



CITY OF BARROW

"Farthest North Incorporated City"

RESOLUTION 19-2013

A RESOLUTION OF THE BARROW CITY COUNCIL FORMALLY REQUESTING GOVERNOR SEAN PARNELL AND THE ALASKA STATE HOUSE OF REPRESENTATIVES RESOURCES AND FINANCE COMMITTEES TO IDENTIFY A SPECIFIC SOURCE OF "REVENUE SHARING" FUNDS

WHEREAS, the Alaska Statehood act and the Alaska Constitution contemplate strong and vibrant local governmental units exercising maximum local control; and

WHEREAS, local governments, including the City of Barrow, are experiencing significant financial pressures resulting from inflation, high energy costs and a faltering economy; and

WHEREAS, the City of Barrow and numerous other communities throughout our great state depend on Revenue Sharing as a major source of funding to insure the operation and in some instances, the survival, of our municipalities; and

WHEREAS, it is critically important for the municipalities to have an identified source of Revenue Sharing since Senate Bill 21 (SB21) removes the Progressivity Tax, the vehicle which currently funds Revenue Sharing; and

WHEREAS, it is impossible for any municipality to create a viable budget if a major portion of the municipality's revenue is in question and may not be forthcoming; and

WHEREAS, since the early 1990s, the Revenue Sharing program has had an identified funding source (the Corporate Income Tax provisions under AS 43.20.); and

WHEREAS, a dependable source of Revenue Sharing helps communities plan for local government services and tax levels, as Revenue Sharing in larger communities helps keep tax levels lower than would otherwise be possible and in smaller communities, it funds basic services; and

WHEREAS, a regular funding source signifies the importance of local government to the State as local government is the entity that provides most of the basic services to Alaskans at the level closest to the people; and

WHEREAS, most local governments have only three (3) ways of raising revenues with the absence of Revenue Sharing and they are:

- a) Local taxes (sales and property)
- b) Fees (boat moorage, garbage collection, etc.) and
- c) Grants

WHEREAS, a significant number of communities such as Barrow does not have the opportunity or political power/will to avail themselves of the aforementioned means of raising revenue because of the additional financial burden this would place on our residents who are already experiencing one of the highest costs of living in the state; and

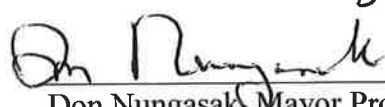
WHEREAS, SB 21 as passed out of the Senate removed any reference to a definite funding source for Revenue Sharing, but simply stated that Revenue Sharing would come out of the General Fund; and


WHEREAS, the General Fund is basically what funds everything else in state government and it would be very easy for the Legislature in years to come to tell the municipalities that there is just not enough money in the General Fund to allow for the funding of Revenue Sharing; and

NOW THEREFORE BE IT RESOLVED, that the Barrow City Council formally requests Governor Sean Parnell and the Alaska State House of Representatives Resources and Finance Committees to identify a specific source of "Revenue Sharing" funds and not jeopardize its future funding by designating the General Fund as the source of those revenues.

**PASSED AND APPROVED UNANIMOUSLY BY THE BARROW CITY COUNCIL
THIS 28th DAY OF MARCH 2013.**

ATTEST:

3-28-13

Don Nungasak, Mayor Pro Tempore


Bertha Akpik, City Clerk

