

*This ordinance is considered to be  
automatically defeated  
per MMC 2.30.050(F)*

Sullivan, Traini

Fairclough, Von Gemmingen,

Submitted by: Assemblymember **TESCHE** /

Prepared by: Department of Assembly

For reading: December 16, 2003

**ANCHORAGE, ALASKA**

**AR NO. 2003- 389**

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING  
ALASKA SENATE CONCURRENT RESOLUTION 12, ACKNOWLEDGING THE  
NATURAL UNFAIRNESS IN THE CURRENT LOCAL GOVERNMENTAL STRUCTURE  
AND REQUESTING THE LOCAL BOUNDARY COMMISSION TO PRESENT A  
RECOMMENDATION FOR BOROUGH INCORPORATION TO THE LEGISLATURE IN  
ORDER TO FORMALLY REQUEST RESIDENTS LIVING IN CERTAIN UNORGANIZED  
AREAS OF ALASKA TO HELP OPERATE AND FINANCIALLY PROVIDE FOR THEIR  
LOCAL SCHOOL SYSTEM**

WHEREAS, Article X, Section 1 of the Constitution of the State of Alaska encourages the formation of borough governments encompassing large, natural regions and the Alaska State Legislature has a duty under Article X, Section 3 of its Constitution to establish fundamental State policy regarding the formation of organized boroughs; and

WHEREAS, the initial state policy for borough formation was established by the Borough Act of 1961 and provided for the formation of boroughs through a voluntary "local option" process which was proven to be ineffective, causing the 1963 Alaska State Legislature to mandate the formation of boroughs encompassing 80% of Alaskans; and

WHEREAS, following the implementation of the 1963 Mandatory Borough Act, the State of Alaska inexplicably reverted for the past four decades to the generally ineffectual policy of forming boroughs through voluntary means; and

WHEREAS, the State of Alaska imposes significant duties and financial obligations on organized boroughs and home-rule or first-class cities in the unorganized borough but does not do so for the remainder of Alaska; and

WHEREAS, the significant financial obligations imposed by the State on organized boroughs and home-rule or first-class cities in the unorganized borough are, in effect a \$165 million annual State tax levied selectively on the areas noted; and

WHEREAS, there is no reasonable basis, such as fiscal or administrative capacity, for the disparate treatment of Alaskans who live in organized boroughs and home-rule or first-class cities in the unorganized borough in comparison with the remainder of Alaskans; and

WHEREAS, Article I, Section 1 of the Constitution of the State of Alaska provides that all persons are equal and entitled to equal rights, opportunities, and protection under the law, and that all persons have corresponding obligations to the people and to the State; and

1 WHEREAS, the Local Boundary Commission determined in its February, 2003 report  
2 entitled "Unorganized Areas of Alaska that Meet Borough Incorporation Standards" that a  
3 number of unorganized regions currently meet standards for borough incorporation; and  
4

5 WHEREAS, Alaska Senate Concurrent Resolution 12 (SCR 12) requires the Local  
6 Boundary Commission to consider borough incorporation for four of the unorganized areas  
7 determined to meet borough incorporation standards; and,  
8

9 WHEREAS, formation of boroughs promotes maximum local self-government, equity,  
10 and fairness; and also relieves the State of the substantial burden of providing fundamentally  
11 local services.  
12

13 NOW, THEREFORE, the Anchorage Municipal Assembly resolves:  
14

15 **Section 1:** That the Municipality of Anchorage supports Alaska Senate Concurrent  
16 Resolution 12 and urges the Second Session of the Twenty-Third Alaska State Legislature  
17 to pass SCR12.  
18

19 **Section 2:** That copies of this resolution be sent to Governor Murkowski and the  
20 Alaska State Legislature upon passage and approval.  
21

22 PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day of  
23 \_\_\_\_\_, 200 .  
24

25  
26  
27 \_\_\_\_\_  
28 Chair

29 ATTEST:  
30  
31  
32

33 \_\_\_\_\_  
34 Municipal Clerk  
35



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

NO. / <sup>976</sup>~~389~~ -2003

Meeting Date: December 16, 2003

**From:** Assemblymember Tesche

**Subject:** AR 2003 - / <sup>389</sup>~~389~~ SUPPORTING SCR12

The attached resolution, if approved, recommends that the Legislature approve SJR12 which would allow for the formation of new local governments in Alaska through the State of Alaska Local Boundary Commission.

The Commission has tentatively determined that the following areas may meet applicable State and constitutional standards for formation of new local governments:

- Upper Tanana Basin Model Borough
- Copper River Basin Model Borough
- Glacier Bay Model Borough
- Chatham Region Model Borough

Other cities who have shown support for Senate Concurrent Resolution 12 are listed on attachment A.

Your support for Senate Concurrent Resolution 12 by approved the AR 2003-389 is requested.

Respectfully submitted,

Allan Tesche  
Assemblymember

**SENATE CONCURRENT RESOLUTION NO. 12**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-THIRD LEGISLATURE - FIRST SESSION**

**BY SENATORS WILKEN, Bunde, Cowdery, Green, Ogan, Seekins, Ben Stevens, Gary Stevens, Wagoner**

**Introduced: 4/28/03**

**Referred: Community and Regional Affairs, State Affairs**

**A RESOLUTION**

**1    Requesting the Local Boundary Commission to consider borough incorporation for**  
**2    certain unorganized areas.**

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

**4            WHEREAS** Article I, sec. 1, Constitution of the State of Alaska, provides that all  
**5    persons are equal and entitled to equal rights, opportunities, and protection under the law, and**  
**6    that all persons have corresponding obligations to the people and to the state; and**

**7            WHEREAS** the State of Alaska requires organized boroughs, home rule cities in the  
**8    unorganized borough, and first class cities in the unorganized borough to operate a system of**  
**9    municipal public schools as provided in AS 29.35.160 and 29.35.260(b); and**

**10           WHEREAS** the State of Alaska significantly reduces public school funding to  
**11    organized boroughs, home rule cities in the unorganized borough, and first class cities in the**  
**12    unorganized borough by an amount equal to the "local contribution" required of those**  
**13    municipalities under AS 14.17.410, while no corresponding public school funding reductions**  
**14    are imposed on the remainder of Alaska for operation of regional educational attendance**  
**15    areas; and**

**16           WHEREAS** the State of Alaska imposes significant obligations to provide other

1 fundamental public services, such as land use regulation, upon organized boroughs, home rule  
2 cities in the unorganized borough, and first class cities in the unorganized borough, while no  
3 corresponding obligations are imposed on the remainder of Alaska; and

4 **WHEREAS** no reasonable basis, such as fiscal or administrative capacity, exists to  
5 distinguish those Alaskans who do not have obligations to provide a system of public schools  
6 and other fundamental public services from those Alaskans within organized boroughs, home  
7 rule cities in the unorganized borough, and first class cities in the unorganized borough upon  
8 whom the State of Alaska has imposed significant financial and other obligations to provide a  
9 system of public schools and other fundamental public services; and

10 **WHEREAS** borough incorporation of unorganized areas with relatively significant  
11 populations residing outside home rule and first class cities, and with the fiscal and  
12 administrative capacity to operate boroughs, would establish a reasonable basis to distinguish  
13 Alaskans that have significant obligations to provide a system of public schools and other  
14 fundamental public services from those with no such obligations; and

15 **WHEREAS** the Local Boundary Commission determined in its February 2003 report  
16 entitled: "Unorganized Areas of Alaska that Meet Borough Incorporation Standards," that  
17 seven unorganized areas of Alaska meet standards for borough incorporation, including fiscal  
18 and administrative capacity to operate boroughs; and

19 **WHEREAS** four of the seven unorganized areas identified in the Local Boundary  
20 Commission's February 2003 report have relatively significant populations residing outside  
21 home rule and first class cities; those areas are the Upper Tanana Basin Model Borough, the  
22 Copper River Basin Model Borough, the Glacier Bay Model Borough, and the Chatham  
23 Region Model Borough, as those unorganized areas are defined by 3 AAC 110.990(9); and

24 **WHEREAS** the purpose of the local government article of the Constitution of the  
25 State of Alaska is to provide for maximum local self-government with a minimum of local  
26 government units, and to prevent duplication of tax-levying jurisdictions; and

27 **WHEREAS** Article X, sec. 1, Constitution of the State of Alaska, encourages  
28 organization of boroughs to achieve the purpose of the local government article; and

29 **WHEREAS** the local option method of borough incorporation, first enacted in 1961  
30 and currently codified in AS 29.05.060 - 29.05.150, has been generally ineffective in  
31 promoting the fundamental constitutional objective of borough organization; and

1       **WHEREAS** the Local Boundary Commission has authority under art. X, sec. 12,  
2       Constitution of the State of Alaska, to present borough incorporation proposals to the  
3       legislature; and

4       **WHEREAS** the provisions of AS 44.33.812 require the Local Boundary Commission  
5       to adopt regulations providing procedures for borough incorporation; and

6       **WHEREAS** the Local Boundary Commission has adopted procedures for  
7       incorporation of boroughs under 3 AAC 110.400 - 3 AAC 110.660, including procedures in 3  
8       AAC 110.610 for legislative review under art. X, sec. 12, Constitution of the State of Alaska;  
9       and

10      **WHEREAS** the provisions of AS 44.33.812 require the Local Boundary Commission  
11      to consider borough incorporation for areas requested of it by the legislature;

12      **BE IT RESOLVED** that the Alaska State Legislature requests the Local Boundary  
13      Commission to consider borough incorporation for the Upper Tanana Basin Model Borough,  
14      the Copper River Basin Model Borough, the Glacier Bay Model Borough, and the Chatham  
15      Region Model Borough; and be it

16      **FURTHER RESOLVED** that the Alaska State Legislature requests the Local  
17      Boundary Commission to present a recommendation for borough incorporation under the  
18      legislative review method in art. X, sec. 12, Constitution of the State of Alaska, for each  
19      model borough listed in this resolution that is determined by the Local Boundary  
20      Commission, with any appropriate amendments or conditions, to meet applicable borough  
21      incorporation standards under the Constitution of the State of Alaska, Local Boundary  
22      Commission regulations, AS 29.05.031 and 29.05.100; and be it

23      **FURTHER RESOLVED** that the Alaska State Legislature requests the Local  
24      Boundary Commission to include in each legislative review recommendation for borough  
25      incorporation submitted under this resolution, details concerning the class, name, boundaries,  
26      assembly composition and apportionment, proposed operating budget, taxes, and other  
27      areawide and nonareawide powers to be exercised, measures to ensure a smooth transition to  
28      organized borough status, and other elements essential to the establishment of each particular  
29      recommended borough.

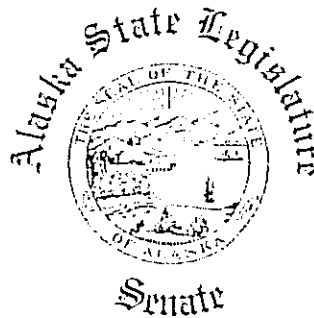
30      **COPIES** of this resolution shall be sent to the Honorable Frank Murkowski, Governor  
31      of Alaska; the Honorable Darroll Hargraves, Chair, Local Boundary Commission; and to the

- 1 Honorable Edgar Blatchford, Commissioner, Department of Community and Economic
- 2 Development.

GARY WILKEN

SENATOR  
Fairbanks

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## SPONSOR STATEMENT

### Senate Concurrent Resolution 12 *Borough Incorporation: Unorganized Areas*

One of my biggest surprises since being elected to the Alaska State Senate in 1996 was the realization that some areas of our state, even with the capacity to do so, do not financially support their local public schools. While residents living in organized boroughs and home rule or first class cities in the unorganized borough are required to operate and help fund their public school system, citizens residing in unorganized Alaska have no such requirement, even if the area has the financial resources necessary to help. This inherent inequality among Alaskans concerns me.

Senate Concurrent Resolution 12 acknowledges the natural unfairness in our current local governmental structure and offers a possible solution. As noted, existing state law imposes significant obligations on organized Alaska while no corresponding duties are imposed on the remainder of Alaska. Unfortunately, there is no reasonable basis in law to distinguish between Alaskans who are required to accept these obligations and those Alaskans who are not. One suggested solution, embodied in SCR 12, sets in motion a process to formally ask residents in the unorganized borough, "Can you help? Can you pay your fair share?"

The Local Boundary Commission (LBC) determined in its February 2003 report entitled *Unorganized Areas of Alaska that Meet Borough Incorporation Standard* that seven unorganized areas meet current standards for borough incorporation, including the necessary fiscal and administrative capacity to conduct borough functions. Four of these seven areas have a significant number of residents who are not required by the state to help operate or support their local schools.



Senate Concurrent Resolution 12 requests the Local Boundary Commission to analyze the capacity for borough incorporation for these four areas:

- Upper Tanana Basin Model Borough
- Copper River Basin Model Borough
- Glacier Bay Model Borough
- Chatham Region Model Borough.

The resolution further requests the LBC to present a recommendation for borough incorporation to the legislature for each model borough listed above that meets applicable borough incorporation standards. Through a lengthy, public review process, a thorough and complete analysis of the economic and social strength of each unorganized area will be undertaken to determine whether the residents of each area can govern themselves and, in the process, help support and fund their local neighborhood school system.

Now is the time to formally ask residents living in unorganized Alaska to help operate and financially provide for their local public schools. In fairness to all the residents of Alaska, this question needs to be asked and appropriately resolved. Passage of SCR 12 is the first step in this process.

I respectfully request your consideration and support for Senate Concurrent Resolution 12.

## Support for Senate Concurrent Resolution 12

### Matanuska-Susitna Borough Resolution No. 03-098

Adopted 09/02/03

- The State of Alaska significantly reduces public school funding to organized boroughs, home rule and first class cities in the unorganized borough, while no corresponding reductions are imposed on REAAs.
- The Local Boundary Commission identified four areas in the unorganized borough – the Upper Tanana Basin, the Copper River Basin, the Glacier Bay Region, and the Chatham Region – as meeting current standards for borough incorporation.
- These four areas have relatively significant populations residing outside home rule or first class cities and are not required to contribute to their local school system.

### City of Kenai Resolution No. 2003-46

Adopted 09/17/03

### Ketchikan Gateway Borough Resolution No. 1761

Adopted 09/22/03

### City of Fairbanks Resolution No. 4086

Adopted 09/22/03

### City of North Pole Resolution No. 03-15

Adopted 10/06/03

- The State of Alaska imposes significant duties and financial obligations on organized boroughs, home rule and first class cities within in the unorganized borough, but does not do so for the remainder of Alaska.
- The significant education obligation imposed by the State is, in effect, a \$165 million tax levied on organized Alaska.
- Senate Concurrent Resolution 12 requires the Local Boundary Commission to consider borough incorporation for four regions previously determined to meet borough incorporation standards, including the necessary fiscal resources.

### City of North Pole letter

Letter of 09/16/03

Mr. Jeffrey Jacobson, Mayor, wrote "SCR 12 provides a mechanism to share the burden of public education with communities that possibly have the ability to financially contribute to public education in their area."

### City of Seward letter

Letter of 09/18/03

Mr. Phil Shealy, Seward City Manager, wrote "I would like to add our support of your efforts and wish you the best in your efforts."

### City of Valdez Resolution No. 03-90

Adopted 10/06/03

- Local Boundary Commission determined seven unorganized areas meet current standards for borough incorporation.
- While three of the seven areas contribute at or above the required contribution level, four of these seven have a significant number of residents who are not required by the state to help operate or support their local schools.
- The City of Valdez supports SCR 12 insofar as it recommends borough formation for the purpose of area contributions toward school operations and maintenance.

### Fairbanks North Star Borough Resolution No. 2003-60

Adopted 10/09/03

- Property owners in FNSB contribute a minimum of 4 mills in tax to support their schools yet residents in unorganized Alaska have no such requirement, even when financial resources are available.
- Supports SCR 12, a resolution to consider borough incorporation for four areas determined to meet current borough standards for incorporation.

Chugiak - Eagle River Chamber of Commerce

Letter of 11/13/03

Prepared by Gary Wilken's Office

Municipality of Anchorage  
MUNICIPAL CLERK'S OFFICE  
**Agenda Document Control Sheet**

*AR 2003-389*

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

<b>1</b>	SUBJECT OF AGENDA DOCUMENT  <b>A Resolution Supporting Alaska Senate Concurrent Resolution 12</b>	DATE PREPARED  26-Nov-03  <input type="checkbox"/> AO <input checked="" type="checkbox"/> AR <input type="checkbox"/> AM <input type="checkbox"/> AIM
<b>2</b>	DEPARTMENT NAME  Assembly	DIRECTOR'S NAME  Dick Traini
<b>3</b>	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY	HIS/HER PHONE NUMBER
<b>4</b>	COORDINATED WITH AND REVIEWED BY	INITIALS                      DATE
	<b>Mayor</b>	
	Heritage Land Bank	
	Merrill Field Airport	
	Municipal Light & Power	
	Port of Anchorage	
	Solid Waste Services	
	Water & Wastewater Utility	
	<b>Municipal Manager</b>	
	Cultural & Recreational Services	
	Employee Relations	
	Finance, Chief Fiscal Officer	
	Fire	
	Health & Human Services	
	Office of Management and Budget	
	Management Information Services	
	Police	
	Planning, Development & Public Works	
	Development Services	
	Facility Management	
	Planning	
	Project Management & Engineering	
	Street Maintenance	
	Traffic	
	Public Transportation Department	
	Purchasing	
	<b>Municipal Attorney</b>	
	<b>Municipal Clerk</b>	
	<b>Other</b>	
<b>5</b>	<b>Special Instructions/Comments</b>  <div style="text-align: center;"><i>Traini</i></div>	
<b>6</b>	ASSEMBLY HEARING DATE REQUESTED  <i>12/2/03</i>	<b>7</b> PUBLIC HEARING DATE REQUESTED