

**CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 20(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/18/96  
Referred: Finance

Sponsor(s): SENATORS TORGERSON, Pearce, Kelly

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to certain programs of state aid to municipalities and recipients  
2 in the unorganized borough; and providing for an effective date."

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

4 \* **Section 1.** AS 29.10.200(50) is amended to read:

5 (50) AS 29.60.120(a) and (c) (**priority revenue sharing** [STATE AID]  
6 for health facilities and hospitals);

7 \* **Sec. 2.** AS 29.20.640(b) is amended to read:

8 (b) Compliance with the provisions of this section is a prerequisite to receipt of  
9 municipal tax resource equalization assistance under AS 29.60.010 - 29.60.080 and  
10 **priority revenue sharing** [STATE AID] for [MISCELLANEOUS] municipal services  
11 under AS 29.60.100 - 29.60.180. If a municipality does not comply with this section,  
12 the department shall withhold the allocations until the required reports are filed.

13 \* **Sec. 3.** AS 29.45.020 is amended to read:

14 Sec. 29.45.020. TAXPAYER NOTICE. (a) If a municipality levies and collects  
15 property taxes, the governing body shall provide the following notice:

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"NOTICE TO TAXPAYER

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

PUBLIC SCHOOL FOUNDATION PROGRAM		
ASSISTANCE (AS 14.17)		\$
STATE AID FOR RETIREMENT OF SCHOOL		
CONSTRUCTION DEBT (AS 14.11.100)		\$
MUNICIPAL TAX RESOURCE EQUALIZATION		
[ASSISTANCE] (AS 29.60.010 - 29.60.080)		\$
<b><u>PRIORITY REVENUE SHARING</u></b> [STATE		
AID] FOR [MISCELLANEOUS] MUNICIPAL		
SERVICES (AS 29.60.100 - 29.60.180)		\$
<b><u>REVENUE SHARING FOR SAFE COMMUNITIES</u></b>		
<b><u>(AS 29.60.350 - 29.60.375)</u></b>		\$
TOTAL AID		\$

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

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
PUBLIC SCHOOL FOUNDATION		
PROGRAM ASSISTANCE	. . . . MILLS	. . . . MILLS
STATE AID FOR RETIREMENT		
OF SCHOOL CONSTRUCTION		
DEBT	. . . .MILLS	. . . .MILLS
MUNICIPAL TAX RESOURCE		
EQUALIZATION [ASSISTANCE]	. . . .MILLS	. . . .MILLS
<b><u>PRIORITY REVENUE SHARING</u></b>		
[STATE AID] FOR [MISCELLANEOUS]		
MUNICIPAL SERVICES	. . . .MILLS	. . . .MILLS
<b><u>REVENUE SHARING FOR SAFE</u></b>		

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COMMUNITIES . . . MILLS . . . MILLS

TOTAL MILLAGE  
EQUIVALENT . . . .MILLS . . . .MILLS"

Notice shall be provided

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

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

(b) Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization [ASSISTANCE] under AS 29.60.010 - 29.60.080 and priority revenue sharing [STATE AID] for [MISCELLANEOUS] municipal services under AS 29.60.100 - 29.60.180. The department shall withhold annual allocations under those sections until municipal officials demonstrate that the requirements of this section have been met.

\* **Sec. 4.** AS 29.45.660(b) is amended to read:

(b) Compliance with the provisions of this section is a prerequisite to receipt of municipal tax resource equalization [ASSISTANCE] under AS 29.60.010 - 29.60.080 and priority revenue sharing [STATE AID] for [MISCELLANEOUS] municipal services under AS 29.60.100 - 29.60.180. The department shall withhold annual allocations under those sections until municipal officials demonstrate that the requirements of this section have been met.

\* **Sec. 5.** AS 29.60.100 is amended to read:

Sec. 29.60.100. PRIORITY REVENUE SHARING FOR MUNICIPAL SERVICES [REVENUE SHARING PAYABLE]. In addition to the equalization entitlements paid under AS 29.60.010 - 29.60.080, during each fiscal year the department shall pay priority revenue sharing for municipal services to [AID]

(1) [TO] a municipality or other eligible recipient that has the power to provide the services described in AS 29.60.110 - 29.60.130 and exercises the power in the manner required by AS 29.60.100 - 29.60.180;

1 (2) [TO] an unincorporated community under AS 29.60.140.

2 \* **Sec. 6.** AS 29.60.170 is amended to read:

3 Sec. 29.60.170. **MUNICIPAL** [MISCELLANEOUS] SERVICES ACCOUNT.

4 The **municipal** [MISCELLANEOUS] services account is established. Money to carry  
5 out the provisions of AS 29.60.100 - 29.60.180 shall be allocated by the department to  
6 the account in accordance with AS 29.60.280. If amounts in the account are insufficient  
7 to pay each municipality's or other recipient's share authorized under AS 29.60.100 -  
8 29.60.180, the amounts that are available shall be distributed pro rata among eligible  
9 municipalities and other recipients.

10 \* **Sec. 7.** AS 29.60.280(b) is amended to read:

11 (b) Money in the **municipal** [MISCELLANEOUS] services account established  
12 in AS 29.60.170 that exceeds the amount required to fully fund distributions authorized  
13 by AS 29.60.100 - 29.60.180 shall be reallocated to the tax equalization account  
14 established in AS 29.60.060 and distributed according to the provisions of AS 29.60.010  
15 - 29.60.080.

16 \* **Sec. 8.** AS 29.60.350 is amended to read:

17 Sec. 29.60.350. **SAFE COMMUNITIES** [MUNICIPAL ASSISTANCE] FUND.

18 (a) **To implement the revenue sharing for safe communities program, there**  
19 [THERE] is established in the department the **safe communities** [MUNICIPAL  
20 ASSISTANCE] fund **consisting of the base amount account and the per capita**  
21 **account.** The legislature may appropriate to the **safe communities** [MUNICIPAL  
22 ASSISTANCE] fund during each fiscal year **a total** [AN] amount equal to or greater  
23 than 30 percent of the income tax revenue received by the state under AS 43.20.011(e)  
24 for the previous fiscal year. **Unless otherwise provided in the appropriation, the**  
25 **department shall allocate one-third of the money appropriated to the base amount**  
26 **account and two-thirds to the per capita account.**

27 (b) The department shall distribute money from the **safe communities**  
28 [MUNICIPAL ASSISTANCE] fund to each municipality on an annual basis as provided  
29 in AS 29.60.360 and 29.60.370 **and as adjusted under AS 29.60.373.** A municipality  
30 may not receive payment until it submits to the department a resolution approved by the  
31 governing body of the municipality that requests the money. Distribution of money from  
32 the **safe communities** [MUNICIPAL ASSISTANCE] fund to all municipalities must be

1 made on **July 31** [FEBRUARY 1] of the state fiscal year for which the appropriation to  
2 the fund is made. A municipality that incorporates after **July 1** [DECEMBER 31] of a  
3 state fiscal year is not eligible for a distribution under this section until the following  
4 state fiscal year.

5 \* **Sec. 9.** AS 29.60.350 is amended by adding a new subsection to read:

6 (c) Money from the revenue sharing for safe communities program distributed  
7 to a municipality shall be used by that municipality only for the following services in the  
8 following order of priority:

- 9 (1) police protection and related public safety services;
- 10 (2) fire protection and emergency medical services;
- 11 (3) water and sewer services not offset by user fees;
- 12 (4) solid waste management;
- 13 (5) other services determined by the governing body to have the highest  
14 priority.

15 \* **Sec. 10.** AS 29.60.360 is amended to read:

16 Sec. 29.60.360. BASE AMOUNT ACCOUNT DISTRIBUTIONS [OF  
17 ASSISTANCE]. (a) The base amount to be distributed from the **base amount account**  
18 [MUNICIPAL ASSISTANCE FUND] to each municipality for the fiscal year shall be  
19 the amount received by the municipality during fiscal year 1978 under AS 43.70.080 as  
20 that section provided before the 1978 amendment. A city incorporated within a borough  
21 after June 30, 1977, shall receive as a base amount a share of the amount distributed to  
22 the borough in which it is located based on the ratio of population in the city to the total  
23 population in the borough. A city incorporated outside a borough after June 30, 1977,  
24 shall receive as a base amount the amount received by the city in the state most closely  
25 approximating it in population at the time of its incorporation. A borough incorporated  
26 after June 30, 1977, shall receive as a base amount the amount received by the borough  
27 in the state most clearly approximating it in population at the time of its incorporation,  
28 **excluding each borough with a per capita full and true property value exceeding**  
29 **\$500,000.** The base amount to be distributed to each municipality organized under  
30 federal law shall be the amount received as a base amount by the city most closely  
31 approximating it in population on June 30, 1977.

32 (b) If the amount **in the base amount account from allocation of**

1        **appropriations** [APPROPRIATED] to the **safe communities** [MUNICIPAL  
2        ASSISTANCE] fund [BY THE LEGISLATURE] during a fiscal year is insufficient for  
3        distribution of the full base amount to each municipality, the department shall prorate the  
4        amount available for distribution [ON THE BASIS OF AMOUNTS RECEIVED  
5        DURING THE FISCAL YEAR 1978 UNDER AS 43.70.080].

6        \* **Sec. 11.** AS 29.60.370(a) is amended to read:

7                Sec. 29.60.370. **PER CAPITA ACCOUNT DISTRIBUTION** [INCREASED  
8        ASSISTANCE]. (a) **The** [IF THE] amount **allocated to the per capita account** in the  
9        **safe communities** [MUNICIPAL ASSISTANCE] fund [AT THE TIME OF  
10        DISTRIBUTION EXCEEDS THE BASE AMOUNT TO BE DISTRIBUTED UNDER  
11        AS 29.60.360, THE EXCESS AMOUNT] shall be distributed to each municipality on  
12        the basis of population. Population for the purpose of this section shall be as certified  
13        by the commissioner of community and regional affairs. In determining the population  
14        of a borough, the population of all cities in the borough shall be deducted from the total  
15        population of the borough.

16        \* **Sec. 12.** AS 29.60 is amended by adding new sections to read:

17                Sec. 29.60.372. **MINIMUM PAYMENT.** If a municipality qualifies for a  
18        payment during a fiscal year under AS 29.60.010 - 29.60.080, 29.60.100 - 29.60.180,  
19        29.60.290, or 29.60.350 and if the total amount payable to the municipality under those  
20        sections is less than \$40,000, the department shall pay to the municipality a minimum  
21        payment in an amount equal to the difference between the total amount payable under  
22        those sections and \$40,000 as adjusted under AS 29.60.373.

23                Sec. 29.60.373. **ADJUSTMENT OF PAYMENTS.** Adjustment of payments  
24        shall be determined by prorating amounts payable under AS 29.60.360, 29.60.370, and  
25        29.60.372 by a factor that, when applied, reduces all payments in equal proportion so  
26        that total payments equal the amount appropriated to the safe communities fund.

27        \* **Sec. 13.** AS 29.60.370(b) is repealed.

28        \* **Sec. 14.** This Act takes effect July 1, 1996.