

**CS FOR SENATE BILL NO. 247(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/13/06

Referred: Finance

Sponsor(s): SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE BY REQUEST

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the revenue sharing program and to state aid for certain municipal**  
2 **underfunding of the Public Employees' Retirement System of Alaska; and providing for**  
3 **an effective date."**

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

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

6 **Article 10. Revenue Sharing Program.**

7 **Sec. 29.60.800. Revenue sharing fund.** (a) There is established in the  
8 department the revenue sharing fund consisting of money appropriated to the fund.  
9 Each fiscal year, the legislature may appropriate to the revenue sharing fund from the  
10 Alaska capital income fund (AS 37.05.565) an amount for revenue sharing payments.  
11 Other appropriations may be made to the revenue sharing fund.

12 (b) Each fiscal year, the department shall distribute money appropriated to the  
13 fund for revenue sharing payments.

14 **Sec. 29.60.810. Revenue sharing payments.** (a) The revenue sharing payment

1 for a fiscal year equals

2 (1) \$300,000 for each unified municipality;

3 (2) \$150,000 for each borough that is not a unified municipality;

4 (3) \$75,000 for each city and, subject to (b) of this section, for a  
5 reserve; and

6 (4) subject to (b) of this section, \$25,000 for each community.

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

21 (c) If the amount appropriated to the revenue sharing fund is not sufficient to  
22 fully fund all payments for a fiscal year under (a) of this section, the department shall  
23 reduce each payment on a pro rata basis.

24 **Sec. 29.60.820. Increased payments.** (a) If the amount appropriated to the  
25 revenue sharing fund exceeds that which is sufficient to fully fund revenue sharing  
26 payments under AS 29.60.810(a) for a fiscal year, the department shall increase each  
27 payment to a municipality or reserve by an equal amount for each person who resides  
28 in the municipality or reserve.

29 (b) For purposes of determining the amount of an increased payment, the  
30 population of the municipality or reserve shall be determined by using the number of  
31 permanent fund dividend recipients or other population data that the department

1 determines is reliable. In determining the population of a borough, the population of  
2 each city in the borough shall be deducted from the total population of the borough.

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

4 (1) "community" means a place that is not incorporated as a city, in  
5 which 25 or more individuals reside as a social unit, and that is not in a unified  
6 municipality or a home rule, first class, or second class borough;

7 (2) "reserve" means a place that 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.

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

12 MUNICIPAL PUBLIC EMPLOYEES' RETIREMENT SYSTEM UNDERFUNDED  
13 LIABILITY RELIEF ACCOUNT. (a) There is established in the Department of  
14 Administration the municipal public employees' retirement system underfunded liability relief  
15 account consisting of appropriations to the account. Notwithstanding AS 39.35, the  
16 department shall use money in the account in fiscal year 2007 for contribution shortfalls to the  
17 Public Employees' Retirement System of Alaska that result from the difference between a  
18 municipal employer's fiscal year 2007 certified contribution rate and the employer's fiscal  
19 year 2007 actuarial calculated rate, as determined in the supplement to the actuarial valuation  
20 as of June 30, 2004. Before January 1, 2007, the department shall transfer the money in the  
21 municipal public employees' retirement system underfunded liability relief account to the  
22 public employees' retirement system accounts of the following municipal employers in the  
23 following amounts:

24	(1) Allakaket, City of	\$ 633
25	(2) Anchorage, Municipality of	14,134,590
26	(3) Bristol Bay Borough	69,972
27	(4) Cordova, City of	252,133
28	(5) Craig, City of	28,214
29	(6) Denali Borough	22,550
30	(7) Dillingham, City of	35,336
31	(8) Egegik, City of	11

1	(9) Fairbanks North Star Borough	243,894
2	(10) Fairbanks, City of	5,940,276
3	(11) Haines Borough	63,966
4	(12) Homer, City of	426,547
5	(13) Hoonah, City of	6,623
6	(14) Huslia, City of	5,934
7	(15) Juneau, City and Borough of	2,293,420
8	(16) Kachemak, City of	5,731
9	(17) Kaltag, City of	3,620
10	(18) Kenai Peninsula Borough	831,820
11	(19) Kenai, City of	571,367
12	(20) Ketchikan Gateway Borough	211,055
13	(21) Ketchikan, City of	377,233
14	(22) King Cove, City of	795
15	(23) Kodiak Island Borough	376,411
16	(24) Kodiak, City of	702,293
17	(25) Lake and Peninsula Borough	7,856
18	(26) Matanuska-Susitna Borough	366,689
19	(27) Mekoryuk, City of	851
20	(28) Nome, City of	206,077
21	(29) North Pole, City of	107,715
22	(30) Palmer, City of	166,149
23	(31) Pelican, City of	564
24	(32) Petersburg, City of	43,955
25	(33) Saint Paul, City of	5,133
26	(34) Sand Point, City of	36,775
27	(35) Saxman, City of	7,708
28	(36) Seward, City of	204,976
29	(37) Sitka, City and Borough of	508,683
30	(38) Unalakleet, City of	3,431
31	(39) Valdez, City of	583,784

1	(40) Whittier, City of	4,940
2	(41) Wrangell, City of	262,410
3	(b) Money in the municipal public employees' retirement system underfunded liability	
4	relief account lapses into the general fund on January 1, 2007.	
5	* <b>Sec. 3.</b> Section 2 of this Act is repealed on January 1, 2007.	
6	* <b>Sec. 4.</b> This Act takes effect July 1, 2006.	