

HOUSE BILL NO. 431

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

BY REPRESENTATIVE MOSES

Introduced: 2/4/04

Referred: Community and Regional Affairs, State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the municipal dividend program; and providing for an effective**
2 **date."**

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

4 *** Section 1.** AS 29.60 is amended by adding new sections to read:

5 **Article 10. Municipal Dividend Program.**

6 **Sec. 29.60.800. Municipal dividend fund.** There is established in the
7 department the municipal dividend fund consisting of money transferred to the fund
8 under AS 37.13.145(e). Subject to appropriations for the purpose, the amount
9 transferred to the fund shall be distributed by the department as dividends to
10 municipalities for each fiscal year.

11 **Sec. 29.60.810. Amount of dividends.** (a) The amount of a municipal
12 dividend for a fiscal year equals \$250 for each person residing in the municipality.
13 The population of each municipality shall be determined annually by using the latest
14 numbers of permanent fund dividend recipients or other population data that, in the

1 judgment of the department, is reliable. In determining the population of a borough,
2 the population of all cities in the borough shall be deducted from the total population
3 of the borough.

4 (b) Notwithstanding (a) of this section, the minimum amount of a municipal
5 dividend for each municipality is \$40,000.

6 (c) If the amount appropriated is not sufficient to fully fund municipal
7 dividends for a fiscal year, the amount of each dividend shall be reduced on a pro-rata
8 basis.

9 * **Sec. 2.** AS 37.13.145 is amended by adding a new subsection to read:

10 (e) After the transfers under (b) and (c) of this section, on June 30 of each
11 year, the corporation shall transfer from the earnings reserve account to the municipal
12 dividend fund established under AS 29.60.800 the amount needed to fully fund
13 municipal dividends for the next fiscal year, or the balance in the earnings reserve
14 account, whichever is less.

15 * **Sec. 3.** This Act takes effect June 30, 2004.