

Advisory Commission on Local Government

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In looking at the commission's charge I have been thinking about how our work might be organized so as to reach our designated objective of delivering findings and appropriate legislative proposals by January 15, 2006. The commission duties include reviewing prior work on these issues and looking at the relationship and roles of the State and local governments. Much of the focus is on the financial relationship and the provision of local government services in those parts of the state which are either economically disadvantaged or in the unorganized Borough or both.

With these thoughts in mind, I believe that the commission needs to have some sort of framework or roadmap for dealing with the issues raised if we are to accomplish the desired goal of making specific recommendations. I believe that a good way to do this (I acknowledge that it is not the only way or necessarily the best way), is to identify specific goals which we can agree on that recommended legislation should achieve, and then to look at the tools we have available and determine which combinations of tools is most likely to achieve the stated goals. The goals are statements of the public policy objectives we would be identifying with our findings.

The following information is something I have put together for discussion purposes. I have started trying to organize some points regarding both the goals which any legislation we recommend might be designed to achieve and the tools or components which might be included in a package of legislation. The goals may need additions or deletions, and not all tools listed would be needed or wanted, but most have been mentioned in the course of past debate on these issues. I believe that if we are able to focus our discussion in this way we can identify pros and cons of specific legislative proposals and perhaps narrow down the possible approaches into a recommended approach. Please circulate this for consideration by the commission.

Draft Goals

- The State should provide the tools to allow for sufficient funding of a basic level of local public services across the state through legislation enabling local taxes and fees and through direct fund transfers to local governments.
- The State should adopt legislation which requires all residents of the state to contribute some equitable amount towards paying for the costs of basic local services.
- The State should adopt legislation requiring all residents of the state to contribute some equitable amount towards paying for the costs of educational services.
- The State should adopt legislation which provides an orderly procedure for transitions as may be appropriate to a given area for 1) formation of administrative units in the unorganized Borough; 2) transition from administrative units of the unorganized Borough to an organized Borough; 3) dissolution of cities; and 4) transfer of assets essential to basic public services from dissolved or non-functioning cities to successor entities.
- The State should adopt legislation which would allow local Boroughs or administrative units of the unorganized Borough to incorporate interaction with traditional local groups such as tribal entities for the provision of local public services.
- Any legislation which would implement a significant change which decreases existing revenues relied upon by communities or significantly increases cost burdens on communities should be designed to be phased in to allow for a transitional period.

Tools

- Legislation placing all areas on the state in Boroughs – Mandatory Boroughs
- Legislation establishing administrative units within the unorganized Borough, or smaller unorganized Boroughs, and giving those units certain powers and duties (related to standards for unorganized Borough, LBC 2005 p. 132-145).
- Administrative order doing the same with advisory “assemblies” (Kevin Ritchie draft Executive order).
- Require contribution to education in some form from the unorganized Borough (LBC 2005 p. 115-122).
 1. 4 mill minimum (current standard for education)
 2. Revenue target (whether from sales tax property tax or other sources) adjusted in relation to per capita income as compared to a standard
 3. Revenue target
- Legislation to funnel any financial assistance only through Boroughs or administrative units of the unorganized Borough (maybe phase in over a 2-3 year period) (LBC 2005 p. 123-124).
 1. Timber receipts (LBC 2005 p. 129)
 2. Shared Fisheries tax (LBC 2005 p. 131)
 3. Funding for REAA’s
 4. Funding to City School districts
- Legislation to provide additional entitlement lands or payment in lieu of lands in connection with Borough annexations (LBC 2005 p. 128-129).
- Change the treatment of pipeline property with respect to borough property taxes (LBC 2005 p. 126).
- Village Safe Water program and similar grants limited so that they are only given through Boroughs.
- A revenue sharing program which provides funds only through Boroughs or administrative units of the unorganized Borough.
- A revenue sharing program tied to specific local services (e.g. public safety, roads, health and sanitation, school contributions).
- Establish an endowment for revenue sharing.
- Establish a format for home rule unorganized Boroughs.
- Legislation to require a municipal fiscal note as a means to draw attention to the impacts on Municipalities of state legislation.
- Don’t decrease a city’s share of revenue sharing if they are in a Borough.
- Take a percentage of any aid to municipalities and earmark it for Borough functions such as areawide planning and economic development and require regional committees to determine spending priorities for affected projects (i.e. use a program like the RAC’s for the 15% of the timber receipts which are restricted to trails and such).
- Direct grant incentives for Borough formation.
- Mandate the consolidation of REAA’s into districts organized into administrative units of the unorganized Borough.