

HOUSE BILL NO. 64

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE THOMAS

Introduced: 1/16/07

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to new borough grants; and providing for an effective date."**

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

3 * **Section 1.** AS 29.05 is amended by adding a new subsection to read:

4 **Sec. 29.05.205. New borough grants.** (a) Subject to (b) of this section, for the
5 purpose of providing for financial stability, each borough or unified municipality
6 incorporated during the period that begins on July 1, 2007, and ends on June 30, 2011,
7 is entitled to a new borough grant in addition to organization grants under
8 AS 29.05.190. The amount of the new borough grant for a borough or unified
9 municipality that is entitled to at least 15,000 acres of general grant land under
10 AS 29.65.030 is \$12,500,000. Otherwise, the amount of the new borough grant is
11 \$15,000,000.

12 (b) New borough grant money may only be used for investments by the
13 municipality that receives it. The municipality may use realized income from the
14 investments for any of its municipal purposes.

15 (c) This section does not apply to a borough incorporated by consolidation or

1 to a unified municipality that occupies the area formerly occupied by a borough.
2 Furthermore, this section only applies to a newly organized borough or unified
3 municipality with boundaries identical to those of a model borough identified in the
4 Local Boundary Commission February 2003 report entitled "Unorganized Areas of
5 Alaska that Meet Borough Incorporation Standards."

6 (d) The department may adopt regulations to implement this section. The
7 department shall disburse new borough grant money within 30 days after it is
8 appropriated and available for the purpose. Before August 31 of each fiscal year, the
9 department shall submit a report to the office of management and budget identifying

10 (1) each borough or unified municipality expected to qualify to receive
11 a new borough grant during the next fiscal year;

12 (2) the amount of money needed to fund expected new borough grants;
13 and

14 (3) the amount of money needed to fund any remaining unpaid new
15 borough grant amounts from prior fiscal year entitlements.

16 * **Sec. 2.** This Act takes effect July 1, 2007.