

SENATE BILL NO. 96

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY SENATOR KELLY

Introduced: 2/22/95

Referred: CRA, FIN

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to municipal activities or services mandated by state statute."**

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

3 * **Section 1.** AS 01.10 is amended by adding a new section to read:

4 Sec. 01.10.075. MANDATED MUNICIPAL SERVICES. (a) A statute
5 enacted or amended after January 1, 1996, that imposes or increases costs mandated
6 by the state as a result of a new activity or service or an increase in the level of
7 municipal funding for an activity or service required of municipalities by the statute
8 is not effective unless the bill under which the statute was enacted or amended

9 (1) contains an appropriation for the reimbursement of those costs to
10 affected municipalities; or

11 (2) grants to municipalities the discretion of electing whether to comply
12 with the statute.

13 (b) Each bill that applies to municipalities must include findings as to whether

14 (1) the bill would mandate a new activity or service or increase the
15 level of municipal funding required for an activity or service; and

1 (2) any mandate contained in the bill will have a significant financial
2 effect on municipalities.

3 (c) If a municipality disputes findings on a bill made under (b) of this section,
4 it may, within 30 days after the effective date of the bill, petition the legislative audit
5 division for review of the action.

6 (d) A municipality may elect to provide a service or perform an activity in
7 accordance with a statute that is ineffective under (a) of this section using local funds
8 to pay costs mandated by the state. If a municipality voluntarily provides a service or
9 performs an activity under this subsection, the municipality may modify the activity
10 or service consistent with the policy and intent of the statute to the extent and in the
11 manner necessitated by the limitations of the local funding available.

12 (e) If full state funding for an activity or service required under a statute that
13 was enacted or amended in accordance with (b)(1) of this section is not provided to
14 a municipality in a subsequent year, the municipality affected by the reduction in
15 funding may modify the activity or service as permitted under (d) of this section.

16 (f) For purposes of this section,

17 (1) "costs mandated by the state" means any increased cost creating a
18 significant financial effect that a municipality is required to incur after January 1,
19 1996, as a result of a statute enacted after January 1, 1996, or a regulation adopted
20 after January 1, 1996, that mandates a new activity or service or a higher level of
21 municipal contribution to an activity or service; costs mandated by the state do not
22 include costs of the type experienced equally by private and public entities that are
23 incurred by a municipality in its proprietary capacity or costs that result from activities
24 or services that a municipality, although not required to do so, elects to provide;

25 (2) "new activity or service" means an activity or service that is
26 required as a result of a statute, that was not required before the enactment of the
27 statute, and that results in costs mandated by the state;

28 (3) "significant financial effect" means the employment of additional
29 personnel or an increase in expenditures.