



LAWS OF ALASKA

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Source

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Chapter No.

95

AN ACT

Relating to a program of state aid for local school and other municipal purposes; and providing for an effective date.

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

- * Section 1. AS 14.17.020 is amended to read:

Sec. 14.17.020. STATE AID. The amount of state aid is the basic need (sec. 40 of this chapter).

- * Sec. 2. AS 14.17.140 is amended to read:

Sec. 14.17.140. DETERMINATION OF FULL AND TRUE VALUE BY LOCAL AFFAIRS AGENCY. To determine supplemental allocations authorized by sec. 75 of this chapter, the Local Affairs Agency, in consultation with the assessor for each district, shall determine the full value of the taxable real and personal property in each district. Exemptions granted under Chapter 129, SLA 1957, known as the Alaska Industrial Incentive Act (AS 43.25), shall be honored. If there is no local assessor or current local assessment for a district, then the Local Affairs Agency shall make the determination of full value from information available. In making the determination, the Local Affairs Agency shall be guided by AS 29.10.396. The determination of full value shall be made before October 1 and sent by certified mail, return receipt requested, before that date to the president of the school board in each district. Duplicate copies shall be sent to the commissioner. The district may obtain judicial review of the determination by filing a motion in the superior court of the judicial district in which the district is located within 30 days after receipt of the determination. The superior court may modify the determination of the Local Affairs Agency only upon a finding of abuse of discretion or upon a finding that there is no substantial evidence to support the determination.

- * Sec. 3. AS 14.17.160 is amended to read:

Sec. 14.17.160. ALLOCATION OF FUNDS ON PRELIMINARY COMPUTATIONS. The commissioner shall determine the basic need for each school district on the basis of the pre-fiscal year computations. Beginning July 15 of the fiscal year and on the 15th of each month, for seven successive months, one-twelfth of each district's state aid shall be distributed.

- * Sec. 4. AS 14.17.170 is amended to read:

Sec. 14.17.170. PAYMENT UNDER ADJUSTED COMPUTATIONS. Each district shall make a report at the end of the first nine weeks of school, which contains a new estimate of its average daily membership for the fiscal year and other information which will aid the commissioner in making a more accurate determination of each district's basic need. The commissioner shall, on the basis of this new estimate and information, make a recomputation of each district's basic need. Before December 2, the commissioner shall notify each district of changes made in its basic need. The commissioner shall also determine whether the money in the public school foundation account is sufficient to meet each district's basic need for the fiscal year, and, if the money is not sufficient, he shall immediately inform the governor of the amount of additional appropriation he estimates will be necessary to carry out the public school foundation program for the rest of the fiscal year. Beginning February 15 and on the 15th of each subsequent month, one-fifth of the recomputed balance of each district's state aid shall be distributed. However, one-half of the June payment shall be withheld pending a final determination of the district's basic need.

- * Sec. 5. AS 14.17.180 is amended to read:

Sec. 14.17.180. PAYMENT UNDER FINAL COMPUTATION. Before June 16 each district shall transmit to the commissioner a final computation of the district's basic need. The commissioner shall process each district's computation in the manner provided by sec. 150(a) of this chapter. Additional state aid shall be obligated by the commissioner before June 30. If the district received more basic need money than its basic need, it shall immediately, after notice from the commissioner of the overpayment, remit the amount of overpayment to the commissioner to be returned to the public school foundation account.

- * Sec. 6. AS 14.17.190(a) is amended to read:

Sec. 14.17.190. RESTRICTIONS GOVERNING RECEIPT AND EXPENDITURE OF MONEY FROM PUBLIC SCHOOL FOUNDATION ACCOUNT. (a) The public school foundation money distributed to a district during a year shall be received, held, and expended by the district subject to the provisions of law and regulations promulgated by the department.

- * Sec. 7. AS 14.17 is amended by adding a new section to read:

Sec. 14.17.215. STATE AID TO DISTRICTS AFFECTED BY

STATE ACTIVITIES. (a) A school district which provides free public education to a student whose parent or guardian works on or lives on state property shall receive an additional yearly allotment under this chapter equal to the percentage of the state average cost of education, as reflected in the audit report of district schools for the prior fiscal year, per student times the number of qualifying students in average daily membership, as follows:

(1) 50 per cent for a student whose parent or guardian lives on and works on state property;

(2) 25 per cent for a student whose parent or guardian works on state property;

(3) 25 per cent for a student whose parent or guardian lives on state property;

(b) In this section "state property" means real property which is owned by the state or is leased by the state and which is not subject to taxation or payments in lieu of taxes by the state or a political subdivision of the state; the term includes real property owned by the state and leased from it, as well as improvements leased from it, even though the lessee's interest, or an improvement on the property, is subject to taxation by a state or a political subdivision of the state.

* Sec. 8. AS 14.17 is amended by adding a new section to read:

Sec. 14.17.225. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a) This chapter may not be construed so as to create a debt of the state.

(b) Funds to carry out the provisions of secs. 10 - 190 of this chapter may be appropriated annually by the legislature into the public school foundation account. If amounts in the account are insufficient to meet the allocations authorized under secs. 10 - 190 of this chapter, such funds as are available shall be distributed pro rata among each district based upon the district's basic need.

(c) If appropriations to the public school foundation account exceed in any fiscal year the amount required to carry out the provisions of secs. 10 - 190 of this chapter, the excess shall be distributed pro rata among districts based upon the average daily membership of each district.

(d) The average daily membership allotment supplemental account is established. Funds to carry out the provisions of sec. 215 of this chapter may be appropriated annually by the legislature to the account. If amounts in the account are insufficient to meet the allocations authorized under sec. 215 of this chapter, such funds as are available shall be distributed pro rata among eligible districts based upon sec. 215 of this chapter.

(e) If appropriations to the average daily membership supplemental account exceed in any fiscal year the amount required to carry out the provisions of sec. 215

of this chapter, the excess shall be credited to the public school foundation account and distributed pro rata among districts based upon the average daily membership of each district.

* Sec. 9. AS 43.26.080 is amended to read:

Sec. 43.26.080. GRANT OF TAX CREDIT BY POLITICAL SUBDIVISION. With respect to taxes levied by it, a political subdivision of the state may award grants of tax credit in the same manner and subject to the same restrictions as provided for the department under this chapter, except that the amount of tax credit granted may not exceed 25 per cent of the value of the investment made in the business as of the date it commences operation, and a political subdivision shall levy and collect at least a real and personal property tax millage on the assessed valuation of the property which is equal to at least seven mills.

* Sec. 10. AS 43 is amended by adding a new chapter to read:

CHAPTER 78. STATE AID TO LOCAL GOVERNMENTS.

Sec. 43.78.010. STATE AID TO LOCAL GOVERNMENTS. (a) During each fiscal year the state shall pay to a city or organized borough of any class which has power to provide the following services and exercises that power

(1) \$5 per capita to cities and boroughs providing police protection, subject to the conditions of (g) of this section;

(2) \$2.50 per capita to cities and boroughs providing fire protection;

(A) fire protection includes, but is not limited to, fire protection provided by a volunteer fire department registered with the state fire marshal which has official recognition and financial support from the city or borough in which it is located;

(B) in addition to the grants authorized under this section, the state shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized borough or a city a sum for protection purposes equal to \$2.50 per capita for the population served by the department, as determined by the state fire marshal using the latest figures of the United States Bureau of the Census or other reliable data; grants shall be made on the same basis to facilitate the organization of volunteer fire departments in an area not in an organized borough or a city, upon application of the proposed fire protection group to the state fire marshal and approval of applications according to standards of organization and service prescribed by regulations promulgated by the state fire marshal;

(3) \$1 per capita to cities and boroughs providing air or water pollution control or both; and

(4) \$1 per capita to cities and boroughs providing land use planning.

(b) During each fiscal year the state shall pay to a city or organized borough of any class which has power to provide for road maintenance and exercises the power a sum equal to \$1,000 a mile for each mile of road, street or highway maintained by the local government, excluding the official state highway system, roads, streets or highways not dedicated to public use, and alleyways, in accordance with such rules and regulations as are adopted by the Department of Highways.

(c) For purposes of this section, population shall be determined by the latest figures of the United States Bureau of the Census or other reliable population data.

(d) If a borough exercises the powers in (a) of this section in the borough area outside cities only, or in a service area only, the grants authorized under this section shall be based on the population of the borough area outside cities or the service area respectively.

(e) If the services in (a) and (b) of this section are provided by a service area, the borough shall give to the service area an amount equal to the funds provided by the state for the services provided by the service area.

(f) Funds received by a city, borough or service area under this section may be expended for any public purpose for which it has power to expend public funds.

(g) If a city within an organized borough provides police protection services, the borough may not qualify for aid under (a)(1) of this section unless

(1) police protection services are provided in the borough area outside cities, or if limited to a service area, in the service area, through borough contract with a city or the state or

(2) the borough assumes and exercises power to provide police protection services on an areawide basis in the manner provided by law.

Sec. 43.78.020. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a) This chapter may not be construed so as to create a debt of the state.

(b) The special municipal services account is established. Funds to carry out the provisions of sec. 10 of this chapter may be appropriated annually by the legislature to the account. If amounts in the account are insufficient for the purpose of each local government's share authorized under sec. 10 of this chapter, such funds as are available shall be distributed pro rata among eligible local governments.

(c) Money in the special municipal services account which, at the end of the fiscal year for which the money is appropriated, exceeds the amount required for the allocations authorized in this chapter reverts to the general fund.

* Sec. 11. AS 14.17.010(c), AS 14.17.030, AS 14.17.075(b)