

CS FOR HOUSE BILL NO. 371(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 2/3/06

Referred: Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

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 program. Grants under the
11 program shall be awarded as described in (c) - (i) of this section.

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

14 (1) award a base grant amount to each municipality, as follows:

- 1 (A) to each borough, \$50,000;
- 2 (B) to each city or reserve qualified under AS 29.60.810(a)
- 3 with a population of
- 4 (i) less than 100 persons, \$25,000;
- 5 (ii) at least 100 but not more than 249 persons, \$30,000;
- 6 (iii) at least 250 but not more than 500 persons,
- 7 \$35,000;
- 8 (iv) more than 500 persons, \$40,000;
- 9 (2) award a base grant of \$25,000 for each community qualified under
- 10 AS 29.60.810(b); and
- 11 (3) distribute any remaining portion as an additional base grant to
- 12 municipalities on a per capita basis.
- 13 (d) If the amount appropriated for grants under the program for a fiscal year is
- 14 insufficient to award the full amount under (c)(1) and (c)(2) of this section to each
- 15 municipality and community, the department shall prorate the amount available for
- 16 grants under (c)(1) and (c)(2) of this section.
- 17 (e) Following the grant awards made under (c) of this section, from the
- 18 remaining amount appropriated for grants under the program for the fiscal year, the
- 19 department shall distribute organizational grants of
- 20 (1) \$1,000,000 to each borough that first organized after the effective
- 21 date of this section and is less than two years old at the time of the award; and
- 22 (2) \$500,000 to each borough that first organized after the effective
- 23 date of this section and is not more than three years old at the time of the award.
- 24 (f) Subsection (e) of this section does not apply to a borough incorporated by
- 25 consolidation or to a unified municipality that occupies the area formerly occupied by
- 26 another borough.
- 27 (g) If the amount appropriated for grants under the program is insufficient to
- 28 award the full amount of organizational grants under (e) of this section to each eligible
- 29 borough, the department shall prorate the amount available for award under (e) of this
- 30 section.
- 31 (h) After the grant awards are made under (c) and (e) of this section, the

1 department shall distribute any remaining amount appropriated for grants under the
 2 program for the fiscal year as supplemental grants on a per capita basis to the
 3 boroughs that received a grant under (c)(1)(A) of this section.

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

5 (1) the population of a municipality is the population as certified by the
 6 department;

7 (2) in determining the population of a borough for purposes of
 8 additional base grants under (c)(3) of this section, the department shall first deduct the
 9 population of all cities in the borough.

10 (j) Grant money awarded under the program to a municipality may be used
 11 only for property tax relief or for the following public services:

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

13 (2) fire protection and emergency medical services;

14 (3) infrastructure maintenance;

15 (4) public education;

16 (5) fuel costs.

17 **Sec. 29.60.810. Qualifications.** (a) To qualify to receive grant money under
 18 AS 29.60.800 - 29.60.849, a reserve shall form a community development corporation
 19 with authority to determine how grant money received under AS 29.60.800 -
 20 29.60.849 will be used. The charter must require that the governing board of the
 21 corporation shall be elected at an annual election open to all residents of the reserve
 22 who are registered and qualified to vote in state elections. The department may
 23 distribute grant money for the reserve only to a corporation organized in accordance
 24 with this subsection and only after the corporation has delivered a written waiver of
 25 sovereign immunity from legal action by the state to recover all or a portion of the
 26 grant money distributed under AS 29.60.800 - 29.60.849.

27 (b) The department, with advice from the Department of Law, shall determine
 28 whether there is, in a community, an incorporated nonprofit entity or a Native village
 29 council that will agree to receive grant money under AS 29.60.800 - 29.60.849 and
 30 spend the money for a public purpose. If there is more than one qualified entity in a
 31 community, the department shall pay the money under the entitlement to the entity

1 that the department finds most qualified to receive and spend the money. The
2 department may not pay money to a Native village council unless the council waives
3 immunity from suit for claims arising out of activities of the council related to the
4 grant. A waiver of immunity from suit under this subsection must be on a form
5 provided by the Department of Law. If there is no qualified incorporated nonprofit
6 entity or Native village council in a community that is willing to receive money under
7 a grant, the grant for that community may not be paid. Neither this subsection nor any
8 action taken under it enlarges or diminishes the governmental authority or jurisdiction
9 of a Native village council.

10 **Sec. 29.60.849. Definitions.** In AS 29.60.800 - 29.60.849, unless the context
11 otherwise requires,

12 (1) "borough," in addition to the meaning given in AS 29.71.800,
13 includes a unified municipality;

14 (2) "community" means a place that is not incorporated as a city or
15 organized as a reserve, in which 25 or more individuals reside as a social unit, and that
16 is located in the unorganized borough or in an organized borough, including a unified
17 municipality;

18 (3) "municipality," in addition to the meaning given in AS 29.71.800,
19 includes a reserve;

20 (4) "program" means the community dividend program established in
21 AS 29.60.800;

22 (5) "reserve" means an Indian reserve organized under federal law that
23 existed before enactment of 43 U.S.C. 1618(a) and is continued in existence under 43
24 U.S.C. 1618(a).

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