

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 20

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY SENATORS TORGERSON, Pearce, Kelly

Introduced: 2/15/95

Referred: CRA, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska municipal basic services program, relating to
2 certain programs of state aid to municipalities and recipients in the unorganized
3 borough; and providing for an effective date."

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

5 * Section 1. AS 29.20.640(b) is amended to read:

6 (b) Compliance with the provisions of this section is a prerequisite to receipt
7 of an entitlement under the Alaska basic municipal services program under
8 AS 29.60.011 - 29.60.330 [MUNICIPAL TAX RESOURCE EQUALIZATION
9 ASSISTANCE UNDER AS 29.60.010 - 29.60.080 AND STATE AID FOR
10 MISCELLANEOUS MUNICIPAL SERVICES UNDER AS 29.60.100 - 29.60.180].

11 If a municipality does not comply with this section, the department shall withhold the
12 entitlement [ALLOCATIONS] until the required reports are filed.

13 * Sec. 2. AS 29.45.020 is amended to read:

14 Sec. 29.45.020. TAXPAYER NOTICE. (a) If a municipality levies and

1 collects property taxes, the governing body shall provide the following notice:

2 "NOTICE TO TAXPAYER

3 For the current fiscal year the (city)(borough) has been allocated the following amount
4 of state aid for school and municipal purposes under the applicable financial assistance

5 Acts:

6	PUBLIC SCHOOL FOUNDATION PROGRAM	
7	ASSISTANCE (AS 14.17)	\$
8	STATE AID FOR RETIREMENT OF SCHOOL	
9	CONSTRUCTION DEBT (AS 14.11.100)	\$
10	<u>ALASKA MUNICIPAL BASIC SERVICES</u>	
11	<u>(AS 29.60.011 - 29.60.330)</u>	
12	[MUNICIPAL TAX RESOURCE EQUALIZATION	
13	ASSISTANCE (AS 29.60.010 - 29.60.080)	\$
14	STATE AID FOR MISCELLANEOUS MUNICIPAL	
15	SERVICES (AS 29.60.100 - 29.60.180)]	\$
16	TOTAL AID	\$

17 The millage equivalent of this state aid, based on the dollar value of a mill in the
18 municipality during the current assessment year and for the preceding assessment year,
19 is:

20		MILLAGE EQUIVALENT	
21		PREVIOUS YEAR	THIS YEAR
22	PUBLIC SCHOOL FOUNDATION		
23	PROGRAM ASSISTANCE MILLS MILLS
24	STATE AID FOR RETIREMENT		
25	OF SCHOOL CONSTRUCTION		
26	DEBTMILLSMILLS
27	<u>ALASKA MUNICIPAL BASIC SERVICES</u>		
28	[MUNICIPAL TAX RESOURCE		
29	EQUALIZATION ASSISTANCEMILLSMILLS
30	STATE AID FOR MISCELLANEOUS		
31	MUNICIPAL SERVICES]MILLS MILLS

1 TOTAL MILLAGE
2 EQUIVALENTMILLSMILLS"

3 Notice shall be provided

4 (1) by furnishing a copy of the notice with tax statements mailed for
5 the fiscal year for which aid is received; or

6 (2) by publishing in a newspaper of general circulation in the
7 municipality a copy of the notice once each week for a period of three successive
8 weeks, with publication to occur not later than 45 days after the final adoption of the
9 municipality's budget.

10 (b) Compliance with the provisions of this section is a prerequisite to receipt
11 of an entitlement under the Alaska municipal basic services program under
12 AS 29.60.011 - 29.60.330 [MUNICIPAL TAX RESOURCE EQUALIZATION
13 ASSISTANCE UNDER AS 29.60.010 - 29.60.080 AND STATE AID FOR
14 MISCELLANEOUS MUNICIPAL SERVICES UNDER AS 29.60.100 - 29.60.180].
15 The department shall withhold annual allocations under those sections until municipal
16 officials demonstrate that the requirements of this section have been met.

17 * **Sec. 3.** AS 29.45.660(b) is amended to read:

18 (b) Compliance with the provisions of this section is a prerequisite to receipt
19 of an entitlement under the Alaska municipal basic services program under
20 AS 29.60.011 - 29.60.330 [MUNICIPAL TAX RESOURCE EQUALIZATION
21 ASSISTANCE UNDER AS 29.60.010 - 29.60.080 AND STATE AID FOR
22 MISCELLANEOUS MUNICIPAL SERVICES UNDER AS 29.60.100 - 29.60.180].
23 The department shall withhold annual allocations under those sections until municipal
24 officials demonstrate that the requirements of this section have been met.

25 * **Sec. 4.** AS 29.60 is amended by adding new sections to read:

26 Sec. 29.60.011. ALASKA MUNICIPAL BASIC SERVICES PROGRAM.
27 The Alaska municipal basic services program is established in the department. The
28 department shall deposit appropriations for the program in the municipal basic services
29 account. During each state fiscal year the department shall compute entitlements under
30 AS 29.60.013 - 29.60.330 for payment the following state fiscal year based upon
31 appropriations for the program. Money in the account shall be fully distributed by the

1 department each year for entitlements under the program.

2 Sec. 29.60.013. ENTITLEMENTS FOR MUNICIPAL BASIC SERVICES.

3 (a) A municipality that provides services within one of the municipal
4 basic service categories listed in (b)(1) - (7) of this section qualifies for a share
5 of the amount allocated to that category based upon the population, amount
6 expended on the services, and ability to pay for the services in each of the
7 taxing units in which the services are provided. The municipality's share for
8 each category is determined by applying the following formula to the taxing
9 units within which the services are provided: $\text{share} = (P \times E) \div R$, where (1)
10 P = population of the taxing units; (2) E = the amount of local expenditures
11 in the municipal basic services category; and (3) R = one-tenth of one percent
12 of the full and true value of the assessed property in the taxing units; however,
13 the per capita property value used under this subsection may not be less than
14 30 percent nor more than 300 percent of the statewide average per capita full
15 and true assessed property value.

16 (b) The department shall reserve from appropriations for the Alaska municipal
17 basic services program amounts necessary to fully fund entitlements under
18 AS 29.60.130, 29.60.140, and 29.60.290. The balance shall be allocated among the
19 municipal basic services categories as follows:

- 20 (1) police - 17 percent;
- 21 (2) water and sewer - 8 percent;
- 22 (3) solid waste management - 5 percent;
- 23 (4) fire and emergency medical - 11 percent;
- 24 (5) assessment and taxation, finance, and land use planning - 19
25 percent;
- 26 (6) public schools for grades K - 12 - 20 percent;
- 27 (7) community services, including parks, recreation, cultural activities,
28 libraries, health and social - 4 percent;
- 29 (8) roads and ice roads - 12 percent;
- 30 (9) health facilities under AS 29.20.120 - 4 percent.

31 Sec. 29.60.015. DETERMINATION OF THE AMOUNT OF LOCAL

1 EXPENDITURES. (a) For purposes of AS 29.60.013(a), the amount of local
2 expenditures on municipal basic services is the amount of actual expenditures made
3 for all services and the maintenance and operation of all facilities included in the
4 particular municipal basic services category during the municipal fiscal year
5 immediately preceding the year in which the municipality's share of the money
6 allocated to that category is being computed.

7 (b) If water, sewer, or solid waste management services are provided by a
8 private business in a municipality and the municipality makes no expenditures for the
9 services, for purposes of AS 29.60.013(a), the municipality shall receive credit for a
10 local expenditure for that service. The amount of the credit is equal to the per capita
11 average cost of providing the service multiplied by the population of the municipality.

12 (c) For purposes of determining the amount of local expenditure for schools
13 under AS 29.60.013(b)(6), money received by a municipality under AS 41.15.180 may
14 not be included.

15 * **Sec. 5.** AS 29.60.020 is amended to read:

16 Sec. 29.60.020. DETERMINATION OF POPULATION. For purposes of
17 AS 29.60.011 - 29.60.330 [AS 29.60.010 - 29.60.080], the population of a taxing
18 unit shall be determined annually by the latest figures of the United States Bureau of
19 the Census or other population data that in the judgment of the department is reliable.

20 * **Sec. 6.** AS 29.60.030(d) is amended to read:

21 (d) The full and true assessed property value shall be determined by the
22 department in the manner provided for the computation of state aid to education under
23 AS 14.17.140. [WHEN THE DETERMINATION OF LOCALLY GENERATED
24 REVENUE INCLUDES REVENUE OF A UTILITY RECEIVED UNDER
25 AS 29.60.010(c)(1)(E), THE FULL AND TRUE ASSESSED PROPERTY VALUE
26 MUST INCLUDE THE COMPUTED ASSESSED VALUE OF THE UTILITY,
27 DETERMINED BY DIVIDING THE AMOUNT OF THE PAYMENT IN PLACE OF
28 TAXES MADE BY THE UTILITY BY THE MILLAGE RATE THAT WOULD
29 APPLY TO THE UTILITY IF THE UTILITY WERE SUBJECT TO LEVY AND
30 COLLECTION OF TAXES UNDER AS 29.45.]

1 * **Sec. 7.** AS 29.60.030(e) is amended to read:

2 (e) In addition to the computation for municipalities that levy and collect a
3 property tax, the department shall determine an estimated full and true assessed
4 property value under (d) of this section for

5 (1) each municipality that is a school district and that does not levy and
6 collect a property tax;

7 (2) each second class city with a population of 750 or more persons;
8 however, a computation is not required under this paragraph more often than once
9 during a period of three successive calendar years; and

10 (3) all other second class cities, by determining the average per capita
11 full and true assessed property value of all **second class** cities having a population of
12 less than 750 persons in which an assessment has been completed **within the last**
13 **three calendar years** by a municipality or **the department** [FOR WHICH A
14 DETERMINATION IS NOT MADE UNDER (1) OR (2) OF THIS SUBSECTION].

15 * **Sec. 8.** AS 29.60.040 is amended to read:

16 Sec. 29.60.040. REPORTS. A payment of an [EQUALIZATION] entitlement
17 may not be made to a municipality under **AS 29.60.011 - 29.60.330** [AS 29.60.010 -
18 29.60.080] until the municipality has submitted its certificate of **local annual**
19 **municipal basic services expenditures** [ESTIMATED REVENUE] and its financial
20 report to the department for the municipal fiscal year preceding the year in which the
21 department's **computation of entitlements under the Alaska municipal basic**
22 **services program** [DETERMINATION OF THE MILLAGE RATE EQUIVALENT]
23 is made [UNDER AS 29.60.030], together with the municipality's budget for the fiscal
24 year for which an entitlement is sought. The financial report must include a listing of
25 **local annual municipal basic services expenditures for the appropriate taxing unit**
26 [GENERAL REVENUE COLLECTED FROM TAXES LEVIED AND ASSESSED
27 AND ANY OTHER REVENUE] that, in the opinion of the municipal officials, is
28 eligible for inclusion in computations **under AS 29.60.013** [OF THE LOCALLY
29 GENERATED REVENUE OF THE TAXING UNIT].

30 * **Sec. 9.** AS 29.60.070(a) is amended to read:

31 (a) The department **shall** [MAY] adopt regulations necessary to implement

1 AS 29.60.011 - 29.60.330 [AS 29.60.010 - 29.60.080]. The regulations must include,
2 among other provisions,

3 (1) procedures and filing dates for submitting certification and financial
4 reports;

5 (2) procedures for obtaining information required to compute and
6 determine the municipality's **entitlement** [MILLAGE RATE EQUIVALENT]; [AND]

7 (3) procedures by which the department shall notify a municipality in
8 writing of the reasons for a proposed disallowance or adjustment of any factor bearing
9 upon the determination of the municipality's entitlement and by which the municipality
10 will be provided reasonable time in which to respond or to challenge the department's
11 determination; **and**

12 **(4) classification of expenditures that qualify as local expenditures**
13 **for municipal basic services.**

14 * **Sec. 10.** AS 29.60.070(b) is amended to read:

15 (b) The department shall make reasonable efforts to advise and assist
16 municipalities in collecting information and completing reports necessary for the
17 determination of entitlements under AS 29.60.011 - 29.60.330 [AS 29.60.010 -
18 29.60.080].

19 * **Sec. 11.** AS 29.60.110 is amended by adding a new subsection to read:

20 (c) Only money allocated under AS 29.60.013(b)(8) to the municipal basic
21 services category for roads and ice roads may be used for entitlements under this
22 section. If the amount allocated to that category is insufficient to pay each entitlement
23 or if the amount exceeds that required to pay each entitlement, the amount available
24 shall be distributed pro rata among eligible municipalities.

25 * **Sec. 12.** AS 29.60.120(a) is amended to read:

26 (a) The department shall pay

27 (1) to a municipality that has the power to provide hospital facilities
28 and services and that exercises that power, \$1,000 per bed for each bed actually used
29 for patient care, limited to the number of beds provided for in the construction design
30 of the hospital, or \$250,000 a hospital for those hospitals with 10 or more beds, or
31 \$50,000 a hospital for those hospitals with less than 10 beds, as the municipality may

1 elect; money received under this paragraph may be used only for hospitals and shall
2 be apportioned among qualifying hospitals as the municipality determines;

3 (2) on the basis set out in (1) of this subsection to a municipality for
4 a nonprofit hospital not operated by a municipality if the municipality first certifies to
5 the department that the nonprofit hospital is in compliance with all standards for
6 hospitals that have been adopted by the municipality; money may not be paid on
7 behalf of a nonprofit hospital without this certification; payments to the municipality
8 shall be transferred to the nonprofit hospital in accordance with the basis by which the
9 payment was generated by the hospital, and shall be applied to the annual cost of
10 operation and maintenance of the hospital or for the provision of health care service
11 at the hospital as the directors of the hospital determine;

12 (3) to a municipality in which a health facility is operated, \$2,000 per
13 bed for each bed actually used for patient care [, LIMITED TO THE NUMBER OF
14 BEDS PROVIDED FOR IN THE CONSTRUCTION DESIGN OF THE HEALTH
15 FACILITY,] or \$8,000 per health facility as the municipality determines.

16 * **Sec. 13.** AS 29.60.120 is amended by adding a new subsection to read:

17 (g) Only money allocated under AS 29.60.013(b)(9) to the municipal basic
18 services category for health may be used for entitlements under this section. If the
19 amount allocated to that category is insufficient to pay each entitlement or if the
20 amount exceeds that required to pay each entitlement, the amount available shall be
21 distributed pro rata among eligible municipalities.

22 * **Sec. 14.** AS 29.60.130(a) is amended to read:

23 (a) The department shall pay to a volunteer fire department registered with the
24 state fire marshal and serving an area not in an organized municipality a sum for
25 protection purposes equal to **\$5** [~~\$10~~] per capita for the population served by the fire
26 department, as determined by the **Department of Community and Regional Affairs**
27 [~~STATE FIRE MARSHAL~~].

28 * **Sec. 15.** AS 29.60.140(a) is amended to read:

29 (a) The department shall pay to each unincorporated community an entitlement
30 each fiscal year to be used for a public purpose. The department with advice from the
31 Department of Law shall determine whether there is in each unincorporated community

1 an incorporated nonprofit entity or a Native village council that will agree to receive
2 and spend the entitlement. If there is more than one qualified entity in an
3 unincorporated community, the department shall pay the money under the entitlement
4 to the entity that the department finds most qualified to receive and spend the money.
5 The department may not pay money under an entitlement to a Native village council
6 unless the council waives immunity from suit for claims arising out of activities of the
7 council related to the entitlement. A waiver of immunity from suit under this
8 subsection must be on a form provided by the Department of Law. If there is no
9 qualified incorporated nonprofit entity or Native village council in an unincorporated
10 community that is willing to receive money under an entitlement, the entitlement for
11 that unincorporated community may not be paid. Neither this subsection nor any action
12 taken under it enlarges or diminishes the governmental authority or jurisdiction of a
13 Native village council. **The** [IF AT LEAST \$41,472,000 IS APPROPRIATED FOR
14 ALL ENTITLEMENTS UNDER AS 29.60.010 - 29.60.310 FOR A FISCAL YEAR,
15 THE] entitlement for each unincorporated community under this subsection for **each**
16 [THAT] year equals **\$7,500** [\$40,000. OTHERWISE, THE ENTITLEMENT EQUALS
17 \$25,000].

18 * **Sec. 16.** AS 29.60.290(a) is amended to read:

19 (a) A municipality qualifying for an entitlement under **the Alaska municipal**
20 **basic services program** [AS 29.60.010 - 29.60.080 OR 29.60.100 - 29.60.180] shall
21 receive a minimum payment **of \$40,000** [PLUS AN AREA COST-OF-LIVING
22 DIFFERENTIAL] for each fiscal year if

23 (1) the municipality has conducted a regular election during the state
24 fiscal year preceding the year in which the department's **computation**
25 [DETERMINATION] of the municipality's **entitlement** [MILLAGE RATE
26 EQUIVALENT] is made [UNDER AS 29.60.030] and has reported the results of the
27 election to the commissioner;

28 (2) regular meetings of the governing body are held in the municipality
29 during the state fiscal year preceding the year in which the department's **computation**
30 [DETERMINATION] of the municipality's **entitlement** [MILLAGE RATE
31 EQUIVALENT] is made [UNDER AS 29.60.030] and a record of the proceedings is

1 maintained;

2 (3) a municipal budget has been adopted for the fiscal year during
3 which payment of an entitlement is authorized [BY AS 29.60.010 - 29.60.080 OR
4 29.60.100 - 29.60.180] and an audit or financial statement for the fiscal year preceding
5 the year in which the department's **computation** [DETERMINATION] of the
6 municipality's **entitlement** [MILLAGE RATE EQUIVALENT] is made [UNDER
7 AS 29.60.030] has been prepared and furnished to the department in accordance with
8 AS 29.20.640(a); [AND]

9 (4) local ordinances adopted by the municipality have been codified in
10 accordance with AS 29.25.050; **and**

11 **(5) the municipality is providing services in at least two of the nine**
12 **municipal basic services categories listed in AS 29.60.013(b).**

13 * **Sec. 17.** AS 29.60.290(c) is amended to read:

14 (c) The department shall pay **under this section** to each municipality eligible
15 to receive a minimum payment [UNDER THIS SECTION] an amount equal to the
16 difference between **\$40,000** [THE MINIMUM PAYMENT DETERMINED UNDER
17 (a) AND (b) OF THIS SECTION] and the sum of the amounts payable for the same
18 fiscal year under **AS 29.60.013, 29.60.110,** [AS 29.60.010 - 29.60.080] and **29.60.120**
19 [29.60.100 - 29.60.180] .

20 * **Sec. 18.** AS 29.60 is amended by adding a new section to read:

21 Sec. 29.60.295. INDIAN RESERVES ORGANIZED UNDER FEDERAL
22 LAW. (a) An Indian reserve organized under federal law that existed before
23 enactment of 43 U.S.C. 1618(a) and is continued in existence under that subsection is
24 eligible for an entitlement under AS 29.60.013, 29.60.110, and 29.60.120 under the
25 conditions applicable to a municipality that, in the determination of the department, are
26 appropriately applied to the reserve, and subject to the following additional
27 requirements:

28 (1) the reserve must have adopted a budget for the fiscal year in which
29 the entitlement is payable and provided a copy to the department;

30 (2) the reserve must have prepared an audit for the fiscal year
31 preceding the year the amount of the entitlement is computed by the department and

1 provided a copy to the department;

2 (3) during the fiscal year in which the entitlement is payable the reserve
3 must be providing services in at least two of the municipal basic services categories
4 listed in AS 29.60.013(b); and

5 (4) the reserve must have formed a community development
6 corporation with authority to determine how the entitlement will be used and ensure
7 that the use complies with all applicable law, and the corporation must have

8 (A) delivered to the department a written waiver of sovereign
9 immunity from legal action by the state to recover all or a portion of the
10 entitlement;

11 (B) during the state fiscal year preceding the year in which the
12 entitlement computation is made by the department, conducted an election for
13 members of its board of directors open to all residents of the reserve who are
14 registered and qualified to vote in state elections; and

15 (C) provided a copy of the results of the election held under
16 (B) of this paragraph to the department.

17 (b) The department may pay an entitlement under this section only to the
18 community development corporation formed by the Indian reserve. If the department
19 pays an entitlement under this section during a fiscal year, no other entity in the
20 reserve may receive an entitlement during the same fiscal year under AS 29.60.130 or
21 29.60.140.

22 (c) A reserve that qualifies for an entitlement under this (a) of this section
23 during a fiscal year qualifies for a minimum payment of \$40,000 for that year. The
24 department shall pay under this subsection to the community development corporation
25 of a reserve that qualifies for a minimum payment the difference between \$40,000 and
26 the amount of entitlement the reserve qualifies for under (a) of this section.

27 * **Sec. 19.** AS 29.60.310 is amended to read:

28 Sec. 29.60.310. TIME OF PAYMENT. The department shall make payments
29 under **the Alaska municipal basic services program** [AS 29.60.010 - 29.60.300] no
30 later than July 31, based upon the entitlement calculations made during the preceding
31 fiscal year.

1 * **Sec. 20.** AS 29.60 is amended by adding a new section to article 3 to read:

2 Sec. 29.60.330. DEFINITION. In AS 29.60.011 - 29.60.310, "taxing unit"
3 means a municipality, and

4 (1) in a borough or unified municipality, a service area or the entire
5 area outside cities;

6 (2) in a city, a differential tax zone.

7 * **Sec. 21.** AS 37.06.030(a) is amended to read:

8 (a) For each draw made by a municipality under AS 37.06.010, the
9 municipality shall contribute a local share to the cost of the capital project for which
10 the draw is made. The amount of the local share equals the local share percentage as
11 calculated under (1) of this subsection, divided by the state share percentage as
12 calculated under (2) of this subsection, multiplied by the amount of the draw. For
13 purposes of this subsection,

14 (1) the local share percentage is

15 (A) 30 percent for a municipality with a population of 5,000 or
16 more;

17 (B) for a municipality with a population of 1,000 - 4,999, the
18 greater of

19 (i) 15 percent; or

20 (ii) the percentage obtained by dividing the amount that
21 would be received by the municipality from a property tax levy of 1/1000th of
22 a mill per \$1,000 of grant funds received by the sum of that first amount plus
23 the amount of the grant or draw, but not more than 30 percent;

24 (C) for a municipality with a population of under 1,000, the
25 greater of

26 (i) five percent; or

27 (ii) the percentage obtained by dividing the amount that
28 would be received by the municipality from a property tax levy of 1/1000th of
29 a mill per \$1,000 of grant funds received by the sum of that first amount plus
30 the amount of the grant or draw, but not more than 30 percent;

31 (2) the state share percentage equals one minus the local share

1 percentage;

2 (3) the local share to be contributed by a municipality may be satisfied
3 with (A) federal, municipal, or local money; (B) labor, materials, or equipment used
4 directly in the construction of the project, or land, including land transferred by the
5 state to the municipality; the department shall determine the value of a contribution
6 under this subparagraph; (C) money from another nonstate source; (D) money received
7 by the municipality under AS 29.60.011 - 29.60.330 (Alaska municipal basic services
8 program) [AS 29.60.010 - 29.60.375]; (E) state taxes refunded or reimbursed to the
9 municipality whose use for the purposes of this subsection is not prohibited; (F)
10 allocations of state aid for the costs of school construction debt under AS 14.11.100;
11 and (G) money obtained from the sale or lease of land or other assets transferred by
12 the state to the municipality; except as provided in this paragraph, the local share may
13 not be satisfied with money from, or with the portion of an asset that was obtained
14 with money from, an appropriation, allocation, entitlement, grant, or other payment
15 from the state.

16 * **Sec. 22.** AS 37.06.030(b) is amended to read:

17 (b) For each draw made by an entity or council under AS 37.06.020, the
18 incorporated entity or Native village council that makes the draw shall contribute a
19 local share of the cost of the capital project for which the draw is made. The amount
20 of the local share equals the local share percentage as calculated under (1) of this
21 subsection, divided by the state share percentage as calculated under (2) of this
22 subsection, multiplied by the amount of the draw. For purposes of this subsection,

23 (1) the local share percentage is five percent;

24 (2) the state share percentage equals one minus the local share
25 percentage;

26 (3) the local share may be satisfied from (A) federal or local money;
27 (B) labor, materials, or equipment used directly in the construction of the project, or
28 land, including land transferred by the state; the department shall determine the value
29 of a contribution under this subparagraph; (C) money from another nonstate source;
30 (D) money received by the unincorporated community under AS 29.60.011 - 29.60.330
31 (Alaska municipal basic services program) [AS 29.60.010 - 29.60.375]; or (E)

1 money obtained from the sale or lease of land or other assets transferred by the state;
2 except as provided in this paragraph, the local share may not be satisfied with money
3 from, or with the portion of an asset that was obtained with money from, an
4 appropriation, allocation, entitlement, grant, or other payment from the state.

5 * **Sec. 23.** AS 41.15.180(d) is amended to read:

6 (d) From the percentage of the unorganized borough national forest receipts
7 fund allocated to public roads under (b) of this section, the commissioner shall pay to
8 each

9 (1) home rule city, first class city, or second class city that exercises
10 road powers, that is located within the unorganized borough and within a national
11 forest or within 20 miles of a national forest, a share of the income from the roads
12 allocation of the fund; a home rule city, first class city, or second class city's share
13 shall be calculated as the proportion of the number of road miles within municipal
14 boundaries over which the community exercises road powers plus the number of state
15 road miles maintained by the municipality under agreement with the state compared
16 to the total number of road miles maintained by state or local governments in the
17 unorganized borough and within the national forest or within 20 miles of the national
18 forest;

19 (2) [MUNICIPALITY ORGANIZED UNDER FEDERAL LAW
20 AS AN] Indian reserve organized under federal law that existed before the enactment
21 of 43 U.S.C. 1618(a) and is continued in existence under that subsection and that has
22 formed a community development corporation under AS 29.60.295(a) [AS 29.60.365],
23 that exercises road powers and that is located within the unorganized borough and
24 within the national forest or within 20 miles of the national forest a share of the
25 income from the roads allocation of the fund; the share due a reserve
26 [MUNICIPALITY] organized under federal law that exercises road powers shall be
27 calculated as the proportion of the number of road miles within reserve
28 [MUNICIPAL] boundaries over which the community exercises road powers plus the
29 number of state road miles maintained by the reserve [MUNICIPALITY] under
30 agreement with the state compared to the total number of road miles maintained by
31 state or local governments in the unorganized borough and within the national forest

1 or within 20 miles of the national forest; however, the commissioner may pay income
2 from national forest receipts under this paragraph only after the **community**
3 **development** corporation has delivered a written waiver of sovereign immunity from
4 legal action by the state to recover all or a portion of the money distributed under this
5 section.

6 * **Sec. 24.** AS 29.10.200(49); AS 29.60.010, 29.60.030(a), 29.60.030(c), 29.60.050,
7 29.60.060, 29.60.070(c), 29.60.080, 29.60.100, 29.60.130(b), 29.60.150, 29.60.160, 29.60.170,
8 29.60.180, 29.60.280, 29.60.290(b), 29.60.290(d), 29.60.290(e), 29.60.300, 29.60.350,
9 29.60.360, 29.60.365, 29.60.370, and 29.60.375 are repealed.

10 * **Sec. 25.** TRANSITION. (a) Notwithstanding AS 29.60.310 as amended in sec. 19 of
11 this Act and other provisions of law, the department shall calculate entitlements and make
12 payments under the Alaska municipal basic services program and under this section for fiscal
13 year 1996 no later than February 1, 1996. Notwithstanding other provisions of law, the sum
14 of all entitlements to a municipality under AS 29.60.013, 29.60.110, and 29.60.120 for

15 (1) fiscal year 1996 may not be decreased by more than two percent of the
16 sum of all entitlements received by that municipality during fiscal year 1995 under
17 AS 29.60.010 - 29.60.375 as those statutes existed before the effective date of this Act;

18 (2) fiscal year 1997 may not be decreased by more than two percent of the
19 amount received during fiscal year 1996 under AS 29.60.011 - 29.60.330 (the Alaska
20 municipal basic services program) or under (1) of this section;

21 (3) each fiscal year after 1997 may not be decreased by more than five percent
22 of the amount received during the immediately preceding fiscal year under AS 29.60.011 -
23 29.60.330 (the Alaska municipal basic services program) or this section.

24 (b) If appropriations during a fiscal year for the Alaska municipal basic services
25 program are not sufficient to fully fund transitional entitlements under (a) of this section, the
26 amount available, after fully funding entitlements under AS 29.60.130, 29.60.140, and
27 29.60.290, shall be distributed on a pro rata basis.

28 * **Sec. 26.** This Act takes effect July 1, 1995.