

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: 6  
 Bill Version: CSHB 20(FIN)  
 (H) Publish Date: 3/26/02

Revision Date/Time (Note if correction): 03/25/2002 2:15 PM Dept. Affected: DCED  
 Title Aid to Municipalities and others BRU Community Assist & Econ. Dev. (405)  
 Component Municipal Dividend Program  
 Sponsor Representative Moses  
 Requester House Finance Component No. N/A

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	39,930.8	39,780.8	40,455.8	40,455.8	40,455.8	40,455.8
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>39,930.8</b>	<b>39,780.8</b>	<b>40,455.8</b>	<b>40,455.8</b>	<b>40,455.8</b>	<b>40,455.8</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGE IN REVENUES (1041)</b>	<b>59,333.3</b>	<b>60,000.0</b>	<b>60,666.0</b>	<b>61,333.3</b>	<b>62,000.0</b>	<b>62,666.6</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
AIDEA Dividend	(15,000.0)	(15,000.0)	(15,000.0)	(15,000.0)	(15,000.0)	(15,000.0)
Other (Municipal Dividend Fund)	54,930.8	54,780.8	55,455.8	55,455.8	55,455.8	55,455.8
<b>TOTAL</b>	<b>39,930.8</b>	<b>39,780.8</b>	<b>40,455.8</b>	<b>40,455.8</b>	<b>40,455.8</b>	<b>40,455.8</b>

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

The bill establishes a new Municipal Dividend Fund within the Department funded from a portion of the excess earnings of the Permanent Fund. The Alaska Permanent Fund Corporation has estimated that the transfer to the Municipal Dividend Fund would be \$59.3 million in FY 03 and increase by \$666,667.0 annually thereafter. Each fiscal year the legislature may appropriate money in the Municipal Dividend Fund for the State Revenue Sharing and Safe Communities programs. The Legislature may also appropriate monies from the Municipal Dividend Fund to the Capital Matching Grant program through the capital budget (this amount was \$15.0 million in FY 02 funded by the AIDEA dividend) and for payment to municipalities for costs of confinement and care of state prisoners. This fiscal note reflects the replacement of \$15.0 million of AIDEA dividend funds with Municipal Dividend Program funds.

See page two for additional analysis.

Prepared by: Pat Poland, Director Phone 907-269-4580  
 Division Community and Business Development Date/Time 3/25/02 2:15 PM  
 Approved by: Deborah B. Sedwick, Commissioner Date 3/25/2002  
 Agency Department of Community & Economic Development

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**ANALYSIS CONTINUATION**

This fiscal note was calculated assuming the FY 03 - 08 funding level for the State Revenue Sharing and Safe Communities Programs will be \$39,630,753, an increase of \$10 million over the FY 02 appropriation level. Additionally, the fiscal note was based upon an estimation that an additional 30 unincorporated communities located within organized boroughs would become eligible for funding under the Capital Matching Grants Program beginning in FY 05 and each would be fully funded at the \$25,000 statutory level. Finally, the fiscal note reflects one new city incorporation in FY 03 and one second class city reclassification to first class or home rule in FY 03.

**DCED FY03 Distribution of Municipal Dividend Program Funds**

Safe Communities	\$21,775.6
Revenue Sharing	17,855.2
New Eligible Communities	300.0
<u>Capital Matching Grants</u>	<u>15,000.0</u>
Total	\$54,930.8