

SENATE BILL NO. 219

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY SENATOR WILKEN

Introduced: 1/9/06

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the 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 fund.** There is established in the
7 department the community dividend fund consisting of money appropriated to the
8 fund. Each fiscal year, the legislature may appropriate to the community dividend fund
9 from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) the
10 lesser of (1) one-third of the amount necessary to fully fund community dividends; or
11 (2) the amount that, when transferred, leaves a balance of \$1,000,000,000 in the
12 budget reserve fund. One-third of the amount necessary to fully fund community
13 dividends may be appropriated from the earnings reserve account (AS 37.13.145), and
14 one-third may be appropriated from the Alaska capital income fund (AS 37.05.565).

1 Other appropriations may be made to the community dividend fund. The amount
2 appropriated to the fund during a fiscal year shall be held and distributed by the
3 department on July 1 of the fiscal year that immediately follows as community
4 dividends for the fiscal year during which the distribution is made.

5 **Sec. 29.60.810. Amount of community dividends.** (a) The community
6 dividend for a fiscal year for a municipality or a community eligible under (b) of this
7 section equals \$70 for each person who resided in the municipality or community
8 during the immediately preceding fiscal year. The amount of the community dividend
9 for each municipality that is a school district and meets the local contribution
10 requirement under AS 14.17.410(b)(2) is increased by a school support factor equal to
11 \$30 for each person who resided in the municipality during the immediately preceding
12 fiscal year.

13 (b) The department, with advice from the Department of Law, shall determine
14 whether there is, in each community, an incorporated nonprofit entity or a Native
15 village council that will agree to receive and spend the community dividend for the
16 benefit of the community. If there is more than one qualified entity in a community,
17 the department shall pay the dividend to the entity that the department finds most
18 qualified to receive and spend the money. The department may not pay a community
19 dividend unless the incorporated nonprofit entity or Native village council waives
20 immunity from suit for claims arising out of activities of the corporation or council
21 related to the dividend. A waiver of immunity from suit under this subsection must be
22 on a form provided by the Department of Law. If there is no qualified incorporated
23 nonprofit entity or Native village council in a community that is willing to receive and
24 spend the dividend for the benefit of the community, that community is not eligible for
25 the dividend and the dividend may not be paid.

26 (c) If the amount appropriated is not sufficient to fully fund community
27 dividends for a fiscal year under (a) of this section, each dividend shall be reduced on
28 a pro rata basis. If the amount appropriated exceeds that which is sufficient to fully
29 fund community dividends, each dividend shall be increased on a pro rata basis.

30 **Sec. 29.60.820. Determination of population.** For purposes of determining
31 the amount of a community dividend, the population of the municipality or community

1 shall be determined by using the numbers of permanent fund dividend recipients or
2 other population data that the department determines is reliable. In determining the
3 population of a borough, the population of each city in the borough shall be deducted
4 from the total population of the borough.

5 **Sec. 29.60.829. Definition.** In AS 29.60.800 - 29.60.829, "community" means
6 a place in the unorganized borough that (1) is not incorporated as a city and in which
7 25 or more persons reside as a social unit; or (2) is organized under federal law as an
8 Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is continued in
9 existence under that subsection. This definition does not apply to the phrase
10 "community dividend."

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