

SENATE BILL NO. 226

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

BY SENATORS ELTON, Davis

Introduced: 1/9/06

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the municipal endowment program."**

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

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

4 **Article 10. Municipal Endowment Program.**

5 **Sec. 29.60.800. Municipal endowment fund.** (a) There is in the general fund
6 the municipal endowment fund consisting of money appropriated to it. Money
7 appropriated to the fund does not lapse. The Department of Revenue shall manage the
8 fund so as to yield competitive market rates, as provided in AS 37.10.070. Income
9 earned on money in the fund shall be accounted for separately and may be
10 appropriated into the fund annually.

11 (b) On July 1 each fiscal year, the Department of Revenue shall transfer an
12 amount equal to six percent of the value of the municipal endowment fund at the end
13 of the immediately preceding fiscal year to the Department of Commerce,
14 Community, and Economic Development for distribution within 30 days as municipal
15 endowment payments.

1 **Sec. 29.60.810. Municipal endowment payments.** (a) For each fiscal year,
2 each municipality and, subject to (b) of this section, each reserve is eligible for a
3 municipal endowment payment of \$50,000. Subject to (b) of this section, each
4 community is eligible for a municipal endowment payment of \$25,000. If the amount
5 transferred under AS 29.60.800(b) is not sufficient to fully fund all endowment
6 payments for a fiscal year, the department shall reduce each payment on a pro rata
7 basis.

8 (b) The department, with advice from the Department of Law, shall determine
9 whether there is, in each reserve or community, an incorporated nonprofit entity or a
10 Native village council that will agree to receive and spend the municipal endowment
11 payment for the benefit of the reserve or community. If there is more than one
12 qualified entity in a reserve or community, the department shall pay the endowment
13 money to the entity that the department finds most qualified to receive and spend the
14 money. The department may not make a payment for a reserve or community unless
15 the incorporated nonprofit entity or Native village council waives immunity from suit
16 for claims arising out of activities of the corporation or council related to the
17 municipal endowment payment. A waiver of immunity from suit under this subsection
18 must be on a form provided by the Department of Law. If there is not a qualified
19 incorporated nonprofit entity or Native village council in a reserve or community that
20 is willing to receive and spend the municipal endowment payment for the benefit of
21 the reserve or community, the payment may not be made.

22 **Sec. 29.60.820. Increased payments.** (a) If the amount transferred under
23 AS 29.60.800(b) exceeds that which is sufficient to fully fund municipal endowment
24 payments under AS 29.60.810 for a fiscal year, the department shall increase the
25 payment for each reserve and municipality by an equal amount for each person who
26 resides in the reserve or municipality.

27 (b) For purposes of determining the amount of an increased payment, the
28 population of the reserve or municipality shall be determined by using the number of
29 permanent fund dividend recipients or other population data that the department
30 determines is reliable. In determining the population of a borough, the population of
31 each city in the borough shall be deducted from the total population of the borough.

1 **Sec. 29.60.829. Definitions.** In AS 29.60.800 - 29.60.829,

2 (1) "community" means a place in the unorganized borough that is not
3 incorporated as a city and in which 25 or more persons reside as a social unit;

4 (2) "reserve" means a place that is organized under federal law as an
5 Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is continued in
6 existence under that subsection.

7 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 TRANSITION. On July 1, 2007, the Department of Revenue shall make the first
10 transfer of money for distribution as municipal endowment payments under AS 29.60.800(b),
11 added by sec. 1 of this Act.