DCED complies with Title II of the Americans with Disabilities Act of 1990. Upon request, this report will be made available in large print or other accessible formats. Requests for such should be directed to the local Boundary Commission staff at 907-269-4560.

Photos of the Constitutional Convention were supplied by the Anchorage Museum of History and Art, Steve McCutcheon, Photographer.
DISTINCTIONS BETWEEN CITIES AND BOROUGHS

Alaska has only two fundamental units of municipal government – cities and organized boroughs. Both are municipal corporations and political subdivisions of the State of Alaska. In certain instances, city governments and borough governments in Alaska have similar powers and duties. More particularly, the 18 home rule and first class city governments in the unorganized borough have virtually identical powers and duties as the 16 organized boroughs. A map listing the 18 cities appears on page 11.

While there are similarities between certain city governments and borough governments, there are also fundamental distinctions between the two. Paramount among these is the area served by each type of municipal government. Cities are community-based municipal governments. In contrast, organized boroughs are regional municipal governments. Consider the following:

- On average, the corporate boundaries of cities in Alaska encompass slightly more 27 square miles. In comparison, the average organized borough encompasses about 17,600 square miles (652 times the average size of cities).

- Current State law restricts the inclusion of large geographical regions or large unpopulated areas within cities. [3 AAC 110.040(b) - (c); 3 AAC 110.130(c) - (d)]. In contrast, several provisions in Alaska’s Constitution and laws promote borough boundaries that embrace large and natural regions. Specifically:
  - Borough boundaries must conform generally to natural geography [AS 29.05.031(a)(2); 3 AAC 110.060; 3 AAC 110.190];
  - Each borough must embrace an area and population with common interests to the maximum degree possible [Art. X, § 3, Ak. Const.];
  - The Constitution promotes minimum numbers of local governments (which, in turn, encourages larger boroughs) [Art. X, § 1, Ak. Const.];
  - Borough boundaries must conform to regional educational attendance area (REAA) boundaries (see REAA map on page 8) unless the Local Boundary Commission determines, after consultation with the Commissioner of the Department of Education and Early Development, that different boundaries are better suited [3 AAC 110.060(c); 3 AAC 10.190(d)]; and
  - Borough boundaries must take into consideration the model boundaries defined by the Local Boundary Commission (see model borough boundaries map on page 12) [3 AAC 110.060(b); 3 AAC 110.190(c)].
◆ The boundaries of cities are limited to areas in which there is a need for city government. [3 AAC 110.010; 3 AAC 110.090]. Boroughs differ in that all of Alaska must be divided into boroughs (organized or unorganized) regardless of the need for borough services [Art. X, § 1, Ak. Const.].

◆ A city embraces a single community [AS 29.05.011; 3 AAC 110.040(b)]. In contrast, the law presumes that there will be multiple communities in a proposed new borough [3 AAC 110.045(b)].

CHARACTERISTICS OF EXISTING ORGANIZED BOROUGHS

Presently, there are 16 organized boroughs in Alaska.

Boroughs are adaptable to both rural and urban areas. More than 1/3 of Alaska’s organized boroughs encompass areas that are exclusively rural (Bristol Bay, North Slope, Northwest Arctic, Aleutians East, Lake & Peninsula, and Yakutat). Another 1/3 of the boroughs include a number of rural communities (Kodiak Island, Kenai Peninsula, Haines, Ketchikan, Matanuska-Susitna, and Denali).

Eben Hopson, first Mayor of the North Slope Borough, promoted borough formation as a means to advance the social and economic well-being of North Slope residents. Additionally, he saw the North Slope Borough as a means to preserve and protect the Inupiat culture and language and to establish local control and self-determination. (Thomas Morehouse, et al., Alaska’s Urban and Rural Governments, 1984, page 144.)

The Alaska Municipal League takes the following view concerning the suitability of boroughs in predominantly Native areas:

Borough government can be a valuable tool for local self-determination that allows municipal and tribal government/organizations to co-exist successfully while resources are maximized. (Alaska Municipal League, AML Issue Paper: Municipal Government in Alaska.)

Home rule boroughs are the most popular form of organized borough in Alaska, followed closely by second class boroughs.

◆ Half of the organized boroughs in Alaska are home rule boroughs (8 of 16). These consist of the City and Borough of Sitka, City and Borough of Juneau, Municipality of Anchorage, City and Borough of Yakutat, Lake and Peninsula Borough, Denali Borough, Northwest Arctic Borough and the North Slope Borough. The first three listed in the previous sentence are “unified home rule municipalities” (home rule boroughs in which no cities may exist).

◆ Just over half of all Alaskans live in home rule boroughs (319,750 of 628,800, or 50.9%).

◆ Four of the last five boroughs to form are home rule boroughs (Northwest Arctic in 1986; Lake and Peninsula in 1989; Denali in 1990, and Yakutat in 1992).

◆ The most populous borough in Alaska is a home rule borough (Anchorage, population: 261,446).

◆ The least populous borough in Alaska is also a home rule borough (Yakutat, population 744).

Second class boroughs are the second most popular form of organized borough. Seven of the 16 organized bor-
Boroughs in Alaska are second class. They consist of the Bristol Bay Borough, Ketchikan Gateway Borough, Kodiak Island Borough, Kenai Peninsula Borough, Matanuska-Susitna Borough, Fairbanks North Star Borough, and Aleutians East Borough.

Borough Government Classifications

There is one third class borough in Alaska, the Haines Borough. The legislature authorized the creation of third class boroughs in Alaska in 1968, but amended the law in 1985 to prohibit the incorporation of new third class boroughs. Page 14 includes a map showing each of the 16 organized boroughs.

As noted previously, organized boroughs encompass an average of 17,600 square miles. However, the size of individual organized boroughs varies considerably. The largest organized borough is the North Slope Borough (94,770 square miles). The Bristol Bay Borough is the smallest (850 square miles).

Alaska’s 16 organized boroughs are inhabited by 545,664 individuals, or nearly 87% of the total population of the state. Of the 545,664 residents of organized boroughs in Alaska approximately 18% also live within a city government.

Organized boroughs encompass only about 43 percent of the geographic area of Alaska. That part of Alaska lying outside of organized boroughs is defined by law (AS 29.03.010) as comprising a single unorganized borough. (See map on page 6.) As it is presently configured, the unorganized borough encompasses 374,843 square miles. The unorganized borough is inhabited by 83,136 residents. Alaska is the only state in the nation with unorganized regions.
CLASSIFICATIONS OF BOROUGHS

There are five different classifications of organized boroughs in Alaska. These are unified home rule, non-unified home rule, first class, second class, and third class. First class, second class, and third class boroughs are general law governments. Table 1 lists the number of boroughs of each classification.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Number</th>
<th>2K Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unified Home Rule</td>
<td>3</td>
<td>300,833</td>
</tr>
<tr>
<td>Non-Unified Home Rule</td>
<td>5</td>
<td>18,917</td>
</tr>
<tr>
<td>First Class</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Second Class</td>
<td>7</td>
<td>223,398</td>
</tr>
<tr>
<td>Third Class</td>
<td>1</td>
<td>2,516</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>545,664</td>
</tr>
</tbody>
</table>

A unified municipality is considered to be an organized borough for several reasons. First, a unified municipality is defined by the Local Boundary Commission as a borough [3 AAC 110.990(1)]. Second, unified municipalities exhibit certain characteristics that are exclusive to organized borough boroughs (e.g., operation of service areas and regional nature), but none exhibit characteristics that are exclusive to city governments. Further, all unified municipalities must exercise the mandatory areawide borough powers under AS 29.35.150 – 180 (however, home rule and first class cities in the unorganized borough must also exercise these powers). Third, the legislature consistently treats unified municipalities as organized boroughs. For example, State statutes utilize the same standards for incorporation of a borough as they do for incorporation of a unified municipality (AS 29.05.031). By contrast, the legislature has established separate standards for incorporation of a city (AS 29.05.011). Additionally, AS 29.06.190(b) provides that “an area that is not incorporated as a borough, including any cities in the area, may incorporate as a unified municipality under AS 29.05.031.” Another example is found in the fact that newly formed unified municipalities and boroughs are entitled to identical organization grants and other transitional assistance (AS 29.05.190; 29.05.210), whereas newly formed cities are entitled to different levels of organization grants and transitional assistance. Yet another example is found in AS 29.06.410 which describes the powers of a unified municipality to include all powers granted to a home rule borough. Fourth, all three of the existing unified municipalities in Alaska recognize themselves as boroughs in that each is governed by an assembly. Art. X, Sec. 4 of Alaska’s constitution reserves the term “assembly” for the governing body of a borough, whereas Art. X, Sec. 8 of Alaska’s constitution reserves the term “council” for the governing body of a city.

BOROUGH POWERS

Article X of Alaska’s Constitution establishes the framework for local government in Alaska. Section 1 of the local government article states the following with respect to the purpose and construction of the constitutional provisions regarding local government:

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The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdictions. A liberal construction shall be given to the powers of local government units. (emphasis added)

All local governments in Alaska – general law cities, home rule cities, general law boroughs, and home rule boroughs – enjoy broad powers. The Alaska Supreme Court has interpreted the constitution provision for a liberal construction of the powers of local government as follows:

The constitutional rule of liberal construction was intended to make explicit the framers' intention to overrule a common law rule of interpretation which required a narrow reading of local government powers. (footnote omitted)


In concert with the liberal construction clause of Article X, Section 1, the legislature long ago enacted broad statutory provisions concerning the construction of the powers of local government as follows:

Sec. 29.35.400. General construction. A liberal construction shall be given to all powers and functions of a municipality conferred in this title.

Sec. 29.35.410. Extent of powers. Unless otherwise limited by law, a municipality has and may exercise all powers and functions necessarily or fairly implied in or incident to the purpose of all powers and functions conferred in this title.

In 1983, the Alaska Supreme Court again addressed the liberal construction clause of Article X, Section 1 along with the version of the two statutes noted above that was then in effect. The issue then before the court involved what was arguably a conflict between State law and an ordinance of a general law borough. The court used the same rule to resolve the conflict that it used previously to resolve a conflict between a State statute and home rule municipal ordinance. In doing so, the court clearly enhanced the powers of general law municipalities in Alaska. Gilman v. Martin, 662 P.2d 120, 124 (Alaska 1983)

The powers of general law municipalities in Alaska were further enhanced to a great degree in 1985 when the State legislature eliminated the enumerated list of regulatory powers of general law municipalities (former AS 29.48.035) and the enumerated list of authorized facilities and services of general law municipalities (former AS 29.48.030). The enumerated lists of powers were replaced with the broadest possible grant of powers to general law municipalities; i.e., "...any power not otherwise prohibited by law.” [AS 29.35.200(a) & (c); 210(c) & (d); 220(d); 250(a); 260(a)]

A principal distinction between a first class borough and a second class borough relates to the manner in which powers are assumed. A first class borough may exercise any power not prohibited by law on a non-areawide basis (i.e., in the area of the borough outside cities) by adopting an ordinance. In contrast, a second class borough must gain voter approval for the authority to exercise many non-areawide powers.
The powers of a third class borough are more restrictive. Unlike all other organized boroughs, a third class borough can only exercise two powers on an areawide basis — education and taxation. The law prohibits the creation of new third class boroughs.

While general law local governments in Alaska have broad powers, home rule local governments have even greater powers. Article X, Section 11 of Alaska’s Constitution provides that:

A home rule borough or city may exercise all legislative powers not prohibited by law or by charter.

Adoption of a home rule charter promotes maximum local self-government to the greatest extent possible.

The duties of organized boroughs vary. All local governments have certain fundamental duties such as conducting elections and holding regular meetings of the governing bodies. Beyond this, the duties of municipalities in Alaska vary considerably.

All organized boroughs (as well as home rule cities in the unorganized borough and first class cities in the unorganized borough) must operate municipal school districts on an areawide basis. All organized boroughs except third class boroughs must also exercise planning, platting, and land use regulation throughout the municipality. Organized boroughs also have the duty to collect municipal property, sales, and use taxes levied within their boundaries. Otherwise, municipal powers are exercised at the discretion of local governments.

The white area inside this map shows the area within the State of Alaska known as the Unorganized Borough.
Organized boroughs may provide services on three levels. These are (1) areawide (i.e., throughout the entire borough); (2) non-areawide (i.e., in that part of the borough outside of cities; and (3) service area (the size and configuration of service areas may vary, they may even include cities under certain circumstances). Alaska’s Constitution (Article X, § 5) and Alaska Statutes (AS 29.35.450) prohibit the creation of new service areas if services can be provided by an existing service area, annexation to a city, or incorporation of a new city.

**THE UNORGANIZED BOROUGH**

Unlike organized boroughs, the unorganized borough is not a municipal corporation or political subdivision of the State of Alaska. Rather, it is an instrumentality of the State – a unit of state government.

Unorganized boroughs were intended to serve as a means to decentralize and regionalize State services and to foster local participation in the administration of state programs within regions not ready or suited for organized borough status.

Art. X, § 6 of Alaska’s constitution stipulates that, “The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough.”

The legislature has enacted two key provisions to allow for local participation and responsibility in the delivery of State services in the unorganized borough. These are described below.

**Regional educational attendance areas (REAs)** are state service areas to provide public education to the unorganized borough, except within home rule and first class cities. The 1975 legislature required the former Department of Community and Regional Affairs, in consultation with the former Department of Education and local communities, to divide the unorganized borough into educational service areas. The...
criteria used to establish the boundaries of REAAs are similar in many respects to the criteria for setting boundaries of organized boroughs. [AS 14.08.031] In a number of instances, the model borough boundaries set by the Local Boundary Commission in 1991-1992 follow the boundaries of REAAs.

Initially, 21 REAAs were established. These were: Adak, Alaska Gateway (headquartered in Tok), Aleutian Region, Annette Island, Bering Strait, Chatham (headquartered in Angoon), Chugach (serving Prince William Sound), Copper River, Delta/Greely, Iditarod Area, Kuspuk, Lake and Peninsula, Lower Kuskokwim, Lower Yukon, Northwest Arctic, Pribilof Islands, Railbelt, Southeast Island, Southwest Region, Yukon Flats, and Yukon-Koyukuk.

In 1985, the State Legislature passed a law leading to the formation of two “federal transfer regional educational attendance areas.” One was Kashunamiut, an enclave in the Lower Yukon REAA encompassing the single community of Chevak. The other was the Yupiit REAA, comprising three non-contiguous enclaves in the Lower Kuskokwim REAA serving the communities of Akiachak, Akiak, and Tuluksak.

Since the mid-1970s, five organized boroughs have formed. The formation of the Northwest Arctic Borough, Lake and Peninsula Borough and Denali Borough, resulted in the dissolution of the REAAs in those areas.
In the case of the other two new boroughs, the Aleutians East Borough and the City and Borough of Yakutat encompassed only portions of the REAAs in those regions. Thus, in those two instances, the remnant REAAs remained in existence.

In 1997, the Aleutians Region REAA and Adak REAA were consolidated into one unit. Today, there are 19 REAAs.

**Coastal resource service areas (CRSAs)** may be formed in the unorganized borough to perform certain duties under the Alaska Coastal Management Program [AS 46.40.110 - 46.40.180]. CRSAs are organized to develop and recommend for State approval a coastal management plan for the area within the boundaries of the CRSA. The State implements the plan. CRSAs are advisory only and have no implementing authority.

There are presently four CRSAs in the unorganized borough. These are the Bristol Bay CRSA, the Aleutians West CRSA, the Cenaliulriit CRSA and the Bering Straits CRSA.

The Bristol Bay CRSA conforms to the boundaries of the Southwest Region REAA and includes the first class City of Dillingham. The Aleutians West CRSA has the same boundaries as the Aleutian Region REAA and includes the first class City of Unalaska.

The Cenaliulriit CRSA encompasses four REAAs. These are the Lower Yukon, Lower Kuskokwim, Kashunamiut and Yupiit REAAs. The latter two are the small federal transfer REAAs formed in 1985. The Cenaliulriit CRSA excludes the second class City of Bethel.

The Bering Straits CRSA conforms to the boundaries of the Bering Straits REAA. The first class City of Nome is excluded from that CRSA.

**Salmon Production Regional Associations**. AS 16.10.380 provides that a qualified salmon production regional association, when it becomes a nonprofit corporation under AS 10.20, is established as a service area in the unorganized borough under AS 29.03.020 for the purpose of providing salmon enhancement services.

**Other Service Areas in the Unorganized Borough.** AS 29.03.020. provides that the legislature may establish, eliminate, or change service areas of the unorganized borough. Specifically, it provides that:

Allowing for maximum local participation, the legislature may establish, alter, or abolish service areas within the unorganized borough to provide special services, that may include but are not limited to schools, utilities, land use regulations, and fire protection. A new service area may not be established if the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city.
PRINCIPLES AND STANDARDS RELATING TO
BOROUGH INCORPORATION AND ANNEXATION

Alaska’s Constitution encourages boroughs.
◆ Art. X, § 1 encourages the formation of boroughs.
◆ Art. X, § 1 also encourages annexation of unorganized areas to boroughs where applicable standards are met.

Alaska’s Constitution favors minimizing the number of boroughs.
◆ Art. X, § 1 is an express policy of minimizing the number of cities and boroughs.

Boroughs must embrace a natural region.
◆ All of Alaska must be divided into boroughs — organized or unorganized [Art. X, § 1, Ak. Const.].
◆ Each borough must embrace an area and population with common interests to the maximum degree possible [Art. X, § 1, Ak. Const.].
◆ The population must be socially, culturally and economically interrelated and integrated [AS 29.05.031(a)(1); 3 AAC 110.045; 3 AAC 110.160].
◆ The boundaries must conform generally to natural geography [AS 29.05.031(a)(2); 3 AAC 110.060; 3 AAC 110.190].
◆ Land, water, and air transportation facilities must allow the communication and exchange needed for integrated government [AS 29.05.031(a)(4); 3 AAC 110.045; 3 AAC 110.160].
◆ Boundaries may not extend beyond the model boundaries defined by the Local Boundary Commission, unless the Commission determines that an extension is warranted [3 AAC 110.060(b); 3 AAC 110.190(c)].
◆ Boundaries must conform to REAA boundaries unless the Local Boundary Commission determines, after consultation with the Commissioner of the Department of Education, that different boundaries are better suited [3 AAC 110.060(c); 3 AAC 110.190(d)].
◆ There must be at least two communities in the borough, unless the Local Boundary Commission determines that a sufficient interrelationship exists with only one community [3 AAC 110.045(b)].

Boroughs must have resources to operate efficiently & effectively.
◆ The population must be large and stable enough to support borough government [AS 29.05.031(a)(1); 3 AAC 110.050; 3 AAC 110.170].
◆ There must be at least 1,000 permanent residents unless the Local Boundary Commission determines that a smaller number is suitable [3 AAC 110.050(b)].
◆ The boundaries must include all areas necessary for full development of municipal services [AS 29.05.031(a)(2); 3 AAC 110.060; 3 AAC 110.190].
◆ The economy must have the human and financial resources capable of providing municipal services [AS 29.05.031(a)(3); 3 AAC 110.180].
Methods of Annexation

State law allows four different methods of annexation to boroughs. The different methods are outlined below. The first three listed are seldom used.

Annexation of Adjoining Borough-Owned Property. Borough-owned property that is contiguous to the boundaries of the borough, may be annexed to that borough. The borough assembly must adopt an ordinance and then petition the Local Boundary Commission.

Annexation Upon Unanimous Consent of Owners and Resident Voters. An area adjoining a borough may be annexed if all of the property owners and all of the voters living in the area proposed for annexation consent. Typically, this process is used for the annexation of small numbers of parcels, often in conjunction with requests from property owners for the extension of services. To implement annexation, the borough must adopt an ordinance and then petition the Local Boundary Commission.

Annexation by Election. An area may be annexed upon approval by the Local Boundary Commission, subject to ratification by the voters in the area proposed for annexation. To pass, the proposition must be approved by a majority of those voting on the question. This type of annexation is seldom used.
Annexation by Legislative Review.

An area may be annexed without approval by the voters or property owners under the legislative review process. Proposals may be initiated by the borough, State Legislature, voters, and others. Such proposals require approval by the Local Boundary Commission as well as review and tacit approval by the State legislature.

Legislative review is initiated when the Local Boundary Commission files a recommendation for the annexation with the legislature. Such recommendations may be filed only during the first 10 days of a regular session of the legislature. The recommendation is rejected only if the legislature adopts a concurrent resolution to deny the action within 45 days of the date that it was filed. Otherwise, the proposal gains tacit approval from the legislature.
Annexation Procedures

Procedures governing annexation are designed to secure the informed, reasonable, timely, and inexpensive determination of every proposal that comes before the Commission. The procedures and requirements include:

- Extensive public notice that a petition has been filed with the Local Boundary Commission.
- Public access to a complete set of petition documents.
- At least seven weeks for individuals and organizations to file comments or responsive briefs with the Local Boundary Commission in support of or in opposition to the petition.
- At least two weeks for the petitioner to file a brief with the Local Boundary Commission in reply to the responsive briefs and comments.
- At least four weeks for interested persons and organizations to review and comment upon a preliminary report by DCED concerning the annexation proposal.
- Opportunity to review DCED's final report on the annexation proposal at least three weeks prior to a Local Boundary Commission hearing on the matter.
- Opportunity to participate at the Local Boundary Commission hearing on the matter (those who filed a responsive brief may make an opening statement; provide sworn testimony, and make a closing statement; the general public is also afforded an opportunity for comment). Hearings are typically held in or near the area proposed for annexation.
- Opportunity to review a written decisional statement setting out the basis for the decision by the Commission. (The Commission may approve a petition, amend and approve a petition; impose conditions on annexation; or deny the petition.)
- Opportunity to seek reconsideration of the Commission’s decision.
- Further processing of the proposal in accordance with the method of annexation being utilized (e.g., legislative review, election, etc.).
Borough Incorporation Procedures

Current law expressly provides that borough incorporation proposals may only be initiated by voters. However, it must be stressed, that the Legislature has overridden those laws in the past to compel certain areas to organize. In fact, boroughs have been formed voluntarily in parts of Alaska that encompass only 4% of the state’s population. In contrast, boroughs have been formed under mandates from the Legislature in areas that encompass 83% of Alaskans.

The following describes the voluntary incorporation process set out in current law.

- Incorporation proposals are initiated by at least 15% of the number who voted in the proposed borough in the last State general election in each of the following two categories:
  - The combined area of home rule and first class cities in the proposed borough.
  - The remainder of the proposed borough.
- Extensive public notice that a petition has been filed with the Local Boundary Commission.
- Public access to a complete set of petition documents.
- At least seven weeks for individuals and organizations to file comments or responsive briefs with the Local Boundary Commission in support of or in opposition to the petition.

- At least two weeks for the petitioner to file a brief with the Local Boundary Commission in reply to the responsive briefs and comments.

- At least four weeks for interested persons and organizations to review and comment upon a preliminary report by DCED concerning the annexation proposal.

- Opportunity to review DCED's final report on the annexation proposal at least three weeks prior to a Local Boundary Commission hearing on the matter.

- Opportunity to participate at the Local Boundary Commission hearing on the matter (those who filed a responsive brief may make an opening statement; provide sworn testimony, and make a closing statement; the general public is also afforded an opportunity for comment). Hearings are typically held in or near the area proposed for annexation.

- Opportunity to review a written decisional statement setting out the basis for the decision by the Commission; (The Commission may approve a petition, amend and approve a petition; impose conditions on annexation; or deny the petition).

- Opportunity to seek reconsideration of the Commission's decision.


- Submission of a proposition to the voters of the proposed borough which requires approval from a majority of the areawide vote.
Notes: