



ALASKA STATE LEGISLATURE

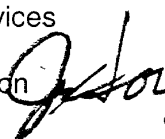
SENATOR JOHN TORGERSON

- ◆ CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
- ◆ CHAIR, SENATE RESOURCES COMMITTEE
- ◆ CHAIR, JOINT COMMITTEE ON NATURAL GAS PIPELINES

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MEMORANDUM

DATE: January 2, 2002
 TO: Tam Cook, Legal Services
 FROM: Senator John Torgerson 
 RE: Legal Opinion – Annexation Issues

The Local Boundary Commission (LBC) has issued a decision on the City of Homer's 2000 annexation petition of some 25 square miles – they reduced it to some 4.5 square miles.

At this point, I have four specific issues which I need clarified.

1. Does the newly adopted language in HB 13 (passed in 2001) apply to this "detachment"?¹
2. When will the City be required to hold elections to provide representation for the newly annexed population? ²
3. Is the LBC able to make a determination that will result in a City's receiving more tax funds than it will expend for services in the new area?³
4. Who is responsible for ensuring that the City of Homer complies with the service expansions and funding they have proposed to the LBC?

¹ As background, note that there are three service areas in the 4.58 detached area. One is a hospital service area, formed some 30 years ago, that affects all city and non-city residents in the lower peninsula. One is a road service area, formed some 20 years ago. The last is a fire service area, formed in 2000 as a direct reaction to the City's annexation petition.

² The population of the annexed area will increase the size of the municipal population by some 22%. Assuming the Legislative Review process is adopted according to the LBC determination, I believe the effective date is immediate. Discussion of issues like zoning, planning, road standards, and service provisions will presumably be undertaken by the City shortly after the effective date and without an election for city council, the newly annexed area will not have had the opportunity to determine representation.

³ For example, assume that the new area is expected to generate \$1.5 million in taxes but the only municipal service that can be provided, roads, is expected to cost only \$0.5 million, generating a net of \$1.0 million in profit to the municipality.

REPRESENTING THE KENAI PENINSULA

Anchor Point Bear Creek Clam Gulch Cooper Landing Crown Point Fritz Creek Happy Valley Halibut Cove Homer Hope Kachemak City Kachemak Selo
 Kaslof Lowell Point Moose Pass Nunwalek Nikolaevsk Ninilchik Port Graham Razdolna Seward Seldovia Soldotna Stariski Sterling Voznesenka

MEMORANDUM (-continued)

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As background information, I am providing these documents:

1. 11/7/01 Memorandum from Commissioner Sedwick (hand written as Legal Request #1) RE: Truncate Terms (5 pages)
2. 12/12/01 Memorandum from AG Marjorie Vandor as response to above, 5 pages total. (handwritten as Response to ... #1)
3. 11/7/01 Memorandum from Commissioner Sedwick (hand written as Legal Request #2) RE: AS 29.35.450(c) (7 pages)
4. 12/12/01 Memorandum from AG Marjorie Vandor as response to above, 1 page total. (handwritten as Response to ...#2)
5. 12/21/01 Letter from Erwin & Erwin RE: AB opinion above, 2 pages total.
6. LBC Statement of Decision – 12/26/01 (43 pages)