

CS FOR HOUSE BILL NO. 431(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/24/04

Referred: Finance

Sponsor(s): REPRESENTATIVE MOSES

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

1 data that, in the judgment of the department, is reliable. In determining the population
2 of a borough, the population of all cities in the borough shall be deducted from the
3 total population 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 under (a) and (b) of this section, the amount of each
8 dividend shall be reduced on a pro-rata 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 fund municipal
13 dividends for the next fiscal year, or the balance in the earnings reserve account,
14 whichever is less.

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