becomes entangled with the pros and cons of home rule government itself. Mr. Aronson believed that the separation of the two questions into separate elections would minimize confusion, but he pointed out that the procedure outlined in SB 223 would not materially reduce the time presently required for an unorganized area to achieve home rule status. Under SB 223, the first election would determine whether the area wished to incorporate into first class borough status and then go on to home rule government. The second election would select members of the home rule charter commission and the third would be to accept or reject the charter drawn up by the commissioners.

During the discussion, several committee members questioned the wisdom of encouraging unorganized areas, where little or no experience in formal municipal government exists, to move directly into the complexities of home rule government without intervening experience with either second or first class borough government.

No action was taken on SB 223.

THIRD CLASS BOROUGHES

Chairman Orsini pointed out that a third class borough provides little if any more areawide services than does a Regional Education Attendance Area (REAA), i.e. schools and taxation to support them and that present law contains numerous ambiguities regarding their status. There is some question in the statutes whether or not a third class borough could have provided additional services outside education and the taxing authority to support education. He asked Mr. Aronson for the view of the Department of Community and Regional Affairs on the concept of third class boroughs. Mr. Aronson replied that a third class borough can provide a transitional step into full borough status, but that his Department had adopted no position either

for or against their retention. The authority of the Division of Lands to plan zone within third class boroughs was deleted last session. The only exception to this is that if there is a coastal zone management plan in the area, that plan can put the Division of Lands back in. Mr. Andy Karella, a member of the Fairbanks North Star Borough Assembly, testified that last year's election in Fairbanks when the voters rejected a third class borough may have confused the issue since Fairbanks was clearly too developed to step backwards towards third class status. He stated, however, that one major question that was never satisfactorily addressed in Fairbanks was whether a third class borough could establish a single, borough-wide service district. Mr. Karella stated that, on a whole, he supported the concept of third class boroughs as a small step, but a significant one nevertheless, by REAA's towards full borough status. He believed that once third class boroughs wished to expand their jurisdiction beyond educational matters, they would be ready psychologically to proceed to a second class borough level.

The meeting was adjourned at 4:15 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

March 7, 1978

Present: Chairman Orsini, Senators Willis, Hackney, Ferguson and Sumner; Cherie Shelley, APEA; Marilyn Miller, Alaska Municipal League; Guy Stringham, District Council of Laborers; Bob Van Houte, NEA-Alaska; Bruce Aronson, Department of Community and Regional Affairs; Sharon K. Young, Alaska Association of School Boards; John Coffee, Alaska Association of School Boards; Bob Greene, Alaska Association of School Boards; Bob Cooksey, NEA-Alaska; Caroline Wohlforth, Anchorage School Board, John V. Voor; Pat L. Hunt, Administration.

SENATE BILL 373

Chairman Orsini said that it was his intent in introducing SB 373 to provide the means whereby the public would be informed of the initial negotiating position of both sides at the onset of collective bargaining in the public sector. He said he also wished to have any new positions developed or proposed during the course of negotiations also brought to the public, but that it was not his intention in the legislation to open the negotiating process itself to public scrutiny. He then opened the hearing to public testimony.

Cherie Shelley of the Alaska Public Employees Associations (APEA) said that her organization opposed the bill as drafted although she found the language of the proposed committee substitute better than the original bill. She was concerned that the publication of the two sides' initial positions would lock the negotiating teams into inflexible positions from which the negotiators would feel they could not retreat. Such a situation would inhibit the course of true negotiations and easily result in rapidly deadlocked talks. In response to a Committee member's question, she said she was not aware of instances in other states where such procedures were practiced.

Patrick Hunt, Director of Labor Relations, said that he supported the concept of the bill, particularly in the proposed committee substitute version. He questioned, however, the need for paragraph (c) and instead suggested that periodic status reports might be required to keep the public abreast of the negotiation's progress. He pointed out there was a great deal of give and take during the talks with numerous informal and tentative suggestions made. It would be difficult to determine under paragraph (c) whether those suggestions would be classified as "new subjects". He believed that the flexibility and informality of the present talks assisted materially in reaching innovative agreements.

Guy Stringham, Vice President of the Alaska District Council of Laborers, expressed his organization's concern that the publication of the two sides' initial bargaining position would lock them into those positions through the negotiations. He believed that negotiators would fear that any compromise reached during negotiations would be regarded as a form of betrayal by the more extreme elements of the two sides' respective constituencies and stressed that the publication

of the initial positions cuts away the middle ground from the negotiation process. Since the public at large is not conversant with the negotiation process, its members would tend to react emotionally and that would damage the prospects of a satisfactory settlement.

In response to a Committee member's question, Mr. Stringham said that the Laborers Union represented 11,000 members in Alaska of whom 3,000 were public employees.

Caroline Wohlforth, representing the Anchorage School Board, said she found SB 373 an extremely positive piece of legislation and especially like the provisions of paragraph (d) of the proposed Committee Substitute. She said that she continued to support the concept of some confidentiality in the negotiation process, but the public, through its tax support of local government, was too important for it not to have greater involvement. In regard to paragraph (c), she said she believed either the provisions of the paragraph or the periodic report suggested by Mr. Hunt would be satisfactory. She did note, however, that the ground rules of negotiations she was familiar with did not allow new subjects to be raised following the presentation of the initial bargaining position. She noted that school boards frequently did not participate directly in the contract negotiations but used negotiators to whom the board gave explicit and on-going instructions.

Robert Greene, representing the Alaska Association of School Boards, said that school boards in Alaska have historically been reluctant to enter the public arena regarding contract negotiations. Recently, however, that point of view has begun to change and boards are considering new approaches. He noted that one district (Kodiak) had negotiated in public recently without difficulty, although most unions preferred confidential negotiations. He believed that paragraph (c) of the proposed committee substitute was unnecessary since, as pointed out by Caroline Wohlforth, new subjects were not accepted during negotiations once the initial bargaining position had been presented. He said that as the boards gained more experience with more open negotiations that the process envisioned in SB 373 would speed up contract talks and would assist in reaching settlements.

Robert Van Houte, representing NEA-Alaska, said that the teachers organization would have no general problem with the public presentation of initial proposals, although he would prefer "made available to the public" rather than "presentation". Regarding paragraph (b) of the proposed committee substitute, he believed a specific time should be inserted instead of "reasonable time". Regarding paragraph (c), he said that status reports would be acceptable in the unlikely event that new directions were undertaken during the course of negotiations. Regarding paragraph (d), he said that procedures already existed to cover these needs and that he feared the "full -page ad syndrome" might otherwise occur.

Marilyn Miller, representing the Alaska Municipal League, said that the League had not adopted a position on this issue and asked whether municipalities could not presently establish similar collective bargaining procedures by ordinance if they so wished. If such was the case, then would legislation at the state level be necessary? Mr. Green commented that previous agreement which many municipalities have made with labor organizations have precluded them from exercising this option.

In the concluding discussion with Committee members, Mr. Hunt pointed out the teachers were exempted from the provisions of AS 23.40 and expressed the hope that the proposed legislation would not be modified as a result of their expressed views. He also asked that consideration be given to authorizing the State Labor Relations Agency to carry out the provisions of paragraph (d) of the proposed committee substitute. Mr. Greene noted that there was pending legislation which would bring teachers under AS 23.40.

This concluded public testimony on SB 373, and Chairman Orsini adjourned the meeting at 4:30.

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

March 14, 1978

Present: Chairman Orsini, Senators Willis and Hackney and Ferguson; Rob Kocsis, Senator Hohman's Office; Vern Metcalf, Department of Transportation; Jack Chenoweth, Legislative Affairs Agency; Kathy Brown, Senator Ferguson's Office; Deborah Fink, Senator Hohman's Office; Bruce Aronson, Department of Community and Regional Affairs; Marilyn Miller, Alaska Municipal League.

Absent: Senator Sumner

SENATE BILL 533

Chairman Orsini explained that SB 533 had been drawn from Section 8 of SB 510 which was a permanent fund legislative package and which had only a Senate Finance Committee referral. He said that the intent of SB 533 was to address the issue of coordinating the requirement for the Department of Transportation to draw up inventories of municipal capital facilities with the municipalities own planning functions and activities.

Rob Kocsis, Senate Interim Permanent Fund Staff, said that the rationale for Section 8 in Sb 510 was to provide a data base of existing capital facilities so that an accurate six-year schedule for the investment of 30 percent of the permanent fund monies into capital improvements could be drawn up. He said that the requirements for DOT to prepare the inventory for communities with less than 12,000 people was to avoid imposing too great a burden on less populated areas.

Chairman Orsini asked how, under this bill, was the State to coordinate its planning with municipalities in light of the fact that state law called for the State to attempt to keep its local activities consistent with local municipal objectives. Also, he wished to know how municipal wishes and capital planning was going to be reflected in the state-generated capital inventory which in turn was to be used to determine a six year statewide capital investment program under the permanent fund.

Kocsis responded that there was no intention to by-pass the municipalities in this function and that it was intended for the State to draw up the inventories based on the information supplied by the municipalities themselves. In response to a question from Chairman Orsini, Bruce Aronson, Department of Community and Regional Affairs, replied that to his knowledge very little of HUD 701 funds were being used by municipalities for capital improvement planning and that the money was being primarily for land use planning.

Vern Metcalf, Department of Transportation, expressed concern at the scope of responsibilities which SB 533/510 would place on his department. He pointed out that the resources of the DOT were currently strained merely by the requirement to prepare a statewide survey of state-owned facilities. He did not believe it was possible to add a municipal

facility inventory on top of that without DOT first receiving additional personnel and funds for the program. Senator Hackney questioned whether rented facilities would also be taken into account in the proposed inventory and expressed some skepticism about the extent to which state administrations would carry out six year schedules set by preceding administrations. He also asked that a fiscal note be prepared for SB 533. (To be prepared by DOT, per Metcalf)

ANCSA 14(c)(3) Village Land Reconveyance Status Report

In response to a request by Chairman Orsini, Senator Ferguson had his Administrative Assistant Kathy Brown prepare a status report on the 14(c)(3) village land conveyance situation. (see attached report). During a general Committee discussion following Ms. Brown's presentation, Senator Ferguson noted that the possibilities for friction between village corporations and municipalities was far greater than most of the parties involved, especially in western Alaska, presently realized. He pointed out that in his own area the groundwork for later confrontation was already being laid and that he expected considerable legal challenges to be made on this issue throughout the state.

Senator Willis questioned the ambiguities and omissions which existed in state statutes regarding the municipal entities which could legally receive the conveyances from villages within their area. Jack Chenoweth, Legislative Affairs Agency, pointed out that Congress, when it passed the Alaska Native Claims Settlement Act, was not informed as to the exact divisions of local government in Alaska. As a result, in his opinion, Congress left it up to the State Legislature to define through its statutes what kinds of municipalities were designated recipients of the reconveyances. This, he noted, was done by the Legislature two years ago when it excluded first and second class boroughs from the definition of "municipal corporations" in the Act.

Chairman Orsini said that he wished to schedule further discussions on the 14(c)(3) situation, dealing with the drawing up of regulations, and taking testimony from persons such as Byron Mallot, President of the Alaska Federation of Natives, who are directly involved in the issue.



SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

March 16, 1978

Present: Senators Willis, Ferguson, Hackney and Sumner. Palmer McCarter, Department of Community and Regional Affairs; Lee Sharp, Attorney for the City and Borough of Juneau; Jim Rolle, Alaska Municipal League; Doug Griffin, Department of Community and Regional Affairs; David Rose, Exec. Director for the Alaska Municipal Bond Bank; Lance Anderson, Alaska Municipal Bond Bank; Dave Gray.

Absent: Senator Orsini

Senator Willis called the meeting to order at 3:15 p.m. Senator Willis asked Jack Chenoweth, from the Legislative Affairs Agency to explain what the bill will do.

Jack Chenoweth stated that the bill would add to the Bond Bank Authority the opportunity to sell or purchase revenue bonds for local governments. Right now the statutes require that the Bond Bank Authority limit itself to dealing with just the general obligation issue. This would extend the Bank's authority to the field of revenue bonds.

Senator Hackney asked if this practice was unusual.

David Rose, Executive Director of the Alaska Municipal Bond Bank told the Committee members that the Bank would not sell the cities' bonds on their behalf, but would buy the municipal bonds and then issue its own bonds on the financial market. In return for placing its assets to back smaller municipalities in Alaska, the Bond Bank would require some degree of security from the cities. Some of the procedures included the dedication by municipal authorities of some portion of their regular revenues to the bonds bought by the Bond Bank. He also gave the following background on his organization: The Bond Bank was created in 1975 to assist small cities in marketing their general obligation debt in cases where they were unknown or had no financial track record. The Bond Bank in May of 1976 issued its first debt on behalf of cities. The Bond Bank has since sold and purchased \$1.2 million bonds for sewers in the City of Seward; Kodiak \$1.8 million for roads and drainage and fire equipment; Matanuska-Susitna Borough \$6.9 million for schools; City of Homer \$410,000 for a public safety building and communications building; for the City of Nome \$350,000 for a library extension and the construction of a new fire station; City of Soldotna \$300,000 for sewer construction; Juneau \$431 million for the construction of fire stations; Ketchikan \$375,000 for port construction. Mr. Rose said that a good example of the bond bank would be the Bethel project which borrowed money to build a municipal building-court house combination. If it had not been for the bond bank the only other money Bethel could get was at 10% interest, which is an extremely high percentage rate. The Bond Bank refinanced the Bethel project at 4.72% on an interim basis and secured them their long range money at 5.87%. Mr. Rose went on to say that Bethel is probably the cardinal example of a small city not very well known financially trying to require funds

for needed capital improvements. He noted that the Bond Bank felt that it would not engage in revenue sharing bond debt financing until it had established a fairly good track record with the bond bank, its officers feel that they have the market acceptance and the knowledge and the expertise to continue to assist cities on this other half of their infrastructural problems. Principally they would be helping cities in the utility area; they would also expect to see activity in the area of ports, and possibly in the airport area. Mr. Rose stated that the Bond Bank would like to urge the passing out of a Committee Substitute. Mr. Rose explained that the Bank found that when it markets general obligation bonds and uses the name of the Alaska Municipal Bond Bank Authority it has some difficulty because the word "authority" denotes a degree of risk. It may be therefore paying a fractional amount higher interest for the bonds. They would plan to sue the short title then, Alaska Municipal Bond Bank in marketing general obligation debt and continue to use Alaska Municipal Bond Bank Authority when they began marketing revenue debt because the word authority denotes risk and in marketing revenue bonds that would be more fitting. He noted that the Board of Directors met in January of 1978 and the vote was 4-0 in support of the bill, with Sterling Gallagher absent as the fifth member of the board.

Lance Anderson, representing the Board of Directors of the Alaska Municipal Bond Bank, stated that with the additional authority authorized by the legislation the bank can assist the municipalities in ways that they have not been able to up to date. He went on to explain that many of the needs of the small municipalities are in the revenue area. He felt the bank could be of substantial assistance to the municipalities.

Lee Sharp, City Attorney for the City and Borough of Juneau, asked that the committee amend the bill to take care of an additional problem which has caused the City and Borough of Juneau some trouble. He explained that the statutes state that you can pledge to levy taxes without limitation on greater amount for the purpose of securing and paying debt. In order for the Municipal Bond Bank to buy Juneau bonds the city has to promise to levy taxes without limitation on greater amount. He stated that Judge Kalamarides of Fairbanks declared that you cannot make that promise. As a result, the bond bank cannot buy the city's bonds because it has no authority too. There is a Supreme Court ruling pending on this decision to date but Mr. Sharp felt that to overcome this problem that a minor amendment be made and was sent forth in a letter to the committee on March 16, 1978. The amendment would be in that section of the law which is already in the bill on line 16 right after the word "generally" add the phrase "to the extent permitted by law". This would then allow the city to make whatever pledge as the court determines the law to be. He stated that the bond bank would then have the authority to buy the city's bonds or the bonds of any other municipality that is caught in the same similar bind. He added that he had talked with Eric Wohlforth, who is the council for the bond bank, and he agreed that this type of language would overcome

this current difficulty.

David Rose commented that with respect to the City and Borough of Juneau's request for amendment that deals with the section that is in the proposed committee substitute it would be very easy to add those words.

Jim Rolle, Alaska Municipal League, stated that the League has made this a project of theirs. He further stated that the Alaska Municipal League supported both the amendments by the City and Borough of Juneau and the proposed committee substitute, as Mr. Rose submitted.

Dave Gray, the Capital Site Planning Commission currently proposed legislation for a Capital Development Corporation. He asked if the Corporation could sell revenue bonds to the Municipal Bond Bank under this proposed amendment. Mr. Rose stated that it would be his opinion that it could not. The only bonds that the bond bank can buy would be from an organized municipality, in case of the capital, the bank may be able to buy the revenue bonds issued by the municipality at some later date to refund the debt of the capital development corporation. He stated that they could not buy any debt unless it was an established on-going real city, not some corporation.

Palmer McCarter, Department of Community and Regional Affairs, stated that the Department strongly supports the proposed committee substitute to Sb 430. He went on to say that with respect to the City and Borough of Juneau that their proposed amendment seemed like a very reasonable and legitimate suggestion as an additional amendment to the committee substitute and from his own divisional interest it would seem very appropriate; he could not, however, specifically support the amendment by the City and Borough without more authority from the Department.

Senator Ferguson stated that he appreciated C&RA coming out with their support and went on to say that the Department of Revenue was opposed to SB 430, and thought so without unjustifiable reasons. It was stated that the Department of Revenue had been notified of the hearing and had stated that they would like to have someone testify on their behalf but had a problem of a number of people being out of town.

After hearing all the testimony on SB 430, Acting Chairman Willis suggested that a committee substitute be drawn up along the lines that have been proposed with the Juneau amendment included and when Chairman Orsini is back again, he can re-schedule this bill for the committee's consideration at that time. He also suggested that the Department of Revenue be notified so that it could testify. Senator Ferguson asked unanimous consent for this action, there was no objection.

The committee then discussed with Mr. Lance Anderson his reconfirmation with the Alaska Municipal Bond Bank. Mr. Anderson outlined his background and went on to give his opinion of what it has been like to work with the Municipal Bond Bank and opinions on the Bond Bank itself. The committee members stated that they endorsed Mr. Anderson's re-appointment to the Alaska Municipal Bond Bank.

The meeting was adjourned at 4:15 p.m.



SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MEETING

March 23, 1978

Present: Senators Orsini, Willis, Hackney and Sumner, Kenneth Kareen, Department of Administration; Sandra Withers, Department of Administration; Lee Sharp, City and Borough of Juneau; Doug Griffin, Department of Community and Regional Affairs; Dave Klemmer, Department of Revenue; Jim Rolle, Alaska Municipal League.

Absent: Senator Ferguson

SENATE BILL 430

The meeting was called to order by Chairman Orsini. The Committee had before it a proposed committee substitute based on the draft submitted by the Alaska Municipal Bond Bank Authority with one amendment recommended by the City and Borough of Juneau to clarify the legal obligations of municipalities.

Dave Klemmer, Department of Revenue, testified that Commissioner of Revenue Sterling Gallagher had recommended a \$75 million ceiling be placed on the sale of revenue bonds. He pointed out that the State of Alaska was initiating a new concept with the revenue bonds authority and that the \$75 million ceiling would provide a 1:3 ratio marketing ratio for the combined general obligation bonds (\$150 million) and revenue bonds (\$75 million).

Jim Rolle, Alaska Municipal League, opposed the placing of a ceiling on revenue bond sales since the needs of municipalities in this area could quickly exceed \$75 million.

Chairman Orsini asked Mr. Klemmer to put his Department's views in writing for the Committee.

SENATE BILL 373

Sandra Withers and Kenneth Kareen, Department of Administration, asked about the implementation of the bill. In particular, Ms. Withers asked what penalties were involved for failure to adhere to the bill provisions and Mr. Kareen questioned the inclusion of the Labor Relations Agency in adopting regulations under Sec. 14.20.565(c) since school teachers were not presently affected by the statutes. However, he stated that the Department of Administration supports the committee substitute for SB 373.

Chairman Orsini noted that the provision for issue progress reports, found in the original draft of the bill, had been deleted in the proposed committee substitute because earlier testimony had indicated that it was not likely to be productive. Senator Hackney asked that the comments of APEA and NEA-Alaska be obtained when this bill was brought up in committee again. Chairman Orsini announced that the C&RA committee meeting on March 30th would be a video-conference hearing on Senate Bills 501 and 373, held in the Governor's Conference Room. The meeting was adjourned at 3:55.



SENATE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE MEETING

March 28, 1978

Present: Senators Orsini, Ferguson, Willis and Hackney. Lynn Wegener, Department of Community and Regional Affairs; Oren Pomeroy, Department of Community and Regional Affairs; Tom Hanna, Department of Environmental Conservation; Jerry Reinwand, Department of Environmental Conservation.

Absent: Senator Sumner

SENATE BILL 430

The proposed draft for SB 430 was discussed in last week's committee meeting. Chairman Orsini stated the only difference in the proposed draft is that it puts a \$150 million ceiling on the revenue bonds which is the same as the ceiling on the general obligation bonds. Chairman Orsini stated that the Committee was acting conservatively by putting a ceiling on revenue bonds. He explained that the reason was to see how the program works with respect to revenue bonds for which the state and municipalities had no prior experience. Senator Ferguson moved that the committee adopt the CS for SB 430. There was no objection. Senator Ferguson then moved that the committee move out SB 430 with a DO PASS recommendation. There was no objection.

SENATE BILL 426

Lynn Wegener, Administrative Director for the Department of Community and Regional Affairs, explained the necessity of the bill. He stated that the bill takes funds from the FY 78 senior citizens renters program and puts it to cover short-falls in the senior citizens property tax exemption program, the senior citizens special assessment program and the National Forest receipts. At that time, the committee questioned whether the action by the Department in seeking an appropriation adjustment was the proper procedure and asked instead if a Revised Program request would not have been more appropriate. Mr. Wegener replied that his department had been advised by the Office of Budget and Management to seek the transfer of funds to the senior citizens tax exemption program by means of an appropriation adjustment. It was also brought out in testimony that the transfer of \$25,000 to the agricultural land exemption account was no longer necessary and that Section 4 of the bill should therefore be deleted. This action would accordingly reduce the general fund figure in Section 7 from \$42,661,500 to \$42,636,500. Senator Ferguson moved that the committee pass the bill out with a NO RECOMMENDATION. Chairman Orsini suggested the committee send a letter to the Judiciary committee advising them of the facts brought out by the testimony and suggest the amendments to the language of the bill. There was no objection.

CS for HOUSE BILL 190

Chairman Orsini stated that the intent was to have a discussion on the

bill before the committee passed it out because of the confusing developments regarding this bill.

Jerry Reinwand, Deputy Commissioner of the Department of Environmental Conservation and Tom Hanna, also from the Department of Environmental Conservation, presented testimony. Mr. Reinwand commented on some potential problems that may be caused by the bill. He noted that the basic reason behind the bill was that Cook Inlet Air Resource Management District wanted to get rid of overlapping programs and duplication of authority. The CIARMD would like to have the authority to issue prevention of significant deterioration permits instead of the state issuing them. Mr. Reinwand stated that there probably would not be any problem authorizing the permit program to be transferred to them. He also stated that the reason it had not been done to date was because the Department had not received an application from the CIARMD requesting this. Mr. Reinwand stated that the Department did have some drawbacks about doing this. He stated that if the CIARMD was to issue a permit that would violate the state's regulations, EPA could impose sanctions taking away all planning money and cutting off program grant money. He explained that the state has an interest to make sure that in a situation such as this there should be some kind of state oversight responsibility. The Department had submitted some rough draft amendments for the bill to provide for state oversight.

Chairman Orsini asked if Mr. Reinwand would review the bill and get his comments back to the committee by Monday, April 3, 1978. Chairman Orsini suggested that the committee would have those comments incorporated into a draft bill before another committee hearing. He also said that a letter be sent to Cook Inlet Board explaining to them that under existing law they may be able to apply for the authority to issue permits and encouraging them to pursue this possibility.

The meeting was adjourned at 3:30 p.m.



TESTIMONY FROM VIDEO-CONFERENCE  
C&RA COMMITTEE MEETING ON SB 501 & 373

March 30, 1978

Present: Senators Orsini, Hackney, Ferguson and Sumner

Absent: Senator Willis

Chairman Orsini called the meeting to order and explained that the meeting was on a video-conferencing network tied into Nome, Bethel, Fairbanks, Anchorage and Ketchikan.

Senate Bill 501, relating to municipal labor relations and Senate Bill 373, relating to public information regarding collective bargaining by public employees were the bills before the committee.

Gary Akerman - Fairbanks - Public, Labor Union Member - Stated that negotiations were a matter between the employer and employee. Felt that these are the two people involved and they can best negotiate something out between themselves. Stated that he felt the same way about SB 373.

Walt Bonnet - Anchorage Chamber of Commerce - Public - Stated that he was opposed to any act which brings about binding arbitration in the form of impasse resolution and labor disputes with any public employees - consistent with this is opposition to the concept of submission of dispute directly to the voters. Stated that public employees salaries, benefits and terms of employment are a most significant aspect of municipal government. The function of management of public employees is historically and ideally vested in the elected offices of the Mayor, Assembly and School Board. Third party panel will never create substantial public awareness and what is worse will never resolve the question of whether one of the parties was being irresponsible in the role of negotiating. It reduces public awareness of negotiation proposals and settlements and reduces public scrutiny in the roles played by the principals charged with the negotiation functions. This dissolving of direct accountability to the elected official or representative of a bargaining unit is the single most negative facet of the binding arbitration.

Caroline Wohlforth - Anchorage - President of Anchorage School Board - Stated that SB 501 strikes at the core of elected officials. The policies and relations between employers and employees are most effectively dealt with by their own elected officials who have that responsibility to the public. She also stated that if government was run by referendum there would be no need for government. She stated that on the same basis they questioned the use of binding arbitration as a means of settling a dispute which arise in negotiations. She went on that under our system, management and labor have certain perogatives during negotiations, binding arbitration would deny both parties of this perogative and result in governmental policy making outside of government.

Sharon Walker - Ketchikan - Ketchikan Gateway Board of Education - It is the opinion of the Ketchikan Gateway Board of Education that

binding arbitration in any form in municipal labor relations deletes the authority and the responsibility of the duly elected local official. If a local municipality attempts to exempt itself by the election of an arbitration panel then that panel itself becomes another level of government and the election of those members become paramount on any issue of labor relations. If an election is held on the issue of impasse then the management unit of local government must spend local tax dollars in an effort to inform the voters as to the background and reasonings behind their offer. She stated that it was the Board's opinion that either method is unsatisfactory and cannot support either of the bills.

John Carlson - Fairbanks - Mayor, North Star Borough - Comments basically on SB 373. Opposed to any effort from the State Legislature to further direct local government in collective bargaining procedure. He stated that the procedures and policies implemented in collective bargaining can best be addressed at the local level. Strongly opposed to binding arbitration from an outside arbitrator. Felt that it was in the best interest of the local municipality to determine their own labor relations policy. He brought out in testimony on the 3 member arbitration panel that there should be some indication of how to replace a person that has been elected to the board.

Millett Keller - Anchorage - V.P, Anchorage School Board - Stated that he has strong feelings about the philosophical implications on our entire form of government that binding arbitration in the public sector brings to the front. He stated that collective bargaining has served the Alaska public employees quite well. Binding arbitration is where he has to draw the line. He stated that with binding arbitration we are taking the most powerful force we give our government: the ability to tax and giving it to someone who doesn't account to the voters. He stated that the voters want and demand that their elected officials face up to all the tough issues and represent the public by making these decisions. He stated that the Anchorage School Board does not support SB 501. He stated that he was in favor of revealing to the public what collective bargaining offers are, in favor of SB 373.

Bob Collins - Ketchikan - APEA of Ketchikan - Supports SB 373 and opposes SB 501. Stated that SB 501 is fatally flawed in several respects. Arbitration panel elected by the voters is a poor idea. Elected arbitrators in smaller communities would be inexperienced in collective bargaining and labor law and procedure, municipal finance, personnel management and other matters pertaining to collective bargaining. Stated that elected arbitration panel would achieve improperly arbitrated decisions on collective bargaining disputes; these in turn would lead to extensive litigation. Submitted disputes to the voters is also a poor idea. Voters are largely uninformed about collective bargaining issues. That being the case if the issue is submitted to them it becomes a media battle.

Rosemary Porter - Bethel - Public - She stated that on SB 501 the amendment may be necessary because it does give municipalities options and anything that gives municipalities options has got to be a good thing. She stated concern on the 3 member elected arbitration panel because it tends to put arbitration in a political form.

Robert Johnson - Anchorage - Teamsters, Local 959, opposed to SB 501, consider it both irresponsible and dangerous to free collective bargaining. He stated that it has the potential of destroying collective bargaining even though it pretends to follow the ultimate in democratic process. He also stated that it is for better or worse the duty of an elected official within local cities to carry out both the legislative and executive functions. He stated that collective bargaining was one of those executive functions. The delegation of this function is called forth within this bill. He went on to say that the people in the local union did not see any need for this legislation.

Bob Garza - Ketchikan - Ketchikan Central Labor Council & IBEW, Local 1547 - He stated that these two organizations were opposed to SB 501. He said that there are enough problems with the public employees relations now without adding further confusion and additional costly elections to elect people who are perhaps unqualified in labor disputes.

John Alexander - Anchorage - IBEW, Local 1547 - Oppose both pieces of legislation. He stated that it further complicates collective bargaining. Does not see any need for this legislation. Also stated opposition to personalities when it came to voting on a 3 member arbitration panel. He said that this would probably prolong the bargaining process. Stated that he had gone through impasse in past and has been able to work out their differences on their own with any outside arbitrator.

George Pearson - Anchorage - President of Alaska State Council of Carpenters - Is opposed to SB 501. He said the reason state confusion and poor labor relations exist because of continual adoption of new labor relations legislation or employee regulations. Continually adding options and revising these is not helpful stability within the state.

Diane Carpenter - Bethel - Public - Is oppoed to SB 501. She stated that one concern was with the public being the deciding factor. She thought that it was very difficult for the general public to be well informed on the complex issues that are involved in negotiations to be able to make a good determination on those issues. She also stated concern about the 3 member arbitration panel. She felt that it would be the place of the two parties involved to select who should be on the panel. On SB 3737 she stated that initial proposals should be kept confidential and should be negotiated in private. If there was an impasse she felt that the public has a right to know what the issues are that are at impasse and at this point each parties should be willing to make their positions known to the public so that they can through the political process influence the final outcome.

Allen Winterstein - Chairman, Lower Kuskokwim Pace Committee - opposed to SB 501. He stated that this bill puts items of impasse between the public employees and employers before the voters to determine. He stated that this would be detrimental for several reasons. People generally vote no on that which they do not understand and on items that cost money. This bill would destroy the current negotiations procedure.

Ben Clayton - Anchorage - Fire Fighters, Local 1264 - He testified

on SB 373 and said that his remarks also apply to SB 501. He felt that if collective bargaining impasse was brought to the public for a decision, there would be emotionalism involved and it would also lose the compromising technique. If the public voted they would have to vote one way or the other - no compromise.

Sue Lindford - Anchorage - Public - Opposed to both bills basically for one reason -- they limit local control. Both pieces further narrow local government authority and ability to discover their own imperfect solution to the perfect problem - impasse resolution. She went on to say that the State would be better advised to spend the tax payers money on on-going training of employee groups and elected officials around the state and various techniques which will help to insure a fair collective bargaining.

Mason West - Anchorage - President of the Alaska Community Colleges Federation of Teachers - Stated they fully oppose SB 501. He stated that it improperly addresses the need of labor or management in the process of collective bargaining. He believed that both parties should be the deciding parties. He stated that with an elected panel of arbitrators you would be subjected to corruption, inability and influence which would make it to political.

Senator Hackney adjourned the meeting after completion of State-wide testimony on SB 501 and 373.

TESTIMONY FROM VIDEO-CONFERENCE  
C&RA COMMITTEE MEETING ON SB 501 & 373

March 30, 1978

ANCHORAGE

Walt Bonnet - Public

Caroline Wohlforth - Pres., Anchorage School Board

Milet Keller - V.P., Anchorage School Board

Robert Johnson - Teamsters Local 959

John Alexander - IVEW, Local 1547

George Pearson - Pres., Alaska State Council of Carpenters

Ben Clayton - Fire Fighters, Local 1264

Sue Lindford - Public

Mason West - Pres., Alaska Community Colleges Federation of Teachers

FAIRBANKS

Gary Akerman - Public

John Carlson - Mayor, North Star Borough

KETCHIKAN

Sharon Walker - Ketchikan Gateway Board of Education

Bob Collins - APEA of Ketchikan

Bob Garza - Ketchikan Central Labor Council

BETHEL

Rosemary Porter - Public

Diane Carpenter - Member of Negotiating Team

Allen Wintersteem - Chairman Lower Kuskokwim Pace Committee

SENATE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE MINUTES

April 4, 1978

Present: Senators Orsini, Hackney, Sumner and Willis; Janet McCabe, Federal-State Land Use Planning Commission; Rynniewa Wescott, Fairbanks Town & Village Assoc.; Pat Conheady, Department of Natural Resources; Walt Parker, Federal-State Land Use Planning Commission; John Katz, Federal-State Land Use Planning Commission.

Absent: Senator Ferguson

Senate Bill 562 and House Bill 795 were the bills before the committee.

Chairman Orsini called the meeting to order at 3:02.

HOUSE BILL 795

Rynniewa Wescott, Fairbanks Town and Village Association for Development, Inc. stated that there were four basic goals of the program: 1) To develop a comprehensive program for public works projects in their region 2) to establish a closer multi-agency communications and coordination within communities 3) to create provisions for reduction in construction leave time and cost of public facilities and 4) to insure the capital improvements budgeting reflects the economic development goals of local decision makers and residents. She also stated that the Rural Capital Improvements Program was involved in long range economic development planning in an area consisting of 240,000 square miles with 45 small communities in the area. There are 32 organized municipalities and the rest are run by traditional village councils. She stated that the Rural Capital Improvements Program was basically funded by state money though it has a planning grant from EDA that includes the entire district. It also receives planning money from the borough for planning within the borough.

Chairman Orsini asked whether state money was being used to plan development of private enterprises. Ms. Wescott replied that Town and Village Assoc. works with village corporations to assist in planning and helps in finding funding for the corporations' projects.

Chairman Orsini stated that this bill would come before the committee again for further discussion.

SENATE BILL 562

Janet McCabe, Federal-State Land Use Planning Commission, stated that the Commission had assisted the Senate Resources Committee and the Administration in preparing this bill for the disposal of approximately 50,000 acres of state lands annually into private ownership. She stated that the Commission supports SB 562. She

April 4, 1978

SB 562, HB 795

gave a background of state land use up until the present. She also went over the three main sections of the bill and outlined the intent of each section. The Committee members, Ms. McCabe, Mr. Walt Parker, Commission Co-Chairman and Mr. John Katz, Commission Attorney discussed the municipal land selections, wilderness permits and the means by which Stated trust lands could be used for income producing purposes.

Chairman Orsini stated that this bill would also be held in committee for further discussion. The meeting was adjourned at 4:10 p.m.



SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

April 6, 1978

Present: Senators Orsini, Willis, Hackney and Ferguson; Reed Stoops, Senate Resources; Jack Chenoweth, Legislative Affairs Agency; Richard Holden, Department of Transportation and Public Facilities; Jim Rolle, Alaska Municipal League; Peter Froehlich, Attorney General's Office; Bob Waldrop, Department of Natural Resources; Veronica Clark, Department of Community and Regional Affairs; Robert Cole, Department of Health, Education and Social Services; Janice Gates, Department of Health, Education and Social Services.

Absent: Senator Sumner

The bills before the Committee today were SB 562, SB 533 and SB 183.

Chairman Orsini called the meeting to order at 3:05.

SENATE BILL 562

Pat Conheady and Bob Waldrop, Department of Natural Resources, stated that the bill responds to three basic needs: 1) Stability 2) land policy management and 3) guidance from the Administration and Legislature, the latter providing the kind of stability that the Department needs to transcend the Administrative whims of various governors and their cabinets. They stated that it was a reflection of the experience brought to them by the Land Use Planning Commission, Senator Poland and various land administrators around the state. They went on to highlight the needs of the bill. Basically it is a two part bill: 1) Establishes land resources inventory and 2) mandates that the Administration dispose of 50,000 acres of land in the first year and thereafter whatever the budgetary constraints are and whatever the wishes of the legislature are. Stated that this was so that the Department wouldn't run into the problem of needing the land but not having the money to make the land available. Bob Waldrop explained that the 50,000 acres was derived from an estimate that they decided the Department could enact this year if they got sufficient assistance from the budgetary process. Pat Conheady stated that the State currently had patent to 36 million acres and presented a chart which illustrated the categories in which the land could be used. Bob Waldrop stated, however, that only approximately 1.4 million acres of State land was suitable for intensive habitation and agriculture.

They stated that the Department feels that if this bill and SB 568 were enacted into law it would give the voters an alternative at the ballot box come November on the Beirne initiative. The enactment of this legislation, they concluded, would provide a legislative umbrella for the implementation of land policies, such as the municipal land selection bill.

SENATE BILL 183

Robert Cole, Department of Health, Education and Social Services stated

that this bill was really designed to place greater amounts of power in the hands of local voters in election districts in making decisions on how alcohol was to be sold, used and utilized within each community. He stated that this bill would do the following: election would be held which would allow voters to chose several options of how alcohol is to be sold and used in their communities. One of the options would be to completely restrict the sale of beverage alcohol. It would further empower through that same process citizens to restrict sell, plus ban shipment through mail orders or telephone orders in restricted areas. He stated that this bill would also allow communities that had voted to go dry to decide to open a community liquor store by referendum vote. He stated that another provision has to do with compensating communities in rural Alaska which voted to close liquor stores since they would lose a lot of local sales taxes. The proposal that the Department made was that if they chose to vote themselves dry the state would be willing to pay them a credit based upon a 10% per capita for lost sales tax revenue. The Committee and Mr. Cole went over the penalties for bootlegging and possession laws in the provisions of this bill. He stated that there was a provisions that retailers state-wide would receive a list of the communities that went dry and would be prohibited by law to receive any order from those communities. The Committee also discussed additional alternatives to going completely dry, such as permitting beer and wine but no hard liquor.

Jim Rolle, Alaska Municipal League, suggested that some consideration for local municipalities to protest to licensing of liquor sales on the local level should be made.

Chairman Orsini stated that this bill would be held in committee for further discussion.

#### SENATE BILL 533

Richard Holden, Deputy Commissioner of the Department of Transportation and Public Facilities and Keith Dick, Department of Transportation and Public Facilities. Mr. Holden stated that the Department had prepared a fiscal note and had some amendments for the bill.

Mr. Holden pointed out that currently there is no coordinated planning for capital facilities in rural Alaska. Consequently many expensive mistakes are made and inefficient projects are undertaken to provide, for example, schools where there are inadequate water supplies or sewer facilities. He continued that frequently small communities receive over-complicated facilities without the means of funding their operation, since one area of state government is not required to coordinate its activities with another.

The proposed Committee Substitute for SB 533, in Holden's view, would provide DOT with the authority to coordinate the numerous agency programs in rural areas.

Veronica Clark, Department of Community and Regional Affairs stated that she and Larry Kimball also from the Department of C&RA had worked closely

with Mr. Holden on the amendments and two of the things that they were interested in having changed from the original bill was 1) make very clear the responsibilities of the other agencies and 2) expand the scope of the bill beyond municipalities and to include unincorporated areas. These were the two things the Department of Community and Regional Affairs wanted covered in this bill.

Mr. Holden discussed the problem of the state inventory of state owned buildings. He also stated that DOT was not funded to do this inventory and has to have the cooperation with other departments to be able to do this. He explained that the Department would approach it directly through the technical assistance program. He stated that they would not change the approach in rendering assistance it would still have to be at the request of local communities as opposed to automatically doing it.

Jime Rolle, stated that the Alaska Municipal League supports this bill.

Chairman Orsini stated that this bill would be brought before the committee again next week for further discussion.

Chairman Orsini adjourned the meeting at 5:00.

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

April 11, 1978

Present: All Committee Members, Jay Moor, DPDP; Richard Holden, DOT; Reed Stoops, Senate Resources; Jack Chenoweth, Legislative Affairs; and Jim Rolle, Alaska Municipal League.

Senate Bill 533 and Senate Bill 562 were the bills before the Committee.

SENATE BILL 533

Richard Holden, Department of Transportation and Public Facilities, stated that the Department had drawn up an amended fiscal note and also some proposed amendments to the bill. He stated that both of these had been finalized with the Department of Community and Regional Affairs, Division of Policy, Development and Planning, Department of Health, Education and Social Services and Jim Rolle of the Alaska Municipal League. He said that the basic proposal of the bill was to achieve the coordination between agencies and municipalities by requiring state oversight of municipal and local activities which state agencies either fund or operate.

Mr. Holden explained that current statutes require DPDP to coordinate state capital improvement activities.

Jay Moor, DPDP, stated that his division had requested the inclusion of subsections 14 and 15 into the proposed committee substitute to insure DPDP's coordination role. He explained that subsection 14 stated that DPDP must maintain a comprehensive development plan and subsection 15 stated that planning agencies use coordinating projections.

Senator Sumner expressed his concern that DPDP's involvement with state agencies seemed more and more like a management role than that of a coordinating role. He was disturbed that he would be referred to DPDP for information by certain Departments when, in fact, he wanted the information from that Department first hand.

Mr. Moor explained that, in the case of two agencies disagreeing over planning policy, the dispute would be settled by the Governor's office. In such a situation, the Governor's office might request DPDP to prepare a staff study recommending one or another course of action.

In response to Committee questions, Mr. Holden acknowledged that a state agency desiring to construct a facility in a municipality would first be required to obtain local planning and zoning approval before work could begin. The existence of legislation along the lines of SB 533, he affirmed, would not remove municipal oversight on state activities within municipal boundaries.

Chairman Orsini stated that this bill would be brought up again Thursday, April 13, 1978, for further testimony.

SENATE BILL 562

Chairman Orsini asked the committee members if they wanted to work on the bill themselves or send it on to Senate Resources where they would be sure to change it. He suggested three possible changes in the bill, one of which would be an increase in acreage, dealing with the state trust lands and the concept of residential credits which, he stated, was not in the bill but would fit into it. The Committee members felt that it should go on through the process and Senator Ferguson moved that the Committee pass the bill out with individual recommendations.

The meeting was adjourned at 4:30 p.m.

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

April 13, 1978

Present: All Committee Members; Tom Scott, HESS; Larry Kimball, Department of C&RA; Dick Holden, Department of Transportation; Charlie Smith, Department of Public Safety; Bruce Aronson, Department of C&RA.

Senate Bill 535 and Senate Bill 533 were the bills before the committee.

SENATE BILL 535

Tom Scott, Department of Health, Education and Social Services and Charlie Smith, Department of Public Safety, testified that their Departments support the bill.

In response to Chairman Orsini's inquiry, Bruce Aronson, Department of Community and Regional Affairs, stated that his department also supported the legislation.

Senator Hackney recommended SB 535 be passed out of Committee with a DO PASS recommendation. There was no objection.

SENATE BILL 533

Larry Kimball, Department of Community and Regional Affairs, explained that his department is mandated to assist communities on a request basis. SB 533 would not change any of the authority C&RA already possesses.

Under Section 2 of the proposed committee substitute, Kimball stated that C&RA would analyze and inform the Department of Transportation and Public Works, and appropriate program agencies, of the effects the proposed capital improvements would have on land use planning and municipal facility procurement plans.

Chairman Orsini noted that the bill's language would need tightening to insure that C&RA was not mandated to plan for municipalities, but would only become involved in planning upon request by a municipality.

Kimball stated that 12 to 15 community development plans had gone through his department since 1973. The department has never prepared in-house plans since this would require a diversified staff numerous planners which the department could not support on an on-going basis. Kimball stated that C&RA has concentrated on the larger communities, most of which now have comprehensive plans. Additionally, he stated, C&RA has funded 3 or 4 capital improvement elements in the comprehensive plans.

Kimball explained that C&RA's involvement in the fiscal note would be the development of information that DOT and other agencies would need. At present, C&RA does not have the budget or staff to do this. He noted that after three years C&RA's fiscal involvement would disappear with the completion of the projects.

Richard Holden, Department of Transportation and Public Works, testified that the original bill requires DOT to budget on behalf of other agencies for capital improvements, which in his view was not a proper function for his department. He stated that DOT's job should be to help them coordinate both the capital needs required by their programs and the capital needs that are generated which inter-agency coordination would require.

Chairman Orsini questioned why DOT would not prepare facilities inventories for municipalities with populations greater than 12,000. Holden explained that DOT would grant them the funds to do their own inventory since these municipalities would have adequate expertise to do the job with their own personnel.

The Committee discussed the definition of "public facilities" in the legislation and expressed concern that the committee substitute might include any facilities which had in any degree received state funding or administrative support. Examples included fisheries, new farm enterprises, medical facilities, clinics and home finances with state veterans loans.

Chairman Orsini stated that SB 533 would be taken up for further Committee discussion on Tuesday, April 18, 1978.

The meeting was adjourned at 4:20 p.m.



SENATE COMMUNITY & REGIONAL AFFAIRS  
COMMITTEE MEETING

April 18, 1978

Present: Senators Orsini, Willis, Hackney and Sumner; Cherie Shelly, APEA; Jon Scribner, Department of Environmental Conservation; Lowell Swartz, Department of Health, Education and Social Services; Richard Peter; Robert L. Cole, Department of HESS; Robert L. Stewart; Greg Mackyowsky, Code Revision Commission; Bob Van Houte, NEA-Alaska; Richard Holden, Department of Transportation and Public Facilities; Janice Gates, Department of HESS.

Absent: Senator Ferguson

Senate Bill 373, relating to public information regarding collective bargaining by public employees; Senate Bill 533, relating to planning of public facilities for municipalities; Senate Bill 183, relating to alcoholic beverages and House Bill 795, appropriations for Fairbanks Town and Village Assoc., for Development, Inc., were the bills before the Committee.

SENATE BILL 373

Chairman Orsini stated that there was a committee substitute for this bill which covered most of the testimony that was heard on the bill. Senator Hackney moved that the Committee pass out SB 373 with individual recommendations.

HOUSE BILL 795

Senator Hackney moved that the Committee pass out HB 795 with individual recommendations.

SENATE BILL 533

Jack Chenoweth, Legislative Affairs Agency, explained the committee substitute draft to the Committee members. Section 1 is from the original bill. Section 2 derived from draft provided by Richard Holden, DOT, requiring that there be a state-wide comprehensive facility procurement plan done by the Commissioner. He also explained that he had defined "public facility", which was of some concern to the Committee last meeting. Section 3 expands upon the public responsibility of the Department of Community and Regional Affairs in this process.

Chairman Orsini stated that he would like to pin down the concepts and make the initial changes in the bill Thursday.

Janice Gates, Department of HESS, called attention to the Committee that on Page 2, Sec. (d) dealing with health care facilities that "in communities without such facilities", was confusing and unnecessary. The Committee discussed the rest of the items on that page and it was brought out that there was other language that was not particularly necessary. The language would be revised for Committee consideration on Thursday.

Richard Holden, DOT, stated that a repealer, which states that highways and ferries are not a "public facility" was left out of the work draft.

Senator Sumner expressed concern regarding the health care and social services facilities in private finance facilities. He stated that there were serious questions regarding the "certificate of need" and whether that is not some sort of self-regulating opportunity. He also stated that he wanted to make sure that if "certificate of need" and planning were not tied together in this bill that they are not tied together in practice as well.

Jon Scribner, Department of Environmental Conservation, with regard to the water and sewer system section of the bill, stated that DEC has a program in which it works with local communities and the communities themselves set the priorities on their water and sewer systems. In that regard, he stated, the Department was unsure of how this kind of program fits in with this particular bill. He went on to explain that the Department has an Advisory Committee, which the Legislature set up last year that sets money priorities for villages in this program. Mr. Holden stated that there was a solution to this problem, because most of the agencies have some sort of peculiarity with e.g. source of federal funds. He stated that in one of the earlier committee meetings Senator Sumner suggested that a clause go in the bill that Administrative regulation draft to implement this legislation be developed by each program agency for that particular programing and approved by them before promulgating it.

Chairman Orsini stated that he would like to have a new draft drawn up incorporating some of the concerns expressed and again stated that the final adjustments would be made Thursday.

#### SENATE BILL 183

The Committee had a draft committee substitute drawn up and Jack Chenoweth, Legislative Affairs Agency, pointed out some of the differences in the proposed draft and the original bill. He stated that he generally went throughout the bill and cleaned up where the references were. He explained that he added language, at the Committee's request, giving municipalities greater authority with respect to the renewal or new applications for a liquor license. Chairman Orsini suggested that there should be some requirement to prevent the ABC Board from taking action on applications in that 30-day period. Mr. Chenoweth stated that the only way a municipality can disapprove an application would be with a local ordinance. He stressed the validity of that ordinance as it could be subject to a law suit.

Mr. Chenoweth stated that he tried to shorten and simplify the language of the referendum ballot language that is actually put before the public to determine liquor sales within a community or municipality.

He explained section 04.15.438 which would give a municipality the option of staying wet but with the sale of non-distilled alcoholic beverages only, such as beer and wine.

In reference to penalties, Mr. Chenoweth stated that on Page 16, line 2 "may" was changed to "shall". This was done so that on a third violation there would be no question, the license would be revoked and the operation would be closed. Mr. Robert Cole, Department of HESS, pointed out that in changing "may" to "shall" that it should also be done on Page 15, line 28 referring that the board, council or assembly "shall" revoke a license upon the direction of the majority of its members upon the first and second violations.

Senator Hackney added that "consecutive" terms for violations should be put into the language.

The Committee also instructed Mr. Chenoweth to prepare a separate bill, to be introduced by the Committee, containing Section 9 and the Section on Limitation of Sales from the CS of SB 183. The resulting new legislation would deal only with municipal authority, in the CSSB 183.

April 13, 1972

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE LIST

SB 533, SB 373 + SB 183

<u>Name</u>	<u>Representing</u>	<u>Intent to testify?</u>	
		YES	NO

Cherie Shelley

APEA

~~SB 373~~ / NO

JON SCRIBNER

ADEC

SB 533 - yes

LOWELL SWARTZ

H.S.S

SB 533 - NO

Richard Peter

LAW/HSS

SB 183 - If questioned.

Robert L. Cole

DH'SS

SB 183 only if asked

Robert Stewart

none

NO

Greg Machyowsky

Code Revision Commission

SB 183 - NO

Bob VAN HOUTE

NEA-AK

SB 373 YES

KA Holden

DOT/PF

SB 533 NO.

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

April 20, 1978

Present: Senators Orsini, Willis, Hackney and Ferguson, Lee Sharp, Attorney for the City and Borough of Juneau; Jim Rolle, Alaska Municipal League; Larry Kimball, C&RA; Dick Holden, DOT; Vivian Hegg, League of Women Voters; Lowell Swartz, Dept. of HESS; Kathy Brown, Senator Ferguson's staff; Veronica Clark, Dept. of C&RA; Jack Chenoweth, Legislative Affairs Agency; Murray Walsh, Alaska Coastal Policy Council.

Absent: Senator Sumner

Senate Bill 533 and the Alaska Coastal Management Regulations were before the Committee today.

SENATE BILL 533

Dick Holden, DOT, testified that he had no problem with the present draft of the bill.

Chairman Orsini stated that on Page 2, delete Section (G) and on Section (E) "school" should be changed to "education". Chairman Orsini also questioned if there was any particular reason why "sanitation facilities and recreation facilities" were not included in the bill. Mr. Holden replied that it was an oversight. It was decided that "sanitation facilities" should be addressed in the bill but there was question on whether "recreation facilities" was too open-ended. In response, Dick Holden suggested that if DOT finds facilities that are state-funded under the definition of "public facility" that should be included DOT can always recommend including them at a later date.

Chairman Orsini stated that on Page 3, Line 20, that if the language "exceed 50%" was used it would be excluding schools, which is currently 50% and then suggested using "50% or more". Also on Page 3, Line 14, Chairman Orsini suggested deleting "by the state".

Chairman Orsini stated that the capital improvements aspect of planning had basically been taken care of but questioned the comprehensive planning stage. Dick Holden stated that C&RA would take care of that with the monies provided for in the fiscal note.

Larry Kimball, Dept. of C&RA, gave an outline of the communities throughout the state that already had comprehensive plans. He stated that the estimated monies for 220 community profiles should be revised to reflect 105 and the other 115 should have about \$15,000 to \$30,000 cost involved and the larger 17 regional centers should have one closer to \$50,000. He also suggested that the 17 regional centers be done in context of the comprehensive plan and the remainder given the composition of those villages.

Chairman Orsini requested that the fiscal note be updated by an additional \$3 million. The bill containing these revisions would be taken up again on April 25.

COASTAL MANAGEMENT GUIDELINES AND STANDARDS

Chairman Orsini stated that the legislature had passed a bill last session which was thought to have made clear that the legislature would have to approve the Coastal Policy Council's regulations. A legal opinion from Jack Chenoweth, Legislative Affairs Attorney, in a letter of March 28 pointed out, however, that the Council's regulations were not defined -- the Alaska Coastal Management Act on requiring Legislative approval.

Murray Walsh, Alaska Coastal Policy Council, stated the Council's entire guideline effort was conducted with the assumption that the Legislature would take some sort of affirmative action. The Council would feel more secure having guidelines which also received Legislative endorsement. He also stated that the Council intends to examine the guidelines on an annual basis to correct whatever flaws which the actual operations of the Coastal program might uncover.

Jim Rolle, Alaska Municipal League, stated that he had a meeting scheduled the next day in Anchorage with members from different communities. He stated that he would be looking for specific input from those members that have participated frequently on the Council and also from communities that had no participants. He wanted to see if they were satisfied with the regulations.

Vivian Hegg, stated that the League of Women Voters supported the process and the product.

Senator Hackney suggested that the Committee introduce a resolution similar to the one the House C&RA introduced and proceed from there.

The meeting was adjourned at 3:40.

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

April 25, 1978

Present: Senators Orsini, Sumner, Willis and Ferguson; Roger Allington, Co-Chairman of the Alaska Coastal Management Council; Murray Walsh, Office of Coastal Management; Bruce Aronson, Department of C&RA; Pat Sharrock, ABC Board; Jim Rolle, Alaska Municipal League.

Absent: Senator Hackney came latter part of meeting.

The meeting was called to order at 3:10.

SB 533, SB 208, SB 599 and SCR 103 were the bills before the Committee.

SENATE BILL 533

Senator Sumner moved and asked unanimous consent that the Committee pass out CSSB 533 with individual recommendations.

SENATE BILL 208

Bruce Aronson, Dept. of C&RA, testified that the Department supports SB 208. Senator Sumner moved and asked unanimous consent that the Committee pass out SB 208 with individual recommendations.

SENATE BILL 599

Chairman Orsini stated that SB 599 is an outgrowth from discussions on SB 183, which is part of the Governor's Alcohol package. The bill does essentially two things -- first, it allows a municipality to adopt ordinances by which either new, renewel or transferred liquor licenses could be rejected by a municipality. If a municipality does not act to reject the license request within 30 days the application is automatically placed before the ABC Board.

Senator Sumner questioned the need to transfer a state level function, such as liquor licensing, to the local government level.

Chairman Orsini stated that Section 1 and 2 both deal with municipalities but were separate from each other. Section 2 gives an intermediate means of municipal alcoholic control if the municipality votes to do this. It would limit sales to nondistilled alcoholic beverages, such as beer and wine.

Chairman Orsini stated that he had spoken with CHAR Lobbyist, Dorothea MacDonald, and she initially had no objection to the bill but stated that the CHAR executive committee later decided to oppose it.

Pat Sharrock, Director of the Alcohol Beverage Control Board, stated that one provision of the bill that he does like is the requirement for a municipality to place a license application on its agenda for a public hearing. He stated that one are of the bill seemed to be a conflict or a duplication, which is where the applicant and the ABC

Board both would be required to send a copy of the application to the governing body involved. In regards to the 30 day waiting period provided for a municipality to disapprove an application he asked that it be specified when the 30 day count-down would begin.

Mr. Sharrock had no comments on Section 2 of the bill.

Jim Rolle, Alaska Municipal League, in response to the concern that the municipalities may be given too much power by being able to reject applications, stated that now the only protest to the ABC Board is generally in the area of health and zoning. He stated that this bill would give municipalities an option. Then if they chose not to adopt appropriate ordinances the ABC Board would continue to make the decisions. He stated that the municipal officials are, in his opinion, as effective as the ABC Board in judging what is good for their community and what isn't.

He also stated that he agreed with Mr. Sharrock that the 30 day period is confusing. He also had no comment on Section 2.

#### COASTAL MANAGEMENT GUIDELINES AND STANDARDS

Chairman Orsini stated that the Committee now has SCR 103 before the Committee approving the regulations.

Roger Allington, Co-Chairman of the Alaska Coastal Policy Council, stated that the Coastal Management regulations are slightly different from other regulations. For one, he pointed out that they are being promulgated by a specially-organized body, the Alaska Coastal Policy Council, composed of government and public members. He also noted that the intent of the regulations was to establish broad policy principles and allow local municipalities and district to draw up their own management programs essentially on a zoning basis. Furthermore, the areas themselves would draw their own boundaries for coastal management jurisdiction, providing certain criteria were met.

Although the Council extensively revised the final version of the regulations, Allington stated that on the last part of Section 85, concerning council review, was new. He also stated that there was a major change in the Timber Harvest Section of the regulations which was requested by the timber industry. There was also work done on the subsistence section. The question was raised of what would happen if local or state agency regulations conflicted with the Coastal Regulations. Mr. Allington replied that the agencies or local governments must bring their regulations into conformity with the coastal management program.

Murray Walsh, Coastal Zone Management Office, stated that the critical time would be the next six or seven months which would bring out the flaws and problems of the regulations. He also stated that the Legislature should consider an increase in state funding of this program just to give the coastal management more flexibility and eliminate some of that federal dependence.

The meeting was adjourned at 4:35.

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

May 2, 1978

Present: Senators Hackney, Willis Sumner and Orsini; Pat Conheady, Department of Natural Resources; Jack Chenoweth, Legislative Affairs Agency; Ben Marsh, Cook Inlet Air Resources; Janet Pursley, Cook Inlet Air Resources; Karla Pursley, Cook Inlet Air Resources.

Absent: Senator Ferguson

Senate Bill 599, SCR 103 and CSHB 133 were before the Committee.

SENATE BILL 599

Jack Chenoweth, Legislative Affairs Agency, stated that since the coastal management regulations are prepared by the Coastal Policy Council and are not defined by the Coastal Management Act as part of the program, they need not be presented to the Legislature for approval. He also stated that, if the Legislature were not required to approve them, they are no more or less than any other set of regulations that are adopted by any other state agency and are therefore subject to any resolution put in by a member or by the Administrative Regulation Review Board.

Chairman Orsini stated that his interpretation of a conversation with Jack Chenoweth earlier lead him to believe that there were possible legal ramifications to adopting the resolution that formally approves the regulations, and thereby not being able to disapprove them in the future.

Mr. Chenoweth stated that he could not say that there were no legal ramifications but the regulations are not obligated to come before the legislature for approval.

The Committee concluded that either with or without Legislative endorsement the regulations would take effect. The Committee agreed to see the Federal Coastal Zone Officials at Thursday's C&RA meeting if they were available.

CS FOR HOUSE BILL 133

Chairman Orsini stated that since other committees have insufficiently addressed the Anchorage land situation involving this bill that this Committee would have to go more deeply into it. He also stated that this version of the bill is roughly comparable to the version that came out of House C&RA with the exception of monetary possibilities and slightly changed acreages. Pat Conheady, Department of Natural Resources stated that some additions added from the House Finance Committee were still in the bill and that the most important of those was the availability of trust lands for selection. He also stated that the Department thinks this is a good provision. Mr. Conheady, stated that trust lands would enable the state in those communities which do not have suitable land to obtain their entitlement. Senator

Sumner stated that Anchorage had selected 20,000 acres of land on the basis that trust lands were not available for selection, and it wound up, in terms of usable land, with around 14,000. He expressed concern as to whether Anchorage was facing a situation similar to Kodiak's. He stated that he felt Mr. Hartig who has represented Kodiak, should come and talk to the Committee. Chairman Orsini asked Mr. Conheady if it would make any difference if the state had a law like this if the Beirne Initiative passes. Mr. Conheady replied that it would be good to have one to protect the municipalities' rights to selection land first before the Beirne Initiative.

Mr. Conheady stated that the fiscal note would be different from that of the House version of this bill because DNR is involved in the selection process in the Senate version and is not in the House version.

He also stated that the Department probably would not have the lands transferred by November but would have identified what lands they were looking at.

Chairman Orsini asked Mr. Conheady if the letter sent to Senator Tillion on April 19 outlining certain acreage available was still valid. Mr. Conheady replied that it was. Chairman Orsini stated to Mr. Conheady that if the Committee finds reasons to believe that those figures are not valid that his credibility with this Committee will have suffered. Mr. Conheady replied that he believed the letter to be valid to the extent of his knowledge.

The meeting was adjourned at 4:00.



SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

May 9, 1978

Present: Senators Orsini, Willis, Ferguson and Hackney; Jim Rolle, Alaska Municipal League, Mike Smith, Department of Natural Resources; Mitch Gravo, Municipality of Anchorage, Ted Berns, Municipality of Anchorage; B.A. "Bud" Dowling, Municipality of Anchorage; Ron Swanson, Department of Natural Resources; Royce Weller, Hugh Malone's Staff; Lee Sharp, City and Borough of Juneau.

Absent: Senator Sumner

The meeting was called to order at 3:15. SCS CSHB 133 was the bill before the Committee.

SCS FOR CS FOR HOUSE BILL 133

Chairman Orsini stated that the meeting was to get the correct data about land availability to make a policy decision on the bill. There was, for example, a dispute over how much acreage was available to the Municipality of Anchorage. One provision of the bill would allow, a municipality to select trust land where general land was not available. Chairman Orsini stated that he wanted to determine specifically to everyone's satisfaction just what land was available and suitable for municipal expansion and utilization and also meet the various criteria involved in municipal land selection.

Chairman Orsini stated that in a letter to Senator Clem Tillion dated April 19 and a letter to Senator Orsini dated May 5 there was substantially a large difference in the total acreages available. Mike Smith, Department of Natural Resources explained that the letter of April 19 was hurriedly put together and that he basically agreed with the Municipality of Anchorage on the figure of 10,300. Acres of state-owned trust lands lying within the municipality.

Ted Berns and Bud Dowling, Municipality of Anchorage, gave a presentation with maps showing the Committee how they derived the 1,700 acres from 6,720 with the selection of being for municipal purposes. This is land they felt was appropriate for local management and control.

Mr. Berns brought out that there is presently approximately 9,000 acres that had been identified for municipal selection and stated that records indicate another 9,700 acres as available for selections on top of the TA'd and patented that the municipality already has. He stated, however, that from what the municipality has been able to determine most would be land that would either not meet VUU criteria under the present bill and therefore would have to be rejected or is in the area known as the Campbell Tract (which is 5,000 of the 9,000 acres). The Municipality does not feel would be appropriate to count the Campbell tract against the Anchorage entitlement, since much of the tract is under strict federal use conditions. The Municipality was also concerned that the land designated for municipal selection at Point Woronzoff was also in fact under restricted use conditions since it lay within the landing path of the Anchorage International Airport. Mr. Smith disagreed but concurred

in the need for both the State and the Municipality to look further into the matter.

Mr. Berns stated that Anchorage has, or could receive patent to about 8,400 acres under the present land selections. Mr. Smith agreed with this.

Chairman Orsini asked Mr. Berns and Mr. Smith if they agreed that construction such as the University and other types of public facilities could take place on all or part of Campbell tract. They both agreed that only about 1200/1500 acres along Tudor Road could be developed in such a way.

Chairman Orsini asked Mr. Berns if any of the 10,300 acres trust lands available would not be desirable. Mr. Berns stated that it was fair to say that most of the mental health land, or about 8,000 acres, was going to be highly desirable land. He mentioned, however, that some of this acreage was tied up in legal suits with the Eklutna Natives. He believed that about 3-4,000 acres would ultimately be available.

The outcome of acreages agreed upon by the Municipality and the Department of Natural Resources:

1,700 - VUU
4,200 - Patented Now
2,450 - TA
4 to 5,000 - Trust Land
<u>3 to 4,000 - Tied up in Court Decisions</u>
16,400 acres

As Anchorage reviewed it's land entitlement, Mr. Smith asked that it keep in mind that a major portion of Fort Richardson and Elmendorf AFB lands are likely to be turned over to the State sometime in the future. These lands would be extremely valuable and very suitable for municipal purposes.

Chairman Orsini stated that CSHB 133 would be brought up again Thursday and that the Committee would go into detail on the Kodiak situation.

The meeting was adjourned at 4:40 p.m.

May 9, 1978

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE LIST  
CSHB 133

Name	Representing	Intent to testify?	
		YES	NO

JIM ROLLE	AML		X
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MIKE SMITH	DEPT. NAT'L RES.	✓	
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Mitch Cravo	Anchorage		✓
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TED BEINS	Anchorage	✓	
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B.A. 'Bud' Dowling	"	✓	
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Ron Swanson	Dept Nat'l Res	✓	
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Foyce Weller	(speaker)		✓
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Lee Sharp		✓	
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Printed

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

May 11, 1978

Present: Senators Orsini, Willis and Hackney; Ronald Kuczek, Cook Inlet Air Resources Management District; Dale P. Tubbs, Kodiak Island Borough; Bob Hartig, Kodiak Island Borough; Ron Swanson, Department of Natural Resources; Mike Smith, Department of Natural Resources; Tom Hanna, Department of Environmental Conservation; Jerry Reinwand, Department of Environmental Conservation.

Absent: Senators Ferguson and Sumner

The meeting was called to order at 3:05 with CSHB 133 and CSHB 190 before the Committee.

SCS FOR CS FOR HOUSE BILL 133 (KODIAK)

Chairman Orsini summarized the land situation in Kodiak. He stated that Kodiak contends the State was negligent in transferring land to the Borough, which the Borough had received as tentatively approved land. When ANCSA was enacted, the State allowed the transfer of the tentatively approved borough land to Native corporations as part of the settlement. These lands were of prime quality and the Borough states that no other comparable lands are now available to the Borough in exchange for those it lost under ANCSA.

Bob Hartig, Representing the Kodiak Island Borough, stressed that Kodiak's concern did not center around the amount of its land entitlement, since there was sufficient acreage available, but around its quality. Kodiak would be willing to take these lands of lesser quality if it could be compensated monetarily for the prime lands the State took from it. Otherwise the Kodiak Borough would be forced to exercise its fiduciary responsibility and file suit in court challenging the State's action and ultimately calling into question not only the present municipal land selection bill but also ANCSA.

Mr. Hartig and Dale Tubbs, Kodiak Island Borough, went over maps of Kodiak island and outer islands and explained to the Committee members what lands were selected, which were top-filed and where were involved in court suits involving village selections under ANCSA.

Mr. Hartig stated that Kodiak is confident that it can obtain at least 10,000 additional acres and possibly as much as 26,000. He summed up Kodiak's land possibly land entitlement break-down as follows: 4,000 acres already in hand; 18,000 acres tied up in village selection litigation; 32,000 acres that could be selected from state-owned lands; and possibly 15,000 acres currently under Coast Guard ownership. This would bring Kodiak's maximum selection possibility to 76,000 acres.

Mr. Hartig stated that he could not over-emphasize the importance of financial compensation for the land taken by the State since it would eliminate the need to initiate litigation between Natives and non-Natives on Kodiak. He also stated that, without the provision of payment in lieu of land, Kodiak would see no need for the land selection bill.

Mike Smith, Division of Lands, Department of Natural Resources, replied that the State had no control over the enactment of ANCSA and noted that without ANCSA there would actually be 26,000 fewer acres available to Kodiak for selection. Yet Kodiak is requesting, in effect compensation for 26,000 acres when there was no guarantee that Kodiak would have received these acres if there had been no ANCSA. Mr. Smith stressed that the Governor will only agree to a maximum payment of \$20 million under HB 133, and that there still remains one community in Alaska where there is not enough land, physically, to meet its municipal entitlement.

Chairman Orsini stated that the Committee would look at the bill again Tuesday on the Southeastern situation.

CS FOR HOUSE BILL 190

Jerry Reinwand, Department of Environmental Conservation, stated that the bill does two things: it gives the districts a method for seeking approval with definite time restraints and if the Department rejects it the Department would give them the reasons why the program was rejected and the districts could make the adjustments to meet the approval of the State. He stated that the Department does not have any problem with delegating authority or approving the Cook Inlet Air Resources District program but has never received an application to do this. He stated that he would be very happy to have the CIARMD run the permanent program up in the Cook Inlet area. But he stressed that he did want to make sure that the CIARMD not give away more than 50% of the air quality increment than it already has to so to allow for additional growth to take place in the Kenai area. He wanted to make sure that in issuing industry permits that the CIARMD apply tougher standards so that the 50% air quality increment could be reserved for future industrial use.

Mr. Reinwand stated that he does not see any need for the bill personally but if it is the desire of the Committee the Department would not oppose it as long as the amendments that are suggested in the letter that Commissioner Mueller sent on April 15 are incorporated.

Ronald Kuczek, Cook Inlet Air Resources Management District, stated that the district hadn't applied because it has repeatedly tried to find out what we needed in seeking approval to run its resources control program and the information that was returned to the CIARMD was never satisfactory. He also stated that the Department said on an informal basis that approval probably would not be granted because of certain programs that the district had not implemented, but neither which the state intended to carry out.

Mr. Reinwand agreed that in the past CIARMD probably had been discouraged for approval but now the Department would accept an application.

The Committee took up a proposed draft committee substitute for HB 190 which had been prepared by the CIARMD and reviewed by DEC Commissioner

Ernst Mueller in a letter to the Committee dated April 13, 1978. The proposed committee substitute was discussed in detail with Mr. Kuszek and the DEC representatives, and final language was agreed to by the DEC and the CIARMD.

Chairman Orsini stated that the bill would be drafted with the revised amendments as agreed by both the Department and CIARMD and it would then be brought back to the Committee for signature and passed out.

The meeting was adjourned at 5:20 p.m.



SENATE COMMUNITY AND REGIONAL AFFAIRS'  
COMMITTEE MINUTES

May 16, 1978

Present: Senators Orsini, Willis, Hackney and Sumner; Ron Swanson, Dept. of Natural Resources; Mike Smith, DNR, Division of Lands; Jack Chenoweth, Legislative Affairs Agency; Natalie Alton, Senator Rader's Staff; Royce Weller, Hugh Malone's Staff; Gerald L. Sharp, City and Borough of Juneau.

Absent: Senator Ferguson

The meeting was called to order at 3:08.

SCS FOR CS FOR HOUSE BILL 133 (SOUTHEAST)

Chairman Orsini stated that the Committee had received a letter from the Ketchikan Gateway Borough, and had not heard from Sitka, apparently because Sitka felt satisfied with its pending entitlement.

Chairman Orsini stated that today's meeting was to try and identify what kind of land is available in the Southeast portion of the state, where severe terrain problems existed. He said that much of the land available was not suitable for development.

The members of the Committee received a hand-out from the Department of Natural Resources indicating what type of land to be selected, as well as total acreages and developable acreages for Juneau and Ketchikan. Mr. Smith explained that the hand-out was put together hastily to fill a request by Chairman Orsini for a break-down of the acreages of developable land in Southeast Alaska. He noted that only the second column of the hand-out should be used.

Lee Sharp, City Attorney for C&B of Juneau, stated that he did not concur with the figures in the hand-out. He stated that the City and Borough's inventory shows that there are approximately 12,690 acres of mental health lands in the borough but the Department's figure is 11,500, which had recently been increased from an earlier figure of just over 8,000 acres.

The Committee, Mr. Smith and Mr. Swanson reviewed the land situation in Ketchikan and Sitka. Mr. Sharp stated that Juneau would be very interested in receiving non-developable land for recreational purposes, such as Eagle Crest, in addition to developable or community settlement land. He pointed out that this could mean a substantially higher entitlement for land available.

Mr. Sharp stated that Juneau submitted to the state a suggested 65,000 acres either for local or state ownership and for local purposes. He stated that the Borough felt that about 20 to 30,000 would be high priority. Mr. Sharp also stated that Juneau had not prioritized their selection of land as of yet.

Mr. Sharp gave a brief background of how the state lands were to be divided in the three Southeastern communities. In the original version of the bill the State gave the 3 southeastern communities a total of

32,000 acres to be divided among them. At that time it was decided that 9,200 acres could go to Sitka, 9,200 to Ketchikan and 13,600 to Juneau. He stated that two things have changed since last year. The National Forest selections have been made in the Southeast, and the State has selected significantly larger acreages in the region than had been expected last year. In Wrangell and Petersburg, both much smaller communities than Juneau, Mr. Sharp noted that the State had selected 16,500 and 12,000 acres respectively. On the basis of population and future need, Mr. Sharp estimated that Juneau would require 60,000 acres but would request 24-28,000. In that respect, he noted that the 24,000 acres currently available for Juneau selection included 6,000 top-filed acres by the Goldbelt Native Corporation. Mr. Sharp stated that there was another selection pending of approximately 15,000 acres on Gold Creek Road. He thought, however, only about 9,000 would be approved. He said that most of this land is probably not developable yet it would be an additional 9,000 acres that would be available for Juneau to meet its entitlement. He stated that it is land of Borough concern because of its recreation potential and its water shed. Mr. Smith stated that the State was not sure Juneau could get this land.

Jack Chenoweth and the Committee discussed the possibility of mandating various trust lands in the bill to go directly to a municipality in trade for other equal value land as opposed to the current bill which says that the concurrence of the trust boards must be obtained before a land exchange could take place.

Chairman Orsini noted that state-owned trust lands might be made available only to those municipalities which could not fulfill their entitlements through vacant, unappropriate, unreserved state land.

Mr. Smith expressed concern that the North Slope has yet to indicate what acreage it would like. He stated that the only formal comments the North Slope has made to his knowledge was by Senator Ferguson before the Senate Resources Committee that "89,000 acres is enough for now". Chairman Orsini stated that he discussed this with Senator Ferguson and Kim Hutchinson, representing the North Slope Borough. He had asked Mr. Hutchinson if the 89,000 acres would be sufficient for the North Slope. Chairman Orsini said Mr. Hutchinson replied in Senator Ferguson's presence that 89,000 was sufficient and if the North Slope got that amount it would be satisfied.

Mr. Smith also commented that there were two sections of the bill, 201 and 202 that set out entitlement for boroughs and cities respectively. A municipality receives its land entitlement under either 201 or 202, not both. He stated that some of the language later on it the bill refers to "Sec. 201" AND "202" and suggested that it should say, "Sec. 201" OR "202".

Mr. Smith stated that the Department would like to see the Committee use the SCS for CSHB 133 as the mark-up bill.

The meeting was adjourned at 4:30.

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE LIST

SCS CSHB 133 - Southeast  
May 16, 1978

<u>Name</u>	<u>Representing</u>	<u>Intent to testify?</u>	
		YES	NO

Ron Swanson	Dept Not Res.	✓	
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Mike Smith	" " "	✓	
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JACK CHENOUELL	LEGISLATIVE AFFAIRS		✓
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Natalie Alton	Senator Rader		✓
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Gene Sharp	C & B of Bureau	✓	
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Faye Walker	Rep Hugh Moore		✓
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SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MEETING

May 18, 1978

Present: Senators Orsini, Hackney and Willis; Don M. Berry, Municipality of Anchorage; Floyd Johnson, Division of Emergency Services, Dept. of Military Affairs; Peter Froehlich, Attorney General's Yvonne M. Alford, Municipality of Anchorage; Mitchell Gravo, Municipality of Anchorage; Jim Rolle, Municipal League; Lisa Rudd, Representative.

Absent: Senators Ferguson and Sumner

The meeting was called to order at 3:07 p.m. House Bill 214 and CSHB 941 were the bills before the Committee.

HOUSE BILL 214

Mitchell Gravo, Municipality of Anchorage, explained that the effect of the legislation passed in 1976 was to relieve municipalities for judicial services rendered by the state. Prior to that time municipalities had to pay the state for judicial services such as magistrates and court judges. He further explained that when this legislation was passed it said nothing about amounts owed prior to 1976. HB 214 would relieve the political subdivisions from paying for judicial services rendered prior to 1976.

Senator Hackney moved that the Committee passed out HB 214 with a "DO PASS" recommendation. There was no objection.

CS FOR HOUSE BILL 941

Mitchell Gravo, explained that the bill concerns a 1974 lease agreement between the State of Alaska and, at that time, the City of Anchorage on 3rd and Post. He stated that the lease called for rent of \$100,000 a year plus \$10,000 for the option to purchase the facilities after 10 years. The property was appraised in 1974 at \$1 million. In 1976 after the lease had been functioning for 2 years the State wanted to rescind the lease and filed suit against the City. Mr. Gravo stated that it would probably take 1 1/2 to 2 years before the question can be legally resolved. He stated that the State alleged that the lease was illegal on three grounds: 1) the Commissioner of Highways lacked authority to enter into the lease-purchase agreement because the Director of the Division of Lands was the only official who could execute such an agreement, 2) appropriate public notice was lacking, 3) the property was appraised six rather than three months prior to the lease-purchase agreement.

He stated that this bill would ratify the lease purchase agreement between the State and the city of Anchorage and would direct the Director of the Division of Lands and the Commissioner of Highways to recognize the lease-purchase agreement.

He stated that the State is relying on loopholes and technicalities to rescind the lease-purchase agreement while claiming that the State is in need of the property. Mr. Gravo further stated that the People

Mover bus system is located at this facility and that it would be nearly impossible to find facilities elsewhere in the downtown area, which was especially suited for dispatching purposes.

Pete Froehlich, Attorney General's Office, was called in the absence of Richard Bernham who is handling the law suit against the City of Anchorage. Mr. Froehlich stated that he would testify from a letter written to Senator Croft at the request of Representative Rudd.

Senator Hackney questioned the letter's assertion that the State was in need of the land at the time the lease-purchase agreement was made.

Mr. Froehlich stated that if this bill was to pass assuming it is not vetoed, in his judgement the issue of the authority of any other Department, other than the Director of the Division of Lands, to dispose of land would be unresolved.

Mr. Froehlich unlike Mr. Gravo, believed that a Superior Court decision would be made by mid-summer.

Chairman Orsini asked Mr. Froehlich to report back to the Committee with the following information by next week: a legal opinion of the effect of this bill if it were passed, assuming it was not vetoed; if the bill passed the Legislature would the Administration recognize the lease as valid; other agencies that have demonstrated a particular need for this piece of property.

Floyd Johnson, Department of Military Affairs, Division of Emergency Services, stated that they occupy one of the three buildings in the complex. He stated that his office was notified by the AG's office through the Department of Administration not to sign a lease agreement with the city and not to make monthly payments. He stated that his office has four years of monthly bills and would be willing to pay their debt to the Municipality as soon as the court decision comes down. He stated that in FY 75 and FY 76 the rent money lapsed into the general fund yet FY 77 is committed and possibly also FY 78 funds. He stated that the total owed as of the end of the fiscal year would be \$93,430.

Chairman Orsini asked that the Deputy Commissioner send a memo to the Committee giving his opinion of, if the lease goes on as originally signed, if Emergency Services has a legal right to stay there through the state's actual ownership, since they had signed a lease with the Dept. of Highways in 1972.

Representative Lisa Rudd, stated that she asked to have the bill introduced. She stated that an agreement that had been entered into in good faith by both parties, which were also public bodies, was not one which should be subject to litigation two years after the fact. She stated that there was a definite legal question as to whether or not the Commissioner of Highways had the authority to enter into the agreement and there is also a question on the appraisal. She stated that she had talked with people that are very familiar with state leases and

Senate C&RA Meeting  
May 18, 1978

HB 214, CSHB 941  
Page Three

if the lease is overturned by the court on either of those basis there are probably a number of other state leases of land which would also become void for the same reasons. She stated that the Municipality has been on the location for 4 years and was in need of the land as much, or more, than the State.

Don Berry, Municipality of Anchorage, stated that they were in strong support of HB 941. He stated that the lease was signed in good faith and that there had been a verbal agreement between Governor Egan and Mayor Sullivan to use this land for mass transit.

Chairman Orsini stated that the Committee needs more information on the bill before making a final decision and asked that the information requested be available to the Committee early the following week.

The meeting was adjourned at 4:00.



SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MEETING

May 23, 1978

Present: Senators Orsini, Hackney, Willis and Ferguson; Tom Singer, House Permanent Fund; Pat Conheady, DNR; Annette Smith, House C&RA; Jack Chenoweth, Legislative Affairs Agency, Royce Weller, Hugh Malone's Staff; Representative Dick Eliason, Richard Engen, Division of State Libraries and Museums.

Absent: Senator Sumner

The bills before the Committee were CSHB 133, HB 766 and SB 580. The meeting was called to order at 3:08.

SENATE BILL 580

Richard Engen, Division of State Libraries and Museums, stated that this bill would increase the present grant and aid program for assistance to the Public Libraries Association throughout the state from \$250 a year on a reimbursable basis to a \$500 grant for purchase of library materials.

He stated that it eliminates much of the paper work now required by statute. He explained that his office has to submit invoices on a reimbursable basis and this would be eliminated through the grant provision of the bill. He also stated that the bill removes the restriction from purchasing religious materials which is in the original statutes.

Senator Hackney moved to increase the \$500 grant amount to \$1,000. There were no objections. Senator Hackney then moved to pass the bill out with a "DO PASS" recommendation.

HOUSE BILL 766

Chairman Orsini went through the proposed recommendations for the bill. He stated that there was a CS for increasing the \$250,000 to \$400,000 and adding certain conditions to the increase.

Representative Eliason stated that the bill was introduced at the request of the borough Administrator of Sitka. He stated that small contractors in rural areas and smaller communities of the state who have ample equipment and the experience to handle a number of municipal jobs are falling short of other contractors from out of the community and even out of the state because of the difficulty in establishing a bond.

Senator Ferguson moved that the Committee adopt a CS for HB 766 including the recommendations by Chairman Orsini and pass it out with "INDIVIDUAL RECOMMENDATIONS".

CS FOR HOUSE BILL 133

Jack Chenoweth, Legislative Affairs Agency, went over the proposed committee substitute for CSHB 133 and explained section by section

Senate C&RA Meeting  
Page Two  
May 23, 1978

SB 580, HB 766  
CSHB 133

changes in the bill and new language that had been put into it. As a result of committee discussion, a revised work draft of the proposed committee substitute was requested.

Chairman Orsini stated that CSHB 133 would be scheduled for Committee action Thursday.

The meeting was adjourned at 4:00.



SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MEETING

May 25, 1978

Present: Senators Orsini, Willis, Hackney and Sumner; Roger Allington, City and Borough of Juneau; Stuart H. Bowdoin, Bristol Bay Borough; Phil R. Holdsworth, S.E. Conference; Richard M. Burnham, Attorney, General's Office; Floyd Johnson, Division of Emergency Services, Jim Rolle, AML; Pat Conheady, Department of Natural Resources; Jack Chenoweth, LAA; Don Berry, Municipality of Anchorage; Annette Smith, H/C&RA; Royce Weller, Hugh Malone's Staff

Absent: Senator Ferguson

The meeting was called to order at 3:04. The bills before the Committee were HB 941 and CSHB 133.

HOUSE BILL 941

Richard Burnham, Assistant Attorney General representing the State in the litigation over the Highway complex in Anchorage, stated that that agreement may not have been entered into in good faith. He moved that there was an affidavit form filed in the AG's office giving the Municipality of Anchorage notice that it was doubtful that the Commissioner of the Department of Highways had the authority to dispose of the land on which the complex is located. He also stated that the Department of Administration appraised the land in 1973 at 3 1/2 million dollars. The next spring an appraiser, presumably hired by the Municipality and approved by the Commissioner, appraised the property at 1 million dollars. It was on the second appraisal that the lease purchase agreement was made. He stated that he did not feel that this was in the best interest of the state to lose 2 1/2 million dollars between two appraisals. Senator Orsini pointed out that he was assuming the first appraisal was correct and the second appraisal incorrect.

Floyd Johnson, Division of Emergency Services, Department of Military Affairs, stated that the division would need a supplemental appropriation for rent due to the Municipality of Anchorage if this bill were to pass. He stated that the supplemental would require \$92,467 and asked that the bill be amended to require the Municipality and his agency to sit down in good faith and negotiate a new 3 year rental sublease agreement. He told the Committee that his agency can get 50/50 matching monies from the federal government for construction of emergency operation center, that it would take about 2 to 3 years to get this money committed, and any relocation of his office would be complicated by the need to move the division's complex communication system. He stated that it would take around \$100,000 to make a move to another location, preferably to another downtown location, even if one were available.

Don Berry, Municipality of Anchorage, supplied the Committee with a letter from the Assistant Municipal Attorney.

Senator Willis moved to pass out HB 941 with "INDIVIDUAL RECOMMENDATIONS".

CS FOR HOUSE BILL 133

Roger Allington, City and Borough of Juneau, asked the Committee to take a second look at the 13,600 acreage allotment for Juneau and restore at least the amount of 19,584 acres which came out of the Senate Resources version. He stated that the city was in need of the land specifically in Juneau because of the need to relocate persons now living in hazardous downtown slide areas. Mr. Allington noted that an allotment of 24,000 acres for Juneau would be more appropriate for the Municipality's needs.

Stuart Bowdoin, Bristol Bay Borough, stated that his borough was in support of the bill. He stated that the Borough was in dire need of the land and would take about anything that becomes available.

Phil Holdsworth, Southeastern Conference, stressed the need for Southeastern communities such as Petersburg, Wrangell and Skagway to have access to trust lands which now hem them in and restrict any future growth.

Jim Rolle, Alaska Municipal League, stated that the League does not feel that access to trust lands should be based on population and urged that cities, as well as boroughs, also be eligible for trust lands and deficiency payments.

Pat Conheady, Department of Natural Resources, opposed the increase of the Anchorage allotment to 44,893 and referred to a letter of May 19 from the Director of the Division of Lands, Mike Smith. According to Mr. Conheady, a correct allotment figure for Anchorage would be 37,665 acres. He discussed the section of payment for land deficiency and supported the need for cities to have access to trust lands, particularly in Southeastern.

Mr. Conheady expressed concern regarding the January 1, 1980 deadline for determining land deficiency payments, the State was not sure when the 6A selections would be made and available for municipal selection.

Senator Sumner moved that the amendments be passed and pass out SCS for CSHB 133 with "INDIVIDUAL RECOMMENDATIONS".

The meeting was adjourned at 4:10 p.m.

May 25, 1976  
 SENATE COMMUNITY AND REGIONAL AFFAIRS  
 COMMITTEE LIST  
 CSHB 133 & HB 941

Name	Representing	Intent to testify?	
		YES	NO
ROGER ALLINGTON	CITY & BOROUGH OF JUNEAU	✓	
STUART H. BOWDWIN	BRISTOL BAY BOROUGH	✓	
Phil R. Holdsworth.	SE Conference	✓	
RICHARD M. TURNHAM	ATTORNEY GENERAL		
Floyd Johnson	Div. of Emerg. Services	✓	
SIM ROLLE	AMUL	✓	
PAT Conheady	DNR	✓	
JACK CARNSWORTH	LAA		✓
DON BERRY	PLUN. OF ANK		✓
ANNETTE SMITH	HI GRA		✓
Royce Skeller	Wally Malone		✓

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MEETING

June 1, 1978

Present: Senators Orsini, Hackney and Sumner; Ann Mawn, Lt. Governor's office; Don M. Berry, Municipality of Anchorage; Steve Hole, DOE; Bob Cooksey, NEA-Alaska.

Absent: Senators Willis and Ferguson

The meeting was called to order at 3:10 p.m. and the bills before the Committee were SB 454 and HB 934 am.

SENATE BILL 454

Chairman Orsini stated that the Committee had a committee substitute for the bill. He stated that it took out all references to municipalities. There was no public testimony given at this time.

Senator Sumner moved that SB 454 pass out of committee with "INDIVIDUAL RECOMMENDATIONS".

HOUSE BILL 934 am

Chairman Orsini stated that this bill came of HESS committee with a "DO PASS" recommendation.

Bob Cooksey, NEA-Alaska, stated that they had no objections to the bill.

Steve Hole, Department of Education, stated that the Department was in favor of HB 934 am

Senator Sumner moved that HB 934 am pass out of committee with "INDIVIDUAL RECOMMENDATIONS".

The meeting was adjourned at 3:30 p.m.

June 1, 1978

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE LIST

SB 454, HB 934 Am

<u>Name</u>	<u>Representing</u>	<u>Intent to testify?</u>
		YES / NO

Ann Mawro Rt. Gov.

Lon M. Perry Anchorage

Steve Hole DOE YES

Bob Cooksey NEA-AK

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MEETING

June 3, 1978

Present: Senators Orsini, Ferguson, Sumner and Willis.

Absent: Senator Hackney

The Senate Community and Regional Affairs Committee met June 3, 1978 directly after session and passed out HB 919, grants-in-aid to municipalities and associations maintaining public libraries with a "DO PASS" recommendation. The Committee also amended the amount of the grant from "\$500" to "\$1,000".

SENATE COMMUNITY & REGIONAL AFFAIRS  
COMMITTEE MEETING

June 9, 1978

Present: Senators Orsini, Ferguson, Sumner and Willis

Absent: Senator Hackney

The Senate Community and Regional Affairs Committee met directly after session this day and passed out CSHB 134 with "INDIVIDUAL RECOMMENDATIONS" and CSHCR 125 am (C&RA) with a 'Letter of Intent' that passed out with "INDIVIDUAL RECOMMENDATIONS".

SENATE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE MINUTES

June 10, 1978

Present: Senators Orsini, Willis and Hackney

Absent: Senators Sumner and Ferguson

The Senate Community and Regional Affairs Committee met upon adjournment of the Senate Session this day and passed out HB 855 am with "INDIVIDUAL RECOMMENDATIONS" with an amendment, and also HB 657 with a "NO RECOMMENDATION".

HEARING  
SCHEDULE  
1978

BILL SUMMARIES

C & RA  
1978

1978

HEARING

AGENDAS

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# Alaska State Legislature

## HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capito.  
Juneau, Alaska 99811  
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of January 23, 1978.

COMMUNITY & REGIONAL AFFAIRS - Room 647, Court Building, 9:00 p.m.

January 23 - Monday

✓ HB 483 AS29 Revisions

January 24 - Tuesday

NO MEETING

January 25 - Wednesday

HB 585 Local Government Study Commission

January 26 - Thursday

NO MEETING

January 27 - Friday

An act amending AS 46.40.040 (1) by deleting the reference to "within six months of the effective date of the Act" and inserting "April 15, 1978."  
(No bill number available; bill not yet introduced).

The committee will meet at 9:00 a.m. in room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to me at Pouch V, Juneau, Alaska 99811.



# Alaska State Legislature

## HOUSE COMMUNITY and REGIONAL AFFAIRS COMMITTEE

Lisa Rudd, Chair

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bill and Local Boundary Commission recommendations during the week of February 6, 1978.

COMMUNITY & REGIONAL AFFAIRS - Room 647, Court Building, 9:00 a.m.

February 6 - Monday

Local Boundary Commission

Recommendation for annexation - City of Skagway and Haines Borough.

February 8 - Wednesday

Local Boundary Commission

Recommendations for annexation - City of Petersburg.

✓ February 10 - Friday

HB 657

Transferral of tide and submerged lands

The committee will meet at 9:00 a.m. in room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at Pouch V, Juneau, Alaska 99811.



# ALASKA HOUSE OF REPRESENTATIVES

## Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3870

The House Community and Regional Affairs Committee will hold hearings on the following bills during the week of February 20, 1978.

COMMUNITY & REGIONAL AFFAIRS - Room 647, Court Building, 9:00 a.m.

### February 21 - Tuesday

- |        |  |
|--------|--|
| HB 87  | Appropriations and grants from boroughs to service areas and cities.               |
| HJR 50 | Local Boundary Commission recommendations on annexation.<br>(Not a public hearing) |
| HJR 51 |  |
| HJR 52 |  |

### February 22 - Wednesday

- |          |   |
|----------|---|
| ✓ HB 578 | Levy and collection of sales and use tax by municipalities. |
| ✓ HB 509 | Exempting certain items from sales tax.                     |

### February 23 - Thursday

- |          |   |
|----------|---|
| CSSB 388 | Membership of the Alaska Coastal Policy Council.                      |
| HB 584   | Providing equivalent property tax payments to senior citizen renters. |

### February 24 - Friday

- |        |  |
|--------|--|
| SB 372 | Sale, repurchase, and disposition of proceeds of the sale of tax-foreclosed real property to home rule municipalities. |
| HB 741 | State aid for extending municipal police protection services.  |

The committee will meet at 9:00 a.m. in room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at Pouch V, Juneau Alaska 99811



# ALASKA HOUSE OF REPRESENTATIVES

## Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3870

The House Community and Regional Affairs Committee will consider the following bills during the week of February 27, 1978.

COMMUNITY & REGIONAL AFFAIRS-Room 647, Court Building, 9:00 a.m.

February 27 - Monday

HB 483 ✓ Revisions to the Municipal Code  
(AS 29).

HB 202 Assessment, levy and collection  
of a tax on developed land in the  
unorganized borough.

March 1 - Wednesday

✓ HB 843 Equalization of the tax resources  
of municipalities and continuing  
a portion of the program of state  
aid for municipal purposes.

March 3 - Friday

✓ HB 843 Same as Wednesday's schedule

The committee will meet at 9:00 a.m. in room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at Pouch V, Juneau, Alaska 99811.



# ALASKA HOUSE OF REPRESENTATIVES

## Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3870

The House Community and Regional Affairs Committee will consider the following bills during the week of March 6, 1978.

COMMUNITY & REGIONAL AFFAIRS-Room 647, Court Building, 9:00 a.m.

March 6 - Monday

✓ HB 795

Making supplemental appropriation to the Department of Community and Regional Affairs for the benefit of the Fairbanks Town and Village Association for Development, Inc.

✓ SB 372

Extending provisions of law governing the sale, repurchase, and disposition of proceeds of the sale of tax-foreclosed real property to home rule municipalities.

March 8 - Wednesday

✓ HB 202

Assessment, levy and collection of a tax on developed land in the unorganized borough.

March 10 - Friday

HB 741 ✓

Providing state aid for extending municipal police protection services.

The committee will meet at 9:00 a.m. in room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at Pouch V, Juneau, Alaska 99811.



# ALASKA HOUSE OF REPRESENTATIVES

## Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3870

The House Community and Regional Affairs Committee will consider the following bills during the week of March, 13, 1978.

COMMUNITY & REGIONAL AFFAIRS-Room 647, Court Building, 8:00 a.m.  
9:00 a.m.

March 13 - Monday (8:00 a.m.)

- ✓ HB 781, HB 769  
SSHB 769 Authorizing state aid to municipalities for the construction and development of cultural facilities.
- ✓ HB 782, HB 768 Providing for the issuance of bonds for the purpose of paying the cost of cultural facilities.

March 15 - Wednesday (8:00 a.m.)

- ✓ SSHB 760 Relating to the registration tax on motor vehicles.
- Local Boundary Commission Meets with committee for general discussion.

March 17 - Friday (9:00 a.m.)

- ✓ HB 584 Providing equivalent property tax payments to senior citizen renters
- ✓ HJR 58 Relating to the Bureau of Indian Affairs and Bristol Bay.

The committee will meet at 8:00 a.m. on Monday and Wednesday and at 9:00 a.m. on Friday in room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at Pouch V, Juneau, Alaska 99811.



**ALASKA HOUSE OF REPRESENTATIVES**

**Community and Regional Affairs Committee**

LISA RUDD, Chair

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3870

The House Community and Regional Affairs Committee will consider the following bills during the week of March 20, 1978.

COMMUNITY & REGIONAL AFFAIRS-Room 647, Court Building, 9:00 a.m.

Monday - March 20

HJR 58 ✓ Relating to the Bureau of Indian Affairs and Bristol Bay.

Wednesday - March 22

HB 202 ✓ Assessment, levy and collection of a tax on developed land in the unorganized borough.

Friday - March 24

HB 781 ✓  
(SSHB 769) Authorizing state aid to municipalities for the construction and development of cultural facilities.

HB 782 ✓  
HB 768 ✓ Providing for the issuance of bonds for the purpose of paying the cost of cultural facilities.

The committee will meet at 9:00 a.m. in room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at pouch V, Juneau, Alaska 99811.



# ALASKA HOUSE OF REPRESENTATIVES

## Community and Regional Affairs Committee

LISA RUDD, Chair

21 March 1978

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3870

The House Community and Regional Affairs Committee will consider the following bills during the week of March 27, 1978.

COMMUNITY & REGIONAL AFFAIRS-Room 647, Court Building, 9:00 a.m.

Monday - March 27

HB 781 Authorizing state aid to municipalities for the construction and development of cultural facilities.

HB 782 Providing for the issuance of bonds for the purpose of paying the cost of cultural facilities.

Wednesday - March 29

HB 696 Relating to refund of fisheries tax to local governments.

HB 873 Relating to the salaries of elected municipal officials.

Friday - March 31

HB 899 Relating to senior citizens property tax exemptions.

The committee will meet at 9:00 a.m. in room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at Pouch V, Juneau, Alaska 99811.



# ALASKA HOUSE OF REPRESENTATIVES

## Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-8870

The House Community and Regional Affairs Committee will consider the following bills during the week of April 3, 1978.

COMMUNITY & REGIONAL AFFAIRS-Room 647, Court Building, 9:00 a.m.  
(Special 5:00 p.m. meeting on April 5th)

Monday - April 3

- ✓ HB 696 Relating to refund of fisheries tax to local governments.
- ✓ HB 873 Relating to the salaries of elected municipal officials.

Wednesday - April 5

- HB 886 Relating to state aid for municipal capital improvement.

SPECIAL AUDIO TELECONFERENCE HEARING AT 5:00 P.M.  
IN THE GOVERNOR'S CONFERENCE ROOM

- HB 843 Providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes.

Friday - April 7

- HB 843 Providing for equalization of the tax resources of municipalities and continuing a portion of the program of state aid for municipal purposes.

The committee will meet at 9:00 a.m. in Room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony.



# ALASKA HOUSE OF REPRESENTATIVES

## Community and Regional Affairs Committee

LISA RUDD, Chair

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3870

The House Community and Regional Affairs Committee will consider the following bills during the week of April 10, 1978.

COMMUNITY & REGIONAL AFFAIRS-Room 647, Court Building, 9:00 a.m.

Monday - April 10

✓

HB 873

Relating to the salaries of elected municipal officials.

Wednesday - April 12

✓

HB 900

Approval and recording of subdivisions.

Friday - April 14

✓

HB 855

Relating to public corporations or other municipal instrumentalities.

The committee will meet at 9:00 a.m. in Room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at Pouch V, Juneau, Alaska 99811.



# ALASKA HOUSE OF REPRESENTATIVES

## Community and Regional Affairs Committee

LISA RUDD, Chair

11 April 1978

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3870

The House Community and Regional Affairs Committee will consider the following bills during the week of April 17, 1978.

COMMUNITY & REGIONAL AFFAIRS-Room 647, Court Building, 9:00 a.m.

Monday - April 17

✓ CSHB 766

Authorizing home rule and general law municipalities to exempt contractors from certain bond requirements in the construction or repair of public works Projects.

✓ HB 873

Relating to the salaries of elected municipal officials.

Wednesday - April 19

✓ HB 875

Authorizing payment of an amount equivalent to a share of national forest receipts to home rule and first class cities of the unorganized borough.

Friday - April 21

✓ CSSB 430

Extending authority of the Alaska Municipal Bond Bank.

✓ HB 917

Relating to Alaska Medical Facility Authority.

The committee will meet at 9:00 a.m. in Room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at Pouch V, Juneau, Alaska 99811.



# ALASKA HOUSE OF REPRESENTATIVES

## Community and Regional Affairs Committee

LISA RUDD, Chair

26 April 1978

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3870

The House Community and Regional Affairs Committee will consider the following bills during the week of May 1, 1978.

COMMUNITY & REGIONAL AFFAIRS-Room 647, Court Building, 9:00 a.m.

Monday - May 1

- ✓ HB 917                      Relating to Alaska Medical Facility Authority.
- ✓ CSSB 430                    Extending authority of the Alaska Municipal Bond Bank.

Wednesday - May 3

- HCR 125                      Approving regulations adopted by the Alaska Coastal Policy Council.

Friday - May 5

- ✓ HB 696                      Relating to refund of fisheries tax to local governments.

The committee will meet at 9:00 a.m. in Room 647 of the Court Building in Juneau (directly across the street from the State Capitol).

We would be very happy to receive testimony from you on any of these bills. You may appear in person at the hearings or you may submit written testimony to the chair at Pouch V, Juneau, Alaska 99811.

SPRINGFIELD  
1978

1978

BILL

SUMMARIES

M E M O R A N D U M

February 9, 1978

SUBJECT: House C & RA Committee  
HB 657 Transferral of tide and submerged lands

TO: Representative Al Ose

FROM: Susan Wylie

HB 657 provides that home rule cities and cities of the first class may seek conveyance of tide and submerged lands up to one year after the effective date only if they are seeking tide and submerged lands which are contiguous to public land which has been used as a public park for at least 45 years and if the land used as a park was granted to the city by the United States for the purpose of use as a public park.

M E M O R A N D U M

February 13, 1978

SUBJECT: House C & RA  
HB 509 Exempting certain items from sales tax  
HB 578 Levy and collection of sales and use tax by municipalities

TO: Representative Al Ose

FROM: Susan Wylie

HB 509 amends AS 29.53.415(a) so that rent, prescription drugs, food products, and energy sources used in a residence are exempted from municipal sales taxes. It further defines the category of food products as well as those items not included under food products and which may be taxed. These potentially taxable items include medicines, tonics, vitamins, soft drinks, ice, candy and food sold for immediate consumption. However, food and drink purchased by a common carrier for the purpose of serving passengers on the carrier are exempt. Additional exemptions may be granted by ordinance.

HB 578 adds sub-sections AS 29.53.415(e) and AS 29.53.450(b) which provide that a person responsible for the accounting of the proceeds of a tax under these sections is entitled to retain 5% of the proceed of the tax collected.

M E M O R A N D U M

February 28, 1978

SUBJECT: C & RA Committee  
HB 843 Equalization of the tax resources of municipalities and  
continuing a portion of the program of state aid for  
municipal purposes

TO: Representative Al Ose

FROM: Susan Wylie

HB 843 is an act providing for equalization of the tax resources of municipalities as well as continuing a portion of the program of state aid for municipal purposes.

Chapter 88 provides for more equitable allocation of financial resources to insure that no municipality suffers a lack of public services relative to other municipalities because of the chance location of taxable wealth in the state. It does this by granting an equalization entitlement which is paid by the state for general government services provided by the municipality. The entitlement is based on the municipalities' population, relative ability to generate revenue and local tax rate and is determined by formulas set forth in the act. A municipal tax equalization account is established with funds appropriated by the legislature. However, this chapter may not be construed so as to create a debt for the state.

Chapter 89 provides additional state aid for the following municipal services where the municipality has the power to provide them:

- Health facilities and hospitals
- Hospital construction
- Services related to local military reservations
- Volunteer fire departments

In the act the provisions for determination of eligibility and amount of payment are spelled out for each category, and, again, as in Chapter 88, this chapter may not be construed so as to create a debt to the state. If the amounts appropriated by the legislature are insufficient then the funds which are available shall be distributed pro rata.

Several amendments are tacked onto the end of the bill revising Title 29 so as to include the required changes resulting from this act.

M E M O R A N D U M

March 8, 1978

SUBJECT: HB 202 Assessment, levy and collection of a tax on developed  
land in the unorganized borough

TO: Representative Al Ose

FROM: Susan Wylie

HB 202 establishes an annual tax on real property located in the organized borough which is outside home rule or first class cities. The tax is collected by the Department of Revenue unless the area taxed becomes a borough or first class city before December 31, in which case, all taxes collected for that year are turned over to the municipality.

The mill rate levied will be equal to the average mill rate levied in boroughs of the state for support of borough school districts.

The property taxed shall be assessed by the state assessor and shall be reassessed every three years. The commissioner of Community and Regional Affairs shall appoint assessment review officers to hear appeals.

The following property is exempt from the tax levied under this section:

1. unimproved land
2. real property exempt from taxation under AS 29.53.020
3. real property exempted by a second class city under AS 29.53.025(a)
4. real property subject to or exempt from taxation under AS 43.56 and 45.58.

Page two

AS 29.53.020:

- Government owned property except where privately leased
- Property used for nonprofit purposes
- Property of a non-business veteran's organization
- Property used exclusively for religious purposes
- Residential property of a senior citizen whose income is less than \$10,000

AS 29.53.025(a):

"Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election."

AS 43.56.020 and AS 43.58.020:

Property related to oil and gas exploration, production and pipeline transportation.

HB 741 State aid for extending municipal police protection services

HB 741 provides payment to facilitate the extension of municipal police protection services areawide or within a service area of the municipality. The payment may be made only within the fiscal year in which the extension is implemented and the rate shall be determined on the basis of the population to be served by the extension.

M E M O R A N D U M

March 13, 1978

SUBJECT: HB 781, HB 769, SSHB 769 Authorizing state aid to municipalities  
for the construction and development of cultural facilities

TO: Representative Al Ose

FROM: Susan Wylie

HB 768 and HB 788 provide for the issuance of general obligation bonds in the amount of \$30,106,000 for the purpose of providing state assistance to municipalities for construction and development of cultural facilities.

HB 769 establishes within the Department of Community and Regional Affairs a cultural facilities development fund for those communities which actively provide support to the arts and humanities.

In order for a grant to be approved by the commissioner the project must be endorsed by the governing body of the municipality. The municipality must also be able to provide the local share of project costs and be able to provide ongoing financial support to the project. The municipality must provide designs and specifications when submitting a request for aid.

The agreement formed between the commissioner and the municipality must include the following provisions:

1. The municipality shall hold title to the site on which the facility is to be constructed.
2. The municipality agrees to provide the local contribution and to return any excess contribution by the state.

3. 3. The municipality agrees to complete the project expeditiously.
4. The municipality will not deviate from the plans in the construction of the facility without first securing the permission of the recognized arts and humanities planning organization of the community.
5. The municipality agrees to assume either direct or indirect responsibility for the maintenance and operation of the facility.
6. If the property constructed is used for purposes other than a cultural facility, the state may require the municipality to reimburse a percentage of the state aid.

In non-poverty areas the municipality must contribute 50% of the estimated total project costs. In a poverty area they must contribute 20%.

The act makes provisions for steps to be taken when there are discrepancies between the actual costs of the project and the original estimate on which state aid was based.

HB 781 authorizes state aid to municipalities for the construction and development of cultural facilities. This bill is substantially similar to HB 769 with the following differences:

1. The Department of Commerce and Economic Development is the overseeing department. Within the Department of Commerce and Economic Development is established an Advisory Commission on Cultural Facilities whose duties shall be to advise the commissioner regarding the approval of requests for financial assistance.
2. In determining the contribution of municipalities to the total cost of the project the following formula is applied:

(average per capita assessed valuation of the municipality/  
average per capita assessed valuation of the state) x maximum  
contribution percentage

Certain maximum contributions are established as well. These are:

1. a municipality having a population of 5,000 or less is 10%.
2. a municipality having population of 5,001 to 10,000 is 20%.
3. a municipality having a population of more than 10,000 is 30%

M E M O R A N D U M

March 14, 1978

SUBJECT: SSB 760 Relating to the registration tax on motor vehicles

TO: Representative Al Ose

FROM: Susan Wylie

HB 760 establishes, through amendment, a reductive tax rate for standard motor vehicles not used for hire that are 6,7,8 or more years old.

A new sub-section is added exempting senior citizens from paying the tax under (b)(2) for one motor vehicle. The exemption is granted upon written application, and the state will reimburse a borough for any tax revenues lost.

REPRESENTATIVE  
**AL OSE**  
DISTRICT 6  
P. O. BOX 832  
PALMER, ALASKA 99645

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JUNEAU, ALASKA 99801

Alaska State Legislature



House of Representatives

COMMITTEES

FINANCE

M E M O R A N D U M

March 17, 1978

SUBJECT: CRA  
HB 584 Providing equivalent property tax payments to senior  
citizen renters  
HJR 58 Relating to the Bureau of Indian Affairs and Bristol Bay

TO: Representative Al Ose

FROM: Susan Wylie

HB 584 changes the property tax equivalent percentage, which is used for purposes of determining payments to eligible senior citizens, from 1/2 to one percent per mil.

The maximum amount that can be applied to the rent charged to the applicant is raised from \$375 to \$750.

The act is retroactive to January 1, 1978.

HJR 58 requests that the Department of the Interior establish a BIA regional office in the Bristol Bay area. It further requests the department and the Alaskan congressional delegates to seek funds to allow small villages to hire a village leader and establish a village administrative office.

M E M O R A N D U M

March 19, 1978

CRA

SUBJECT: HB 781, HB 769, SSHB 769 Authorizing state aid to municipalities for the construction and development of cultural facilities

TO: Representative Al Ose

FROM: Susan Wylie

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2. In determining the contribution of municipalities to the total cost of the project the following formula is applied:

(average per capita assessed valuation of the municipality/  
average per capita assessed valuation of the state) x maximum  
contribution percentage

Certain maximum contributions are established as well. These are:

1. a municipality having a population of 5,000 or less is 10%.
2. a municipality having population of 5,001 to 10,000 is 20%.
3. a municipality having a population of more than 10,000 is 30%.

M E M O R A N D U M

April 3, 1978

SUBJECT: CRA Committee  
          HB 696 Relating to refund of fisheries tax to local governments  
          HB 873 Relating to the salaries of elected municipal officials

TO:       Representative Al Ose

FROM:     Susan Wylie

HB 696 provides that in addition to cities of the first class, cities of the second class receive a fisheries tax refund as well.

HB 873 amends sec. 29.23.530 so that the assembly or council must fix by ordinance the salaries of elected officers, deleting the requirement that this must be done before they are elected. As the statute now stands the salaries of elected officials may not be changed. As amended, it states that they cannot be reduced.

M E M O R A N D U M

April 5, 1978

SUBJECT: House CRA Committee  
HB 886 State aid for municipal capital improvement

TO: Representative Al Ose

FROM: Susan Wylie

HB 886 establishes a municipal capital improvement account to be funded by the legislature and administered by the Department of Community and Regional Affairs. The fund will assist in paying the costs of municipal capital improvement projects for which no bonding, notes, or other indebtedness was incurred before July 1, 1978. The state shall allocate an amount equal to 50% of the annual principal and interest owing by the municipality on its general obligation bonded indebtedness which was incurred after July 1, 1978, or if funds are available, make a grant of 50% of the costs of the capital improvement which the municipality wants to construct. The legislation sets limits on the amount a municipality may receive based on population.

The guidelines for applying for grants are set forth specifically stating that the department's evaluation of the appropriateness of the municipality's capital improvement will not be a criteria for eligibility for a grant. However, a five year capital improvement projection plan must be submitted with the application for funding.

M E M O R A N D U M

April 12, 1978

SUBJECT: CRA Committee  
HB 900 Approval and recording of subdivisions

TO: Representative Al Ose

FROM: Susan Wylie

HB 900 is an amendment requiring that a plat of a subdivision must be approved by the authority having jurisdiction before the office of the recorder will accept it. A deed for filing shall not be accepted unless it has been approved unless it is accompanied by an affidavit by the grantor stating that no subdivision is created by the deed, or by a certified waiver of the requirement of plat.

M E M O R A N D U M

April 17, 1978

SUBJECT: CRA Committee  
CSHB 766 Authorizing home rule and general law municipalities  
to exempt contractors from certain bond requirements  
in the construction or repair of public works projects.

TO: Representative Al Ose

FROM: Susan Wylie

HB 766 allows that by ordinance adopted by its governing body, a municipality may exempt contractors from compliance with general requirements relating to payment and performance bonds if the estimated cost of the project does not exceed \$250,000.

M E M O R A N D U M

April 14, 1978

SUBJECT: CRA Committee  
HB 855 Relating to public corporations or other municipal  
instrumentalities

TO: Representative Al Ose

FROM: Susan Wylie

HB 855 gives the authority to home rule or general law municipalities to establish a public corporation which can issue obligations to provide public facilities and services. The public corporation can be created solely for this purpose.

M E M O R A N D U M

April 18, 1978

SUBJECT: CRA Committee  
HB 875 Authorizing payment of an amount equivalent to a share  
of national forest receipts to home rule and first class  
cities of the unorganized borough

TO; Representative Al Ose

FROM: Susan Wylie

HB 875 provides that the state shall pay to the home rule and first class cities within an unorganized borough a percentage of the funds the state receives from the U.S. government for national forest areas. The percentage will be based on the amount of national forest within the boundaries of the city. The entitlement received by a the city can only be used for public schools or roads.

The payments shall be made from a general fund appropriation made for the purpose, and shall be distributed pro rata if the appropriation is insufficient to meet the full entitlement.

M E M O R A N D U M

April 21, 1978

SUBJECT: CRA Committee  
CSSB 430 Alaska municipal bond bank  
HB 917 Alaska medical facility authority

TO: Representative Al Ose

FROM: Susan Wylie

CSSB 430 makes amendments regarding the Alaska Municipal Bond Bank delineating between general obligation bonds and revenue bonds. In Section 1 specifies general obligation bonds in the procedure of withholding monies from a municipality when they are in default of their payments.

Section 2 states that the total amount of bond bank authority bonds and notes outstanding at any one time may not exceed \$150,000,000 for the purchase of general obligation bonds and revenue bonds.

Section 3 defines a general obligation bond and a revenue bond.

Section 4 provides for short title for the Municipal Bond Bank Authority.

HB 917 establishes the Alaska Medical Facility Authority as the result of finding the existence of inadequate or non-existent medical care in localities of the state. Because existing sources of financing have not been adequate the authority is a means of providing an alternative means to finance the construction and equipment of medical facilities. The authority is a public corporation and a part of the Dept. of Revenue, but with a separate and independent legal existence.

A board of directors, consisting of the commissioner of revenue, health and social services and community and regional affairs shall manage the authority. The board may appoint an executive director.

PAGE TWO

The board has corporate powers including the power to adopt regulations, acquire land, make contracts, provide financing incidental to construction and equipping of medical facilities, to lease, to encumber a mortgage, to issue notes and revenue bonds, to invest its funds, to set rates for the use of and services furnished by a medical facility, to insure, to purchase bonds, to make mortgage loans to a medical facility, <sup>and</sup> to obtain aid from the federal government or any other source.

The authority may not maintain or operate any medical facility. All expenses of the authority are payable solely from funds provided under this chapter and no liability may be incurred by the authority beyond the extent to which money has been provided, except for the expenses of initial organization.

Guidelines are set forth for all transactions regarding bonds, bond anticipation notes, trust indentures and trust agreements.

Rules are established regarding conflict of interest.

Any facility which has been supported by the authority must meet all state requirements relating to construction as well as meeting state health, safety and licensing requirements.

M E M O R A N D U M

May 3, 1978

SUBJECT: CRA Committee  
HCR 125 Approving regulations adopted by the Alaska Coastal  
Policy Council

TO: Representative Al Ose

FROM: Susan Wylie

HCR 125 asks the approval of the regulations adopted by the Alaska Coastal Policy Council. These regulations are felt to be consistent with the state coastal management program and an integral part of the statewide district coastal management program.