

**CS FOR HOUSE BILL NO. 20(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

**BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Offered: 3/22/01**

**Referred: State Affairs, Finance**

**Sponsor(s): REPRESENTATIVES MOSES, Davies, Foster, Wilson, Hudson, Mulder, Bunde, Stevens, Joule, Lancaster, James, Kapsner**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to state aid to municipalities and certain other recipients, and for the**  
2 **village public safety officer program; relating to municipal dividends; relating to the**  
3 **public safety foundation program; and providing for an effective date."**

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

5 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
6 to read:

7 FINDINGS. The legislature finds that

8 (1) police, fire protection, emergency medical services, health services, and  
9 roads are top priorities of the citizens of the state;

10 (2) the public safety foundation program is a return to the historically  
11 successful original "revenue sharing for services" concept used from 1969 to 1980 to promote  
12 more effective local governments and stable or reduced local taxes;

13 (3) municipalities should be held accountable for providing specific public  
14 safety services with state shared revenues;

1 (4) the public safety foundation program is a positive incentive to incorporate  
2 or for a municipality to accept more responsibility for roads and other high priority public  
3 services;

4 (5) the village public safety officer program is designed to train and employ  
5 individuals residing outside of municipalities as the first responders to public safety  
6 emergencies, such as basic law enforcement, crime prevention, emergency medical assistance,  
7 fire protection, and search and rescue;

8 (6) fully funding the municipal dividend from a portion of the excess earnings  
9 of the permanent fund, after funding permanent fund dividends and inflation-proofing, will  
10 not change the current calculation for the permanent fund dividend, but will save the local  
11 taxpayers an average of \$150 a year that would otherwise be required to support local public  
12 services.

13 \* **Sec. 2.** AS 18.70.075(a) is amended to read:

14 (a) A fire officer of a municipal fire department or a fire department registered  
15 under **AS 29.60.675** [AS 29.60.130], while providing fire protection or other  
16 emergency services, has the authority to

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

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

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

22 (4) trespass upon property at or near the scene of a fire or emergency at  
23 any time of the day or night;

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

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

30 (7) upon 24-hour notice to the owner or occupant, conduct a prefire  
31 planning survey in all buildings, structures, or other places within the municipality or

1 the registered fire department's district, except the interior of a private dwelling, where  
 2 combustible material is or may become dangerous as a fire menace to the building;

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

5 \* **Sec. 3.** AS 29.10.200 is amended by adding a new paragraph to read:

6 (60) AS 29.60.660 - 29.60.699 (public safety foundation program).

7 \* **Sec. 4.** AS 29.20.640(b) is amended to read:

8 (b) Compliance with the provisions of this section is a prerequisite to receipt  
 9 of entitlements under the public safety foundation program (AS 29.60.660 -  
 10 29.60.699) [MUNICIPAL TAX RESOURCE EQUALIZATION ASSISTANCE  
 11 UNDER AS 29.60.010 - 29.60.080 AND PRIORITY REVENUE SHARING FOR  
 12 MUNICIPAL SERVICES UNDER AS 29.60.100 - 29.60.180]. If a municipality does  
 13 not comply with this section, the department shall withhold the entitlements  
 14 [ALLOCATIONS] until the required reports are filed.

15 \* **Sec. 5.** AS 29.45.020 is amended to read:

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

18 "NOTICE TO TAXPAYER

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

22	PUBLIC SCHOOL FUNDING PROGRAM (AS 14.17)	\$
23	STATE AID FOR RETIREMENT OF SCHOOL	
24	CONSTRUCTION DEBT (AS 14.11.100)	\$
25	<b><u>PUBLIC SAFETY FOUNDATION PROGRAM</u></b>	
26	<b><u>(AS 29.60.660 - 29.60.699)</u></b>	<b><u>\$</u></b>
27	[MUNICIPAL TAX RESOURCE EQUALIZATION	
28	(AS 29.60.010 - 29.60.080)	\$
29	PRIORITY REVENUE SHARING FOR	
30	MUNICIPAL SERVICES (AS 29.60.100 - 29.60.180)	\$
31	REVENUE SHARING FOR SAFE COMMUNITIES	

1 (AS 29.60.350 - 29.60.375) \$]  
 2 TOTAL AID \$

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

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
8 PUBLIC SCHOOL FUNDING		
9 PROGRAM ASSISTANCE	...MILLS	...MILLS
10 STATE AID FOR RETIREMENT		
11 OF SCHOOL CONSTRUCTION		
12 DEBT	...MILLS	...MILLS
13 <b><u>PUBLIC SAFETY FOUNDATION</u></b>		
14 <b><u>PROGRAM</u></b>	<b><u>...MILLS</u></b>	<b><u>...MILLS</u></b>
15 [MUNICIPAL TAX RESOURCE		
16 EQUALIZATION	...MILLS	...MILLS
17 PRIORITY REVENUE SHARING		
18 FOR MUNICIPAL SERVICES	...MILLS	...MILLS
19 REVENUE SHARING FOR SAFE		
20 COMMUNITIES	...MILLS	...MILLS]
21 TOTAL MILLAGE EQUIVALENT	...MILLS	...MILLS"

22 Notice shall be provided by

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

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

29 (b) Compliance with the provisions of this section is a prerequisite to receipt  
 30 of **entitlements under the public safety program (AS 29.60.660 - 29.60.699)**  
 31 [MUNICIPAL TAX RESOURCE EQUALIZATION UNDER AS 29.60.010 -

1 29.60.080 AND PRIORITY REVENUE SHARING FOR MUNICIPAL SERVICES  
 2 UNDER AS 29.60.100 - 29.60.180]. The department shall withhold annual  
 3 **entitlements** [ALLOCATIONS] under those sections until municipal officials  
 4 demonstrate that the requirements of this section have been met.

5 \* **Sec. 6.** AS 29.45.660(b) is amended to read:

6 (b) Compliance with the provisions of this section is a prerequisite to receipt  
 7 of **entitlements under the public safety foundation program (AS 29.60.660 -**  
 8 **29.60.699)** [MUNICIPAL TAX RESOURCE EQUALIZATION UNDER  
 9 AS 29.60.010 - 29.60.080 AND PRIORITY REVENUE SHARING FOR  
 10 MUNICIPAL SERVICES UNDER AS 29.60.100 - 29.60.180]. The department shall  
 11 withhold annual **entitlements** [ALLOCATIONS] under those sections until municipal  
 12 officials demonstrate that the requirements of this section have been met.

13 \* **Sec. 7.** AS 29.60 is amended by adding new sections to read:

14 **Article 8A. Public Safety Foundation Program.**

15 **Sec. 29.60.655. Municipal dividend fund.** There is established in the  
 16 department the municipal dividend fund consisting of municipal dividends  
 17 appropriated and transferred to the fund under AS 37.13.145(e). Each fiscal year, the  
 18 legislature may appropriate money in the municipal dividend fund for the public safety  
 19 foundation program (AS 29.60.660 - 29.60.699). Any balance in the fund may be  
 20 appropriated for capital project matching grants (AS 37.06.010 - 37.06.090).

21 **Sec. 29.60.660. Administration.** (a) The public safety foundation program is  
 22 established in the department. Each fiscal year, the department shall distribute public  
 23 safety foundation entitlements to eligible municipalities and other recipients under  
 24 AS 29.60.665 - 29.60.699 from appropriations for the purpose from the municipal  
 25 dividend fund. A municipality qualifies for a public safety foundation entitlement for  
 26 a fiscal year if the municipality meets any eligibility requirements for the specific  
 27 entitlement and

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

31 (2) regular meetings of the governing body were held in the

1 municipality during the preceding state fiscal year and a record of the proceedings was  
2 maintained;

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

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

9 (b) The department shall adopt regulations necessary to implement the public  
10 safety foundation program, which must include

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

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

17 (c) For purposes of the public safety foundation program, population shall be  
18 determined by the latest figures of the United States Bureau of the Census or other  
19 population data that in the judgment of the department is reliable.

20 (d) The department shall make payments under the public safety foundation  
21 program no later than July 31, based on entitlement calculations made during the  
22 preceding fiscal year.

23 **Sec. 29.60.665. Municipal minimum entitlements and supplemental**  
24 **minimum entitlements.** (a) Each fiscal year, the department shall distribute  
25 municipal minimum entitlements to each municipality. The amount of an entitlement  
26 under this subsection is \$25,000.

27 (b) A municipality is eligible for a supplemental minimum entitlement if the  
28 total amount of money the municipality receives for a fiscal year under the public  
29 safety foundation program, excluding the entitlement under this subsection, is less  
30 than \$45,000. The amount of an entitlement under this subsection is the amount  
31 necessary to equal \$45,000 when added to other amounts received under the public

1 safety foundation program.

2 (c) A municipality is eligible for a supplemental minimum entitlement if the  
3 total amount of money the municipality receives for the fiscal year under the public  
4 safety foundation program, excluding the entitlement under this subsection, is less  
5 than the total amount the municipality received for fiscal year 2001 under former  
6 AS 29.60.010 - 29.60.375. The amount of an entitlement under this subsection is the  
7 amount necessary to equal, when added to other amounts received under the public  
8 safety foundation program, the amount the municipality received for fiscal year 2001  
9 under former AS 29.60.010 - 29.60.375.

10 **Sec. 29.60.670. Road maintenance and driver usage entitlements.** (a)  
11 Each fiscal year, the department shall distribute road maintenance entitlements to  
12 municipalities to be used for road maintenance except as provided in (d) of this  
13 section. A municipality is eligible for a road maintenance entitlement under this  
14 section only if it has power to provide for road maintenance and exercises that power.  
15 The road maintenance entitlement is equal to \$2,000 for each mile of road, street, or  
16 highway maintained by the municipality and used by automotive equipment,  
17 excluding (1) the official state highway system, (2) roads, streets, or highways not  
18 dedicated to public use, (3) roads, streets, or highways maintained under AS 19.30.111  
19 - 19.30.251 (local service road program), and (4) alleyways, as defined by regulations  
20 of the Department of Transportation and Public Facilities.

21 (b) In addition to an entitlement under (a) of this section, a municipality may  
22 receive an entitlement equal to \$1,000 for each mile of a frozen waterway and a  
23 connection from an inhabited area to a frozen waterway that may be safely used for  
24 public transportation by automotive equipment and is so used during a portion of the  
25 year if the waterway and connection are maintained during the period of use by the  
26 municipality. The Department of Community and Economic Development, after  
27 consultation with the Department of Transportation and Public Facilities, shall  
28 determine which waterways and connections qualify and, where the waterways or  
29 connections lie outside the corporate limits of a municipality and are maintained by a  
30 combination of municipalities, which municipalities shall receive the payments under  
31 this subsection, unless the municipalities involved have agreed in writing to a

1 particular distribution.

2 (c) Each fiscal year, the department shall distribute a driver usage entitlement  
3 to each municipality equal to \$10 for each person residing in the municipality. The  
4 population of a municipality shall be as certified by the commissioner. In determining  
5 the population of a borough, the populations of all cities in the borough shall be  
6 subtracted from the total population of the borough.

7 (d) The governing body may by ordinance authorize the municipality to use  
8 for education the portion of each entitlement received by the municipality under (a) of  
9 this section that is designated in the ordinance. The amount that may be designated in  
10 the ordinance may not exceed 55 percent of the entitlement.

11 **Sec. 29.60.675. 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  
14 provide emergency medical services an entitlement to be used for fire or emergency  
15 medical services except as provided in (c) of this section. The amount of the  
16 entitlement is based on the number of individuals served as determined by the  
17 department. The entitlement equals \$20 for each individual who receives fire  
18 protection services and \$20 for each individual who receives emergency medical  
19 services.

20 (b) Each fiscal year, the department shall pay to a fire department registered  
21 with the state fire marshal or to an organization certified by the state to provide  
22 emergency medical services an entitlement to be used for fire or emergency medical  
23 services if the area served by the fire department or organization is not also served by  
24 a municipality. The amount of the entitlement is based on the number of individuals  
25 served as determined by the department. The entitlement equals \$20 for each  
26 individual who receives fire protection services and \$20 for each individual who  
27 receives emergency medical services.

28 (c) The governing body may by ordinance authorize the municipality to use  
29 for education the portion of each entitlement received by the municipality under (a) of  
30 this section that is designated in the ordinance. The amount that may be designated in  
31 the ordinance may not exceed 55 percent of the entitlement.

1           **Sec. 29.60.680. Police protection services entitlements.** Each fiscal year,  
 2 the department shall pay to a municipality that provides police protection services an  
 3 entitlement to be used for police protection services. The amount of the entitlement is  
 4 based on the number of individuals served as determined by the department. The  
 5 entitlement equals \$20 for each individual who receives police protection services.

6           **Sec. 29.60.685. State aid to municipalities and other eligible recipients for**  
 7 **health facilities and hospitals.** (a) The department shall pay

8                   (1) to a municipality that has the power to provide hospital facilities  
 9 and services and that exercises that power, \$167 a bed for each bed actually used for  
 10 patient care, limited to the number of beds provided for in the construction design of  
 11 the hospital, or \$45,000 a hospital for those hospitals with 10 or more beds, or \$9,000  
 12 a hospital for those hospitals with less than 10 beds, as the municipality may elect;  
 13 money received under this paragraph may be used only for hospitals and shall be  
 14 apportioned among qualifying hospitals as the municipality determines;

15                   (2) on the basis set out in (1) of this subsection to a municipality for a  
 16 nonprofit hospital not operated by a municipality if the municipality first certifies to  
 17 the department that the nonprofit hospital is in compliance with all standards for  
 18 hospitals that have been adopted by the municipality; money may not be paid on  
 19 behalf of a nonprofit hospital without this certification; payments to the municipality  
 20 shall be transferred to the nonprofit hospital in accordance with the basis by which the  
 21 payment was generated by the hospital, and shall be applied to the annual cost of  
 22 operation and maintenance of the hospital or for the provision of health care service at  
 23 the hospital as the directors of the hospital determine;

24                   (3) to a municipality in which a health facility is operated, \$360 a bed  
 25 for each bed actually used for patient care, limited to the number of beds provided for  
 26 in the construction design of the health facility, or \$1,600 a health facility as the  
 27 municipality determines.

28                   (b) A hospital may not receive payment under both (a)(1) and (a)(2) of this  
 29 section.

30                   (c) Money received by a municipality under (a)(3) of this section shall be used  
 31 for expenses of health services or operation and maintenance of health facilities as the

1 municipality determines.

2 (d) Before money may be distributed under this section, the commissioner of  
3 health and social services shall certify to the commissioner of community and  
4 economic development that any accumulation of assets by nonprofit corporations or  
5 other recipients under this section is dedicated irrevocably to a public purpose.

6 (e) In this section,

7 (1) "health facility" means a health facility that is licensed or certified  
8 by the state or approved under regulations adopted by the department and that is  
9 owned or operated or both by a municipality or by a nonprofit corporation or other  
10 nonprofit sponsor; in this paragraph, "facility"

11 (A) includes a public health center, maternity home,  
12 community mental health center, facility for the mentally or physically  
13 handicapped, nursing home, convalescent center, domestic violence or sexual  
14 assault shelter qualified to receive a grant or contract under AS 18.66, or  
15 alcohol or drug abuse facility that meets standards established under AS 47.37;  
16 but

17 (B) excludes a facility operated or wholly supported by the  
18 state or the federal government;

19 (2) "hospital" means a licensed hospital determined by the Department  
20 of Health and Social Services to be a general or special hospital; the term excludes a  
21 facility operated or wholly supported by the state or the federal government, or both.

22 **Sec. 29.60.690. State aid to unincorporated communities.** (a) The  
23 department shall pay to each unincorporated community \$10,000 as an entitlement  
24 each fiscal year to be used for a public purpose. The department with advice from the  
25 Department of Law shall determine whether there is in each unincorporated  
26 community an incorporated nonprofit entity or a Native village council that will agree  
27 to receive and spend the entitlement. If there is more than one qualified entity in an  
28 unincorporated community, the department shall pay the money under the entitlement  
29 to the entity that the department finds most qualified to receive and spend the money.  
30 The department may not pay money under an entitlement to a Native village council  
31 unless the council waives immunity from suit for claims arising out of activities of the

1 council related to the entitlement. A waiver of immunity from suit under this  
 2 subsection must be on a form provided by the Department of Law. If there is no  
 3 qualified incorporated nonprofit entity or Native village council in an unincorporated  
 4 community that is willing to receive money under an entitlement, the entitlement for  
 5 that unincorporated community may not be paid. Neither this subsection nor any  
 6 action taken under it enlarges or diminishes the governmental authority or jurisdiction  
 7 of a Native village council.

8 (b) In this section "unincorporated community" means a place in the  
 9 unorganized borough that is not incorporated as a city and in which 25 or more  
 10 persons reside as a social unit.

11 **Sec. 29.60.695. State aid for the village public safety officer program.** The  
 12 Department of Community and Economic Development shall pay to the Department  
 13 of Public Safety an entitlement each fiscal year to be used for the village public safety  
 14 officer program (AS 18.65.670). The amount of the entitlement shall be calculated by  
 15 multiplying \$15 by the number of permanent fund dividends paid by the Department  
 16 of Revenue during the calendar year immediately preceding the year the entitlement is  
 17 paid.

18 **Sec. 29.60.699. Applicability.** AS 29.60.660 - 29.60.685 apply to home rule  
 19 and general law municipalities.

20 \* **Sec. 8.** AS 37.06.020(b) is amended to read:

21 (b) The unincorporated community capital project matching grant fund is  
 22 established in the department and consists of appropriations to the fund.  
 23 Appropriations to the fund do not lapse except as provided in (h) of this section. The  
 24 money in the fund is held by the department in custody under this subsection for each  
 25 unincorporated community eligible for an allocation under this subsection. The  
 26 department shall establish an individual grant account within the fund for each  
 27 unincorporated community that was entitled to receive state aid under AS 29.60.690  
 28 [AS 29.60.140] during the preceding fiscal year. As provided in this subsection, each  
 29 fiscal year the department shall allocate, to the individual grant accounts,  
 30 appropriations to the fund. An unincorporated community is eligible for an allocation  
 31 in a fiscal year if the community was eligible to receive state aid under AS 29.60.690

1 [AS 29.60.140] during the preceding fiscal year. The department shall credit interest  
 2 earned on money in an individual grant account to that account. Except as provided in  
 3 (c) of this section, the amount allocated under this subsection to an individual grant  
 4 account in a fiscal year is determined by dividing the total amount appropriated to the  
 5 fund during that fiscal year by the number of unincorporated communities eligible for  
 6 an allocation during that fiscal year.

7 \* **Sec. 9.** 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 **to and**  
 18 **including** [-] 4,999, the 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  
 22 **1/1000** [1/1000TH] of a mill per \$1,000 of grant funds received by the  
 23 sum of that first amount plus the amount of the grant or draw, but not  
 24 more than 30 percent;

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

27 (i) five percent; or

28 (ii) the percentage obtained by dividing the amount that  
 29 would be received by the municipality from a property tax levy of  
 30 **1/1000** [1/1000TH] of a mill per \$1,000 of grant funds received by the  
 31 sum of that first amount plus the amount of the grant or draw, but not

1 more than 30 percent;

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

4 (3) the local share to be contributed by a municipality may be satisfied  
5 with (A) federal, municipal, or local money; (B) labor, materials, or equipment used  
6 directly in the construction of the project, or land, including land transferred by the  
7 state to the municipality; the department shall determine the value of a contribution  
8 under this subparagraph; (C) money from another nonstate source; (D) money  
9 received by the municipality under AS 29.60.655 - 29.60.699 [AS 29.60.010 -  
10 29.60.375]; (E) state taxes refunded or reimbursed to the municipality whose use for  
11 the purposes of this subsection is not prohibited; (F) allocations of state aid for the  
12 costs of school construction debt under AS 14.11.100; and (G) money obtained from  
13 the sale or lease of land or other assets transferred by the state to the municipality;  
14 except as provided in this paragraph, the local share may not be satisfied with money  
15 from, or with the portion of an asset that was obtained with money from, an  
16 appropriation, allocation, entitlement, grant, or other payment from the state.

17 \* **Sec. 10.** AS 37.06.030(b) is amended to read:

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

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

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

27 (3) the local share may be satisfied from (A) federal or local money;  
28 (B) labor, materials, or equipment used directly in the construction of the project, or  
29 land, including land transferred by the state; the department shall determine the value  
30 of a contribution under this subparagraph; (C) money from another nonstate source;  
31 (D) money received by the unincorporated community under AS 29.60.655 -

1        **29.60.699** [AS 29.60.010 - 29.60.375]; or (E) money obtained from the sale or lease of  
 2        land or other assets transferred by the state; except as provided in this paragraph, the  
 3        local share may not be satisfied with money from, or with the portion of an asset that  
 4        was obtained with money from, an appropriation, allocation, entitlement, grant, or  
 5        other payment from the state.

6        \* **Sec. 11.** AS 37.13.145 is amended by adding a new subsection to read:

7                (e) At the end of the fiscal year, after the transfers under (b) and (c) of this  
 8        section and subject to appropriation, the corporation shall transfer a municipal  
 9        dividend from the earnings reserve account to the municipal dividend fund established  
 10        under AS 29.60.655. The municipal dividend equals the lesser of

11                (1) the amount calculated by multiplying \$150 by the number of  
 12        permanent fund dividends paid by the Department of Revenue during the calendar  
 13        year immediately preceding the year the transfer is made under this subsection; or

14                (2) the balance of the earnings reserve account on the date of the  
 15        transfer under this subsection.

16        \* **Sec. 12.** AS 41.15.180(d) is amended to read:

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

20                (1) home rule city, first class city, or second class city that exercises  
 21        road powers, that is located within the unorganized borough and within a national  
 22        forest or within 20 miles of a national forest, a share of the income from the roads  
 23        allocation of the fund; a home rule city, first class city, or second class city's share  
 24        shall be calculated as the proportion of the number of road miles within municipal  
 25        boundaries over which the community exercises road powers plus the number of state  
 26        road miles maintained by the municipality under agreement with the state compared to  
 27        the total number of road miles maintained by state or local governments in the  
 28        unorganized borough and within the national forest or within 20 miles of the national  
 29        forest;

30                (2) municipality organized under federal law as an Indian reserve that  
 31        existed before the enactment of 43 U.S.C. 1618(a) and is continued in existence under

1 that subsection and that has formed a community development corporation under  
 2 **former** AS 29.60.365, that exercises road powers, and that is located within the  
 3 unorganized borough and within the national forest or within 20 miles of the national  
 4 forest a share of the income from the roads allocation of the fund; the share due a  
 5 municipality organized under federal law that exercises road powers shall be  
 6 calculated as the proportion of the number of road miles within municipal boundaries  
 7 over which the community exercises road powers plus the number of state road miles  
 8 maintained by the municipality under agreement with the state compared to the total  
 9 number of road miles maintained by state or local governments in the unorganized  
 10 borough and within the national forest or within 20 miles of the national forest;  
 11 however, the commissioner may pay income from national forest receipts under this  
 12 paragraph only after the corporation has delivered a written waiver of sovereign  
 13 immunity from legal action by the state to recover all or a portion of the money  
 14 distributed under this section.

15 \* **Sec. 13.** AS 29.10.200(55), 29.10.200(56); AS 29.60.010, 29.60.020, 29.60.030,  
 16 29.60.040, 29.60.050, 29.60.060, 29.60.070, 29.60.080, 29.60.100, 29.60.110, 29.60.120,  
 17 29.60.130, 29.60.140, 29.60.150, 29.60.160, 29.60.170, 29.60.180, 29.60.280, 29.60.290,  
 18 29.60.300, 29.60.310, 29.60.350, 29.60.360, 29.60.365, 29.60.370, 29.60.372, 29.60.373, and  
 19 29.60.375 are repealed.

20 \* **Sec. 14.** The uncodified law of the State of Alaska is amended by adding a new section to  
 21 read:

22 TRANSITION. Notwithstanding AS 37.06.020(b), as amended in sec. 8 of this Act,  
 23 an unincorporated community that was entitled to receive state aid for fiscal year 2001 under  
 24 former AS 29.60.140 is eligible for an allocation for fiscal year 2002 under AS 37.06.020(b).

25 \* **Sec. 15.** The uncodified law of the State of Alaska is amended by adding a new section to  
 26 read:

27 REVISOR'S INSTRUCTION. In AS 37.06.010(g), 37.06.030(c), and  
 28 AS 42.45.110(b), the revisor of statutes shall change the statute reference from AS 29.60.020  
 29 to AS 29.60.660(c).

30 \* **Sec. 16.** This Act takes effect June 30, 2001.