

**SENATE BILL NO. 154**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 4/15/99

Referred: Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to state aid to municipalities, certain unincorporated communities,  
2 and certain other recipients; relating to the municipal revenue sharing program;  
3 and providing for an effective date."

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

5 \* **Section 1.** AS 18.70.075(a) is amended to read:

6 (a) A fire officer of a municipal fire department or a fire department registered  
7 under AS 29.60.720 [AS 29.60.130], while providing fire protection or other  
8 emergency services, has the authority to

9 (1) control and direct activities at the scene of a fire or emergency;

10 (2) order a person to leave a building or place in the vicinity of a fire  
11 or emergency [,] for the purpose of protecting the person from injury;

12 (3) blockade a public highway, street, or private right-of-way  
13 temporarily while at the scene of a fire or emergency;

14 (4) trespass upon property at or near the scene of a fire or emergency

1 at any time of the day or night;

2 (5) enter a building, including a private dwelling, or premises where  
 3 a fire is in progress, or where there is reasonable cause to believe a fire is in progress,  
 4 to extinguish the fire;

5 (6) enter a building, including a private dwelling, or premises near the  
 6 scene of a fire for the purpose of protecting the building or premises or for the purpose  
 7 of extinguishing the fire that is in progress in another building or premises;

8 (7) upon 24-hour notice to the owner or occupant, conduct a prefire  
 9 planning survey in all buildings, structures, or other places within the municipality or  
 10 the registered fire department's district, except the interior of a private dwelling, where  
 11 combustible material is or may become dangerous as a fire menace to the building;

12 (8) direct the removal or destruction of a fence, house, motor vehicle,  
 13 or other thing judged necessary to prevent the further spread of a fire.

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

15 (b) Compliance with the provisions of this section is a prerequisite to receipt  
 16 of entitlements under the municipal revenue sharing program (AS 29.60.700 -  
 17 29.60.730) [TAX RESOURCE EQUALIZATION ASSISTANCE UNDER  
 18 AS 29.60.010 - 29.60.080 AND PRIORITY REVENUE SHARING FOR MUNICIPAL  
 19 SERVICES UNDER AS 29.60.100 - 29.60.180]. If a municipality does not comply  
 20 with this section, the department shall withhold the entitlements [ALLOCATIONS]  
 21 until the required reports are filed.

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

23 **Sec. 29.45.020. Taxpayer notice.** (a) If a municipality levies and collects  
 24 property taxes, the governing body shall provide the following notice:

25 "NOTICE TO TAXPAYER

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

29 PUBLIC SCHOOL FUNDING PROGRAM (AS 14.17) \$  
 30 STATE AID FOR RETIREMENT OF SCHOOL  
 31 CONSTRUCTION DEBT (AS 14.11.100) \$

1	<b><u>MUNICIPAL REVENUE SHARING PROGRAM</u></b>	
2	<b><u>(AS 29.60.700 - 29.60.730)</u></b>	<b>\$</b>
3	[MUNICIPAL TAX RESOURCE EQUALIZATION	
4	(AS 29.60.010 - 29.60.080)	\$
5	PRIORITY REVENUE SHARING FOR	
6	MUNICIPAL SERVICES (AS 29.60.100 - 29.60.180)	\$
7	REVENUE SHARING FOR SAFE COMMUNITIES	
8	(AS 29.60.350 - 29.60.375)	\$]
9	TOTAL AID	\$

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

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
15 PUBLIC SCHOOL FUNDING		
16 PROGRAM ASSISTANCE	. . . .MILLS	. . . .MILLS
17 STATE AID FOR RETIREMENT		
18 OF SCHOOL CONSTRUCTION		
19 DEBT	. . . .MILLS	. . . .MILLS
20 <b><u>MUNICIPAL REVENUE SHARING</u></b>		
21 <b><u>PROGRAMS</u></b>	. . . .MILLS	. . . .MILLS
22 [MUNICIPAL TAX RESOURCE		
23 EQUALIZATION	. . . .MILLS	. . . .MILLS
24 PRIORITY REVENUE SHARING		
25 FOR MUNICIPAL SERVICES	. . . .MILLS	. . . .MILLS
26 REVENUE SHARING FOR SAFE		
27 COMMUNITIES]	. . . .MILLS	. . . .MILLS
28 TOTAL MILLAGE EQUIVALENT	. . . .MILLS	. . . .MILLS"

29 Notice shall be provided by  
 30 (1) furnishing a copy of the notice with tax statements mailed for the  
 31 fiscal year for which aid is received; or

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

5 (b) Compliance with the provisions of this section is a prerequisite to receipt  
 6 of entitlements under the municipal revenue sharing program (AS 29.60.700 -  
 7 29.60.730) [TAX RESOURCE EQUALIZATION UNDER AS 29.60.010 - 29.60.080  
 8 AND PRIORITY REVENUE SHARING FOR MUNICIPAL SERVICES UNDER  
 9 AS 29.60.100 - 29.60.180]. The department shall withhold annual entitlements  
 10 [ALLOCATIONS] under those sections until municipal officials demonstrate that the  
 11 requirements of this section have been met.

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

13 (b) Compliance with the provisions of this section is a prerequisite to receipt  
 14 of entitlements under the municipal revenue sharing program (AS 29.60.700 -  
 15 29.60.730) [TAX RESOURCE EQUALIZATION UNDER AS 29.60.010 - 29.60.080  
 16 AND PRIORITY REVENUE SHARING FOR MUNICIPAL SERVICES UNDER  
 17 AS 29.60.100 - 29.60.180]. The department shall withhold annual entitlements  
 18 [ALLOCATIONS] under those sections until municipal officials demonstrate that the  
 19 requirements of this section have been met.

20 \* **Sec. 5.** AS 29.60 is amended by adding new sections to read:

21 **Article 9. Municipal Revenue Sharing Program.**

22 **Sec. 29.60.700. Municipal minimum entitlements.** (a) The municipal  
 23 minimum entitlements account is established in the department and consists of money  
 24 appropriated to the account or transferred to the account under AS 29.60.710 or  
 25 29.60.720. Each state fiscal year, the department shall distribute money in the account  
 26 to each eligible municipality. The amount of an entitlement is \$35,000. If there is not  
 27 enough money in the account to fully fund all entitlements for a fiscal year, the  
 28 department shall distribute the amount available on a pro rata basis so that each  
 29 entitlement is reduced by the same amount. Money in the account that exceeds the  
 30 amount required to fully fund entitlements for a fiscal year lapses into the general  
 31 fund.

1 (b) A municipality qualifies for a municipal minimum entitlement for a fiscal  
2 year if

3 (1) the municipality has conducted a regular election during the  
4 preceding state fiscal year or when last required to do so by ordinance or charter and  
5 has reported the results of the election to the commissioner;

6 (2) regular meetings of the governing body were held in the  
7 municipality during the preceding state fiscal year and a record of the proceedings was  
8 maintained;

9 (3) a municipal budget has been adopted for the municipal fiscal year  
10 during which payment of the entitlement is authorized, and an audit or financial  
11 statement for the preceding municipal fiscal year has been furnished to the department;  
12 and

13 (4) all ordinances adopted by the municipality have been codified in  
14 accordance with AS 29.25.050.

15 **Sec. 29.60.710. Municipal services entitlements.** (a) The road maintenance  
16 account is established in the department. Each fiscal year, the department shall  
17 distribute money appropriated to the account to eligible municipalities to be used for  
18 road maintenance. A municipality is eligible for a municipal services entitlement  
19 under this section only if it is eligible for a municipal minimum entitlement under  
20 AS 29.60.700 for that fiscal year and if it has power to provide for road maintenance  
21 and exercises that power. If appropriations are not sufficient to fully fund entitlements  
22 for a fiscal year under this section, entitlements shall be reduced on a pro rata basis.  
23 If appropriations exceed the amount required to fully fund entitlements under this  
24 section, the department shall transfer the excess amount to the municipal minimum  
25 entitlements account.

26 (b) The road maintenance entitlement is equal to \$1,200 for each mile of road,  
27 street, or highway maintained by a municipality and used by automotive equipment,  
28 excluding (1) the official state highway system, (2) roads, streets, or highways not  
29 dedicated to public use, (3) roads, streets, or highways maintained under AS 19.30.111  
30 - 19.30.251 (local service road program), and (4) alleyways, as defined by regulations  
31 of the Department of Transportation and Public Facilities. In addition, the municipality

1 may receive an entitlement equal to \$600 for each mile of a frozen waterway and a  
2 connection from an inhabited area to a frozen waterway that may be safely used for  
3 public transportation by automotive equipment and is so used during a portion of the  
4 year if the waterway and connection are maintained during the period of use by the  
5 municipality. The department, after consultation with the Department of  
6 Transportation and Public Facilities, shall determine which waterways and connections  
7 qualify and, where the waterways or connections lie outside the corporate limits of a  
8 municipality and are maintained by a combination of municipalities, which  
9 municipalities shall receive the payments under this subsection, unless the  
10 municipalities involved have agreed in writing to a particular distribution.

11 **Sec. 29.60.720. Fire and emergency medical services entitlements.** (a)

12 Each fiscal year, the department shall pay to a municipality that has a fire department  
13 registered with the state fire marshal or an organization certified by the state to provide  
14 emergency medical services an entitlement to be used for fire or emergency medical  
15 services. The amount of the entitlement is based on the number of individuals served  
16 as determined by the department. The entitlement equals \$5 for each individual who  
17 receives fire protection services and \$5 for each individual who receives emergency  
18 medical services. A municipality is eligible for an entitlement under this subsection  
19 only if it is eligible for a municipal minimum entitlement under AS 29.60.700 for that  
20 fiscal year.

21 (b) Each fiscal year, the department shall pay to a fire department registered  
22 with the state fire marshal or to an organization certified by the state to provide  
23 emergency medical services an entitlement to be used for fire or emergency medical  
24 services if the area served is not in a municipality. The amount of the entitlement is  
25 based on the number of individuals served as determined by the department. The  
26 entitlement equals \$5 for each individual who receives fire protection services and \$5  
27 for each individual who receives emergency medical services.

28 (c) The fire and emergency medical services account is established in the  
29 department. The department shall pay entitlements under this section from  
30 appropriations to the account. If appropriations are not sufficient to fully fund  
31 entitlements for a fiscal year, all entitlements under this section shall be reduced on

1 a pro rata basis. If appropriations exceed the amount required to fully fund  
 2 entitlements, the department shall transfer the excess amount to the municipal  
 3 minimum entitlements account.

4 **Sec. 29.60.730. Administration.** (a) The department shall adopt regulations  
 5 necessary to implement AS 29.60.700 - 29.60.730, which must include

6 (1) procedures and filing dates for submitting entitlement applications  
 7 and information relating to those applications;

8 (2) procedures by which the department shall notify a municipality or  
 9 other applicant in writing of the reasons for a proposed disallowance or adjustment of  
 10 any factor bearing on the determination of the applicant's eligibility for and amount  
 11 of entitlement.

12 (b) For purposes of AS 29.60.700 - 29.60.730, population shall be determined  
 13 by the latest figures of the United States Bureau of the Census or other population data  
 14 that in the judgment of the department is reliable.

15 (c) The department shall make payments under AS 29.60.700 - 29.60.730 no  
 16 later than July 31, based on entitlement calculations made during the preceding fiscal  
 17 year.

18 \* **Sec. 6.** AS 37.06.010(g) is amended to read:

19 (g) For purposes of this section, in calculating the population of a borough, the  
 20 population of each city in the borough is excluded. The determination of population  
 21 shall be based upon data used by the Department of Community and Regional Affairs  
 22 under AS 29.60.730(b) [AS 29.60.020].

23 \* **Sec. 7.** AS 41.15.180(d) is amended to read:

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

27 (1) home rule city, first class city, or second class city that exercises  
 28 road powers, that is located within the unorganized borough and within a national  
 29 forest or within 20 miles of a national forest, a share of the income from the roads  
 30 allocation of the fund; a home rule city, first class city, or second class city's share  
 31 shall be calculated as the proportion of the number of road miles within municipal

1 boundaries over which the community exercises road powers plus the number of state  
 2 road miles maintained by the municipality under agreement with the state compared  
 3 to the total number of road miles maintained by state or local governments in the  
 4 unorganized borough and within the national forest or within 20 miles of the national  
 5 forest;

6 (2) municipality organized under federal law as an Indian reserve that  
 7 existed before the enactment of 43 U.S.C. 1618(a) and is continued in existence under  
 8 that subsection and that has formed a community development corporation under  
 9 **former** AS 29.60.365, that exercises road powers, and that is located within the  
 10 unorganized borough and within the national forest or within 20 miles of the national  
 11 forest a share of the income from the roads allocation of the fund; the share due a  
 12 municipality organized under federal law that exercises road powers shall be calculated  
 13 as the proportion of the number of road miles within municipal boundaries over which  
 14 the community exercises road powers plus the number of state road miles maintained  
 15 by the municipality under agreement with the state compared to the total number of  
 16 road miles maintained by state or local governments in the unorganized borough and  
 17 within the national forest or within 20 miles of the national forest; however, the  
 18 commissioner may pay income from national forest receipts under this paragraph only  
 19 after the corporation has delivered a written waiver of sovereign immunity from legal  
 20 action by the state to recover all or a portion of the money distributed under this  
 21 section.

22 \* **Sec. 8.** AS 42.45.110(b) is amended to read:

23 (b) An eligible electric utility is entitled to receive power cost equalization

24 (1) for sales of power to local community facilities, calculated in the  
 25 aggregate for each community served by the electric utility, for actual consumption of  
 26 not more than 70 kilowatt-hours per month for each resident of the community; the  
 27 number of community residents shall be determined under **AS 29.60.730(b)**  
 28 [AS 29.60.020]; and

29 (2) for actual consumption of not more than 700 kilowatt-hours per  
 30 month sold to each customer in all classes served by the electric utility except

31 (A) customers of the utility under (1) of this subsection; and

1 (B) customers that are state or federal offices or state or federal  
2 facilities other than public schools.

3 \* **Sec. 9.** AS 29.10.200(54), 29.10.200(55); AS 29.60.010, 29.60.020, 29.60.030, 29.60.040,  
4 29.60.050, 29.60.060, 29.60.070, 29.60.080, 29.60.100, 29.60.110, 29.60.120, 29.60.130,  
5 29.60.150, 29.60.160, 29.60.170, 29.60.180, 29.60.280, 29.60.290, 29.60.300, 29.60.310,  
6 29.60.350, 29.60.360, 29.60.365, 29.60.370, 29.60.372, 29.60.373, and 29.60.375 are repealed.

7 \* **Sec. 10.** This Act takes effect July 1, 1999.