

# FYI

-----Original Message-----

From: Dan Bockhorst [mailto:dan\_bockhorst@dced.state.ak.us]  
Sent: Monday, April 05, 2004 3:33 PM  
To: John Harrington  
Cc: Roy Eckert; Scott Brandt-Erichsen; Karl Amylon; Steve Schweppe  
Subject: Re: QUESTIONS

Mr. Harrington: This is in response to the issues you raised regarding the delivery of areawide borough services.

You noted that the current boundaries of the Ketchikan Gateway Borough encompass remote areas. You also remarked that the prospect exists that the boundaries of the Borough will be expanded at some future date to encompass additional remote areas.

It is important to recognize that, given (1) the characteristics of Alaska and (2) the requirement in Article X, Section 3 of Alaska's Constitution that the entire state be divided into boroughs, it is typical for all boroughs to encompass remote areas. I have attached information regarding the size and the population density of organized boroughs in Alaska to put the matter in some perspective.

You asked whether the assembly could choose not to deliver areawide services to remote areas. AS 29.71.800 states, "In this title, unless otherwise provided or the context otherwise requires, "areawide" means throughout a borough, both inside and outside all cities in the borough . . ."

However, areawide duties do not obligate the borough to provide identical levels of service to all areas of the borough. For example, a borough has a duty to provide areawide education. That does not mean that the borough must provide a school, teachers, and bus transportation in every community within the borough, regardless of size. The borough may carry out its duty in a variety of ways. For example, the Matanuska-Susitna Borough discharges its obligation to provide education services to the remote community of Lake Louise by entering into an agreement with the adjoining Copper River Regional Educational Attendance Area to provide educational services to the students at Lake Louise. The Borough also offers an educational correspondence program. It maintains no school at Lake Louise. It has other duties, such as libraries, in the area in question, but does not have any library at that community.

You also asked whether an assembly is empowered to set a reduced mill levy to reflect differential service levels. Boroughs do indeed have the power to establish differential property tax rates and other differential tax rates (e.g., for sales taxes). Ketchikan Gateway Borough officials contemplated differential tax rates with respect to the areas recently contemplated for annexation.

You asked whether the new charter could or should include specific provisions which empower the assembly to establish differential tax rates. I believe that it would be appropriate to include such provisions in the charter.

With regard to that issue, AS 29.35.470(b) states that "The assembly may by ordinance establish, alter, and abolish differential tax zones within a service area to provide and levy property taxes for a different level of services than that provided generally in the service area. Taxes levied within a differential tax zone that exceed the amount that would have otherwise been levied may only be used for the services provided in that zone." However, that provision is not a limitation on home rule municipalities under AS 29.10.200. It also is narrowly stated to apply to service areas.

Additionally, AS 29.45.580, which is a limitation on home rule municipalities, states "A city may by ordinance establish, alter, and abolish differential tax zones to provide and levy property taxes for services not provided generally in the city or a different level of service than that provided generally in the city." However, it deals expressly with only cities and concerns only property taxes.

Lastly, you asked what form the charter provision should take. Since the Borough recently contemplated the issue of differential taxation in the context of the prospective annexation, I suggest that you confer with the Borough Manager and Borough Attorney. I would also encourage you to confer with the City Manager and City Attorney on the matter. If it would be helpful, I can also provide further input on this particular issue.

I am sending a copy of my response to the Borough Manager, Borough Attorney, City Manager and City Attorney in order that they may share any additional insights they have regarding this matter.

Cordially,  
Dan Bockhorst  
269-4559

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John Harrington wrote:

Greetings Mr. Bockhorst,

I appreciate your continuing involvement with the Ketchikan charter commission. Your information has been extremely valuable. So, of course, I will continue to ask for more and more of your advice.

I have questions regarding the delivery of areawide powers.

The Ketchikan Borough currently has many areas that are remote. Also the Borough continues to explore the possible annexation of the Cleveland Peninsula, Misty Fiords National monument and all properties between here and Hyder. With areawide powers of library, animal control, etc.

1. Can the assembly choose to not deliver services to these remote areas?
2. If they so choose, is the assembly empowered to set a reduced mil levy for these areas?
- 3.) In the new charter could/should we include specific provisions which empowers the assembly to do precisely that?
- 4.) Assuming that #3 is affirmative, what form should it take? (Do we establish a super-service area of the entire developed borough? Do we create an anti-service area with specific limitations on delivery of services to remote areas? Or do we use a zoning classification with a Wilderness/Remote designation of some kind? Or is there a simple way of doing it?

Again thank you for your assistance.

# SIZE OF AREAS OF ORGANIZED AND MODEL BOROUGHS – 2000

(Compiled by the Department of Community and Economic Development)

| ORGANIZED BOROUGH, MODEL BOROUGH, AND PARTS OF UNORGANIZED BOROUGH WITHIN MODEL BOUNDARIES OF ORGANIZED BOROUGH | TYPE OF AREA OR LOCALITY | LAND (SQUARE MILES) | COASTAL ZONE (SQUARE MILES) | TOTAL AREA (SQUARE MILES) |
|-----------------------------------------------------------------------------------------------------------------|--------------------------|---------------------|-----------------------------|---------------------------|
| North Slope Borough                                                                                             | organized borough        | 89611               | 4772                        | 94383                     |
| Yukon Koyukuk Model Borough                                                                                     | model borough            | 58453               | 0                           | 58453                     |
| Yukon Flats Model Borough                                                                                       | model borough            | 49872               | 0                           | 49872                     |
| Iditarod Model Borough                                                                                          | model borough            | 41569               | 0                           | 41569                     |
| Northwest Arctic Borough                                                                                        | organized borough        | 36315               | 2307                        | 38621                     |
| Lake & Peninsula Borough                                                                                        | organized borough        | 26426               | 2406                        | 28832                     |
| Bering Strait Model Borough                                                                                     | model borough            | 23266               | 4332                        | 27598                     |
| Lower Kuskokwim Model Borough                                                                                   | model borough            | 22160               | 3620                        | 25780                     |
| Matanuska-Susitna Borough                                                                                       | organized borough        | 25000               | 197                         | 25196                     |
| <b>Upper Tanana Basin Model Borough</b>                                                                         | <b>model borough</b>     | 24604               | 0                           | 24604                     |
| <b>Copper River Basin Model Borough</b>                                                                         | <b>model borough</b>     | 24150               | 0                           | 24150                     |
| Dillingham-Nushagak-Togiak Model Borough                                                                        | model borough            | 18972               | 1299                        | 20271                     |
| Lower Yukon Model Borough                                                                                       | model borough            | 18455               | 1400                        | 19855                     |
| Kenai Peninsula Borough                                                                                         | organized borough        | 16437               | 3382                        | 19819                     |
| Prince William Sound Model Borough                                                                              | model borough            | 9875                | 4007                        | 13881                     |
| Aleutians East Borough                                                                                          | organized borough        | 7041                | 6489                        | 13530                     |
|                                                                                                                 |                          |                     |                             |                           |
| Aleutians West Model Borough                                                                                    | model borough            | 4322                | 8323                        | 12645                     |
| Kodiak Island Borough                                                                                           | organized borough        | 6837                | 4633                        | 11470                     |
| Kuspuk Model Borough                                                                                            | model borough            | 11441               | 0                           | 11441                     |
| City and Borough of Yakutat                                                                                     | organized borough        | 7813                | 1231                        | 9044                      |
| Fairbanks North Star Borough                                                                                    | organized borough        | 7469                | 0                           | 7469                      |
| Prince of Wales Model Borough                                                                                   | model borough            | 3784                | 3396                        | 7180                      |
| Wrangell-Petersburg Model Borough                                                                               | model borough            | 4956                | 1528                        | 6484                      |
| <b>Glacier Bay Model Borough</b>                                                                                | <b>model borough</b>     | 4453                | 1669                        | 6123                      |
| City and Borough of Sitka                                                                                       | organized borough        | 2913                | 1544                        | 4457                      |
| <b>Chatham Model Borough</b>                                                                                    | <b>model borough</b>     | 2002                | 1302                        | 3304                      |
| City and Borough of Juneau                                                                                      | organized borough        | 2760                | 471                         | 3231                      |
| Haines Borough                                                                                                  | organized borough        | 2378                | 355                         | 2733                      |

|                                                                                       |                                                            |         |        |         |
|---------------------------------------------------------------------------------------|------------------------------------------------------------|---------|--------|---------|
| Municipality of Anchorage                                                             | organized borough                                          | 1731    | 211    | 1942    |
| Ketchikan Gateway Borough                                                             | organized borough                                          | 1240    | 509    | 1749    |
| Bristol Bay Borough                                                                   | organized borough                                          | 510     | 197    | 707     |
| Pribilof Islands Model Borough                                                        | model borough                                              | 79      | 344    | 423     |
| Annette Island Model Borough                                                          | model borough                                              | 133     | 144    | 277     |
| Endicott Arm – Hobart Bay (within model boundaries of the City and Borough of Juneau) | localities within model boundaries of an organized borough | 1558    | 670    | 2228    |
| Hyder, Meyers Chuck, Outer Ketchikan                                                  | localities within model boundaries of an organized borough | 3978    | 928    | 4906    |
| Klukwan and Skagway                                                                   | localities within model boundaries of an organized borough | 439     | 0      | 439     |
| Livengood, Central, Circle Hot Springs                                                | localities within model boundaries of an organized borough | 4788    | 0      | 4788    |
| Nenana                                                                                | localities within model boundaries of an organized borough | 1916    | 0      | 1916    |
| State of Alaska                                                                       |                                                            | 582,391 | 61,666 | 644,057 |

**POPULATION DENSITIES – ORGANIZED AND MODEL  
BOROUGHES – 2000**

(Compiled by the Department of Community and Economic Development)

| <b>ORGANIZED BOROUGH, MODEL BOROUGH, AND PARTS OF UNORGANIZED BOROUGH WITHIN MODEL BOUNDARIES OF ORGANIZED BOROUGH</b> | <b>TYPE OF AREA OR LOCALITY</b> | <b>2000 POPULATION</b> | <b>LAND SIZE, EXCLUDING COASTAL ZONE (SQ. MI.)</b> | <b>RESIDENTS PER SQUARE MILE</b> |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------|----------------------------------------------------|----------------------------------|
| Municipality of Anchorage                                                                                              | organized borough               | 260,283                | 1731                                               | 150.39                           |
| Ketchikan Gateway Borough                                                                                              | organized borough               | 14,070                 | 1240                                               | 11.35                            |
| City and Borough of Juneau                                                                                             | organized borough               | 30,711                 | 2760                                               | 11.13                            |
| Fairbanks North Star Borough                                                                                           | organized borough               | 82,840                 | 7469                                               | 11.09                            |
| Annette Island Model Borough                                                                                           | model borough                   | 1,447                  | 133                                                | 10.86                            |
| Pribilof Islands Model Borough                                                                                         | model borough                   | 684                    | 79                                                 | 8.70                             |
| City and Borough of Sitka                                                                                              | organized borough               | 8,835                  | 2913                                               | 3.03                             |
| Kenai Peninsula Borough                                                                                                | organized borough               | 49,691                 | 16437                                              | 3.02                             |
| Bristol Bay Borough                                                                                                    | organized borough               | 1,257                  | 510                                                | 2.47                             |
| Matanuska-Susitna Borough                                                                                              | organized borough               | 59,322                 | 25000                                              | 2.37                             |
| Kodiak Island Borough                                                                                                  | organized borough               | 13,913                 | 6837                                               | 2.03                             |
| Prince of Wales Model Borough                                                                                          | model borough                   | 4,651                  | 3784                                               | 1.23                             |
| Wrangell-Petersburg Model Borough                                                                                      | model borough                   | 5,893                  | 4956                                               | 1.19                             |
| Aleutians West Model Borough                                                                                           | model borough                   | 4,781                  | 4322                                               | 1.11                             |
| Haines Borough                                                                                                         | organized borough               | 2,392                  | 2378                                               | 1.01                             |
| Prince William Sound Model Borough                                                                                     | model borough                   | 6,964                  | 9875                                               | 0.71                             |
| <b>Chatham Model Borough</b>                                                                                           | <b>model borough</b>            | <b>1,354</b>           | <b>2002</b>                                        | <b>0.68</b>                      |
| Lower Kuskokwim Model Borough                                                                                          | model borough                   | 14,433                 | 22160                                              | 0.65                             |
| Bering Strait Model Borough                                                                                            | model borough                   | 9,196                  | 23266                                              | 0.40                             |
| <b>Glacier Bay Model Borough</b>                                                                                       | <b>model borough</b>            | <b>1,739</b>           | <b>4453</b>                                        | <b>0.39</b>                      |
| Aleutians East Borough                                                                                                 | organized borough               | 2,697                  | 7041                                               | 0.38                             |
| Lower Yukon Model Borough                                                                                              | model borough                   | 7,028                  | 18455                                              | 0.38                             |
| Dillingham-Nushagak-Togiak Model Borough                                                                               | model borough                   | 4,922                  | 18972                                              | 0.26                             |
| <b>Upper Tanana Basin Model Borough</b>                                                                                | <b>model borough</b>            | <b>6,316</b>           | <b>24604</b>                                       | <b>0.26</b>                      |
| Northwest Arctic Borough                                                                                               | organized borough               | 7,208                  | 36315                                              | 0.20                             |
| <b> </b>                                                                                                               |                                 |                        |                                                    |                                  |
| Kuspuk Model Borough                                                                                                   | model borough                   | 1,573                  | 11441                                              | 0.14                             |
| <b>Copper River Basin Model Borough</b>                                                                                | <b>model borough</b>            | <b>3,089</b>           | <b>24150</b>                                       | <b>0.13</b>                      |
| City and Borough of Yakutat                                                                                            | organized borough               | 808                    | 7813                                               | 0.10                             |

|                                                                                       |                                                            |                |        |      |
|---------------------------------------------------------------------------------------|------------------------------------------------------------|----------------|--------|------|
| North Slope Borough                                                                   | organized borough                                          | 7,385          | 89611  | 0.08 |
| Lake & Peninsula Borough                                                              | organized borough                                          | 1,823          | 26426  | 0.07 |
| Yukon Koyukuk Model Borough                                                           | model borough                                              | 2,812          | 58453  | 0.05 |
| Iditarod Model Borough                                                                | model borough                                              | 1,283          | 41569  | 0.03 |
| Yukon Flats Model Borough                                                             | model borough                                              | 1,376          | 49872  | 0.03 |
| Endicott Arm – Hobart Bay (within model boundaries of the City and Borough of Juneau) | localities within model boundaries of an organized borough | 3              | 1558   | 0.00 |
| Hyder, Meyers Chuck, Outer Ketchikan                                                  | localities within model boundaries of an organized borough | 118            | 3978   | 0.03 |
| Klukwan and Skagway                                                                   | localities within model boundaries of an organized borough | 1,001          | 439    | 2.28 |
| Livengood, Central, Circle Hot Springs                                                | localities within model boundaries of an organized borough | 163            | 4788   | 0.03 |
| Nenana                                                                                | localities within model boundaries of an organized borough | 440            | 1916   | 0.23 |
| State of Alaska                                                                       |                                                            | <b>626,394</b> | 582391 | 1.08 |