

ALASKA STATE LEGISLATURE

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Sponsor Statement Senate Bill 210

An Act relating to the community revenue sharing program; changing the name of the community revenue sharing program to the community assistance program; and relating to the municipal property tax exemption on the residence of a senior, a disabled veteran, and a widow or widower of a senior or disabled veteran

With a \$3.7 billion shortfall for Fiscal Year 2016 and a projected shortfall of \$4 billion for Fiscal Year 2017, the legislature is examining programs that were created to provide assistance to communities when Alaska was experiencing surplus revenues due to the high price of oil. In 2008, the legislature created the Community Revenue Sharing program, which distributes funds to communities to be spent at their discretion. The program was established under the principle that when oil revenues were high, the wealth would be shared with local communities.

Senate Bill 210 proposes changes to the program, allowing for communities to continue to receive assistance, while establishing a structure to phase out the program as originally intended when created.

Additionally, the legislature has heard concerns from communities throughout Alaska about the burden unfunded mandates, enacted by the legislature, places on local governments. At low oil prices, the burdens on communities are enhanced and even limits local decision making. Under SB 210, discretion is returned to the local communities to enact certain property tax exemptions. This would allow communities to structure their tax exemptions to serve their residents and meet the needs of the communities to the maximum extent possible.

Senate Bill 210, helps communities transition to more local control, while continuing to receive assistance from the state as they become less reliant on state resources to support local government.