

HOUSE BILL NO. 371

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/13/06

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a community 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. Community Dividend Program.**

6 **Sec. 29.60.800. Community dividend program.** (a) There is established in
7 the department the community dividend program. The department may adopt
8 regulations under AS 44.62 to carry out the purposes of the program.

9 (b) The legislature may appropriate amounts deposited into the Alaska capital
10 income fund (AS 37.05.565) or from other sources to the community dividend
11 program. Grants under the community dividend program shall be awarded as
12 described in (c) - (i) of this section.

13 (c) From the first \$10,000,000 appropriated for a fiscal year for grants under
14 the program, the department shall

- 1 (1) award a base grant amount to each municipality, as follows:
2 (A) organized boroughs, \$50,000;
3 (B) cities with a population of
4 (i) less than 100 persons, \$25,000;
5 (ii) 100 - 249 persons, \$30,000;
6 (iii) 250 - 500 persons, \$35,000;
7 (iv) more than 500 persons, \$40,000; and
8 (2) distribute any remaining portion as an additional base grant to
9 municipalities on a per capita basis.

10 (d) If the amount appropriated for grants under the program for a fiscal year is
11 insufficient to award the full amount under (c)(1) of this section to each municipality,
12 the department shall prorate the amount available for grants under (c)(1) of this
13 section.

14 (e) Following the grant awards made under (c) of this section, from the
15 remaining amount appropriated for grants under the program for the fiscal year, the
16 department shall distribute an organizational grant to certain organized boroughs, as
17 follows:

18 (1) a borough that first organized after the effective date of this section
19 and is less than two years old at the time of the award, \$1,000,000;

20 (2) a borough that first organized after the effective date of this section
21 and is no more than three years old at the time of the award, \$500,000.

22 (f) Subsection (e) of this section does not apply to a borough incorporated by
23 consolidation or to a unified municipality that occupies the area formerly occupied by
24 another borough.

25 (g) If the amount appropriated for grants under the program is insufficient to
26 award the full amount of organizational grants under (e) of this section to each eligible
27 borough, the department shall prorate the amount available for award under (e) of this
28 section.

29 (h) After the grant awards are made under (c) and (e) of this section, the
30 department shall distribute any remaining amount appropriated for grants under the
31 program for the fiscal year as supplemental grants on a per capita basis to the

1 organized boroughs that received a grant under (c)(1)(A) of this section.

2 (i) For purposes of grant awards under the program,

3 (1) the population of a municipality is the population as certified by the
4 department;

5 (2) in determining the population of a borough for purposes of
6 additional base grants under (c)(2) of this section, the department shall first deduct the
7 population of all cities in the borough.

8 (j) Grant money awarded under the program to a municipality may be used
9 only for the following public services:

10 (1) police protection and related public safety services;

11 (2) fire protection and emergency medical services;

12 (3) infrastructure maintenance;

13 (4) public education;

14 (5) fuel costs.

15 **Sec. 29.60.810. Municipalities organized under federal law.** To qualify to
16 receive grant money under AS 29.60.800 - 29.60.850, a municipality organized under
17 federal law as an Indian reserve that existed before enactment of 43 U.S.C. 1618(a)
18 and is continued in existence under 43 U.S.C. 1618(a) shall form a community
19 development corporation with authority to determine how grant money received under
20 AS 29.60.800 - 29.60.850 will be used in accordance with AS 29.60.800. The charter
21 must require that the governing board of the corporation shall be elected at an annual
22 election open to all residents of the municipality who are registered and qualified to
23 vote in state elections. The department may distribute grant money for the
24 municipality only to a corporation organized in accordance with this section and only
25 after the corporation has delivered a written waiver of sovereign immunity from legal
26 action by the state to recover all or a portion of the grant money distributed under
27 AS 29.60.800 - 29.60.850.

28 **Sec. 29.60.850. Definitions.** In AS 29.60.800 - 29.60.850, unless the context
29 otherwise requires,

30 (1) "borough" includes a unified municipality;

31 (2) "department" means the Department of Commerce, Community,

1 and Economic Development;

2 (3) "municipality" includes a municipality organized under federal law
3 as an Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is
4 continued in existence under 43 U.S.C. 1618(a);

5 (4) "program" means the community dividend program established in
6 AS 29.60.800.

7 * **Sec. 2.** This Act takes effect July 1, 2006.