

**SENATE BILL NO. 3**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY SENATOR WILKEN

Introduced: 1/16/07

Referred: Community and Regional Affairs, Judiciary, 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 11. Community Dividend Program.**

6 **Sec. 29.60.850. Community dividend fund.** (a) 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 general fund the amount necessary to fully fund community dividends. If the  
10 legislature determines that amounts in the general fund are not sufficient to fully fund  
11 the community dividend fund or that it is not in the best interests of the state to use  
12 general fund money for that purpose, the legislature may consider making the  
13 appropriation from the following sources in the following order:

14 (1) the budget reserve fund (art. IX, sec. 17, Constitution of the State

1 of Alaska);

2 (2) the Alaska capital income fund (AS 37.05.565);

3 (3) the earnings reserve account (AS 37.13.145).

4 (b) Other appropriations may be made to the community dividend fund in  
5 addition to those made under (a) of this section.

6 (c) The amount appropriated to the fund during a fiscal year shall be held and  
7 distributed by the department on July 1 of the fiscal year that immediately follows as  
8 community dividends for the fiscal year during which the distribution is made.

9 **Sec. 29.60.860. Amount of community dividends.** (a) The community  
10 dividend for a fiscal year for a municipality or a community eligible under (b) of this  
11 section equals

12 (1) \$70 for each individual who resided in the municipality or  
13 community during the immediately preceding fiscal year; and

14 (2) for each municipality that is a school district and meets the local  
15 contribution requirement under AS 14.17.410(b)(2), an additional school support  
16 factor equal to \$30 for each individual who resided in the municipality during the  
17 immediately preceding fiscal year.

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

31 (c) If the amount appropriated is not sufficient to fully fund community

1 dividends for a fiscal year under (a) of this section, each dividend shall be reduced on  
2 a pro rata basis. If the amount appropriated exceeds that which is sufficient to fully  
3 fund community dividends, each dividend shall be increased on a pro rata basis.

4 **Sec. 29.60.870. Determination of population.** For purposes of determining  
5 the amount of a community dividend, the population of the municipality or community  
6 shall be determined by using the numbers of permanent fund dividend recipients or  
7 other population data that the department determines is reliable. For purposes of  
8 determining the portion of the community dividend under AS 29.60.860(a)(1) for a  
9 borough, the population of each city in the borough shall be deducted from the total  
10 population of the borough.

11 **Sec. 29.60.879. Definition.** In AS 29.60.850 - 29.60.879, "community" means  
12 a place in the unorganized borough that (1) is not incorporated as a city and in which  
13 25 or more individuals reside as a social unit; or (2) is organized under federal law as  
14 an Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is continued  
15 in existence under that subsection. This definition does not apply to the phrase  
16 "community dividend."

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