

City of Toksook Bay

Toksook Bay, Alaska 99637

May 15, 2025

Representatives Rebecca Himschoot, Fields, Kopp, Mears, Mina
Subject: Support for House Bill 133

Madam Chair and members of the committee, my name is Sam Chanar. I am from Toksook Bay and am representing the City of Toksook Bay.

The City of Toksook Bay plays a waiting game. Here's what happens first. We receive a letter from the State our determined population for the fiscal year. We wait for another letter that will inform us of our estimated Community Assistance Program payment. We enact an ordinance providing for the establishment and adoption of the budget for the upcoming fiscal year. We pass and approve a resolution certifying an annual certified financial statement of revenues and expenditures of the previous fiscal year. We submit the CAP application certifying that we understood the requirements for receiving payment and agreeing to comply with all laws and regulations. Additionally, we wait to receive from our insurance provider a notice of insurance contribution with a July 31 payment deadline for renewal.

We perform what is expected of us to qualify for and receive CAP payment. Come July, the waiting game starts. Will we have our insurance coverage renewed for the fiscal year? We rely on a receipt of the CAP payment for the insurance coverage renewal. If we can not meet the July 31 deadline, we will be sent a 30-day notice of nonpayment to either pay in full, or initiate a payment plan before the end of August which will have additional fees and interests. This was the process with AMLJIA. As I was told, we do not know if the same process will apply with the new insurance provider APRA. But no matter, we risk losing our insurance coverage.

One of our general powers listed in AS Title 29, subject to other provisions of the law, is the power to sue and be sued. We can not afford to be sued or risk any area of the service that we provide for our elected officials, employees, and residents. We have limited funding. Our community no longer have the commercial fisheries that once thrived. We do not have the land resources to attract tourism in our area similar to those in the road system or southeast Alaska. We can not levy property taxes. The revenue resources that we depend on are local sales taxes, CAP, PILT, and some proceeds from charitable gaming. Having an insurance coverage is just as vital as much as for the State, the boroughs and other municipalities throughout Alaska.

The two years when we received our CAP payments before July 31 were in 2020 and 2021. Last year, we received CAP payment in October which was three months after the insurance renewal deadline. I am in full support for the passage of HB133.