

HOUSE BILL NO. 106

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 2/3/97

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the municipal assistance program and the organization grant
2 program; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 29.05.200(a) is amended to read:

5 (a) The organization grant program [FUND] is established in the department.

6 An appropriation made to the program [FUND] shall be used for organization grants
7 to municipalities that qualify under AS 29.05.180 or 29.05.190.

8 * **Sec. 2.** AS 29.60.350 is amended to read:

9 **Sec. 29.60.350. Municipal assistance program [FUND].** (a) There is
10 established in the department the municipal assistance program [FUND]. The
11 legislature may appropriate to the municipal assistance program [FUND] during each
12 fiscal year an amount equal to or greater than 30 percent of the income tax revenue
13 received by the state under AS 43.20.011(e) for the previous fiscal year.

14 (b) The department shall distribute money appropriated for [FROM] the

1 municipal assistance program [FUND] to each municipality on an annual basis as
 2 provided in AS 29.60.360 and 29.60.370. A municipality may not receive payment
 3 until it submits to the department a resolution approved by the governing body of the
 4 municipality that requests the money. Distribution of money appropriated for
 5 [FROM] the municipal assistance program [FUND] to all municipalities must be made
 6 on February 1 of the state fiscal year for which the appropriation to the fund is made.
 7 A municipality that incorporates after December 31 of a state fiscal year is not eligible
 8 for a distribution under this section until the following state fiscal year.

9 * **Sec. 3.** AS 29.60.360 is amended to read:

10 **Sec. 29.60.360. Base amount of assistance.** (a) The base amount to be
 11 distributed from the appropriation for the municipal assistance program [FUND] to
 12 each municipality for the fiscal year shall be the amount received by the municipality
 13 during fiscal year 1978 under AS 43.70.080 as that section provided before the 1978
 14 amendment. A city incorporated within a borough after June 30, 1977, shall receive
 15 as a base amount a share of the amount distributed to the borough in which it is
 16 located based on the ratio of population in the city to the total population in the
 17 borough. A city incorporated outside a borough after June 30, 1977, shall receive as
 18 a base amount the amount received by the city in the state most closely approximating
 19 it in population at the time of its incorporation. A borough incorporated after June 30,
 20 1977, shall receive as a base amount the amount received by the borough in the state
 21 most closely approximating it in population at the time of its incorporation. The base
 22 amount to be distributed to each municipality organized under federal law shall be the
 23 amount received as a base amount by the city most closely approximating it in
 24 population on June 30, 1977.

25 (b) If the amount appropriated to the municipal assistance program [FUND]
 26 by the legislature during a fiscal year is insufficient for distribution of the full base
 27 amount to each municipality, the department shall prorate the amount available for
 28 distribution on the basis of amounts received during [THE] fiscal year 1978 under
 29 AS 43.70.080.

30 * **Sec. 4.** AS 29.60.370(a) is amended to read:

31 (a) If the amount appropriated for [IN] the municipal assistance program

1 **and available for distribution** [FUND] at the time of distribution exceeds the base
2 amount to be distributed under AS 29.60.360, the excess amount shall be distributed
3 to each municipality on the basis of population. Population for the purpose of this
4 section shall be as certified by the commissioner of community and regional affairs.
5 In determining the population of a borough, the population of all cities in the borough
6 shall be deducted from the total population of the borough.

7 * **Sec. 5.** DISTRIBUTION OF UNANTICIPATED RECEIPTS. If money accruing to the
8 organization grant fund or municipal assistance fund is received by the State of Alaska on or
9 after the effective date of this Act, the money shall be deposited into the general fund.

10 * **Sec. 6.** This Act takes effect July 1, 1997.