

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 20(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 3/26/96

Referred: Rules

Sponsor(s): SENATORS TORGERSON, Pearce, Kelly, Zharoff, Taylor

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to certain programs of state aid to municipalities and
2 recipients 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

1 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	MUNICIPAL TAX RESOURCE EQUALIZATION	
11	[ASSISTANCE] (AS 29.60.010 - 29.60.080)	\$
12	<u>PRIORITY REVENUE SHARING</u> [STATE	
13	AID] FOR [MISCELLANEOUS] MUNICIPAL	
14	SERVICES (AS 29.60.100 - 29.60.180)	\$
15	<u>REVENUE SHARING FOR SAFE COMMUNITIES</u>	
16	<u>(AS 29.60.350 - 29.60.375)</u>	\$
17	TOTAL AID	\$

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

		MILLAGE EQUIVALENT	
		PREVIOUS YEAR	THIS YEAR
23	PUBLIC SCHOOL FOUNDATION		
24	PROGRAM ASSISTANCE MILLS MILLS
25	STATE AID FOR RETIREMENT		
26	OF SCHOOL CONSTRUCTION		
27	DEBTMILLSMILLS
28	MUNICIPAL TAX RESOURCE		
29	EQUALIZATION [ASSISTANCE]MILLSMILLS
30	<u>PRIORITY REVENUE SHARING</u>		
31	[STATE AID] FOR [MISCELLANEOUS]		
32	MUNICIPAL SERVICESMILLSMILLS

1 REVENUE SHARING FOR SAFE

2 COMMUNITIES

...MILLS ...MILLS

4 TOTAL MILLAGE

5 EQUIVALENTMILLSMILLS"

6 Notice shall be provided

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

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

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

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

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

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

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

31 (1) [TO] a municipality or other eligible recipient that has the power to
32 provide the services described in AS 29.60.110 - 29.60.130 and exercises the power in

1 the manner required by AS 29.60.100 - 29.60.180;

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

3 * **Sec. 6.** AS 29.60.170 is amended to read:

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

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

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

12 (b) Money in the **municipal** [MISCELLANEOUS] services account established
13 in AS 29.60.170 that exceeds the amount required to fully fund distributions authorized
14 by AS 29.60.100 - 29.60.180 shall be reallocated to the tax equalization account
15 established in AS 29.60.060 and distributed according to the provisions of AS 29.60.010
16 - 29.60.080.

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

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

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

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

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

6 * **Sec. 9.** AS 29.60.350 is amended by adding new subsections to read:

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

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

16 (d) Subsection (c) of this section may not be construed to require a
17 municipality to fund all requests it receives for services in a category with a higher
18 ranking of priority before funding services in a category with a lower ranking of
19 priority.

20 * **Sec. 10.** AS 29.60.360 is amended to read:

21 Sec. 29.60.360. BASE AMOUNT ACCOUNT DISTRIBUTIONS [OF
22 ASSISTANCE]. (a) The base amount to be distributed from the **base amount account**
23 [MUNICIPAL ASSISTANCE FUND] to each municipality for the fiscal year shall be
24 the amount received by the municipality during fiscal year 1978 under AS 43.70.080 as
25 that section provided before the 1978 amendment. A city incorporated within a borough
26 after June 30, 1977, shall receive as a base amount a share of the amount distributed to
27 the borough in which it is located based on the ratio of population in the city to the total
28 population in the borough. A city incorporated outside a borough after June 30, 1977,
29 shall receive as a base amount the amount received by the city in the state most closely
30 approximating it in population at the time of its incorporation. A borough incorporated
31 after June 30, 1977, shall receive as a base amount the amount received by the borough
32 in the state most clearly approximating it in population at the time of its incorporation,

1 **excluding each borough with a per capita full and true property value exceeding**
2 **\$500,000.** The base amount to be distributed to each municipality organized under
3 federal law shall be the amount received as a base amount by the city most closely
4 approximating it in population on June 30, 1977.

5 (b) If the amount **in the base amount account from allocation of**
6 **appropriations** [APPROPRIATED] to the **safe communities** [MUNICIPAL
7 ASSISTANCE] fund [BY THE LEGISLATURE] during a fiscal year is insufficient for
8 distribution of the full base amount to each municipality, the department shall prorate the
9 amount available for distribution [ON THE BASIS OF AMOUNTS RECEIVED
10 DURING THE FISCAL YEAR 1978 UNDER AS 43.70.080].

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

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

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

22 Sec. 29.60.372. **MINIMUM PAYMENT.** If a municipality qualifies for a
23 payment during a fiscal year under AS 29.60.010 - 29.60.080, 29.60.100 - 29.60.180,
24 29.60.290, or 29.60.350 and if the total amount payable to the municipality under those
25 sections is less than \$40,000, the department shall pay to the municipality a minimum
26 payment in an amount equal to the difference between the total amount payable under
27 those sections and \$40,000 as adjusted under AS 29.60.373.

28 Sec. 29.60.373. **ADJUSTMENT OF PAYMENTS.** Adjustment of payments
29 shall be determined by prorating amounts payable under AS 29.60.360, 29.60.370, and
30 29.60.372 by a factor that, when applied, reduces all payments in equal proportion so
31 that total payments equal the amount appropriated to the safe communities fund.

32 * **Sec. 13.** AS 29.60.370(b) is repealed.

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