

SENATE BILL NO. 72

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Introduced: 2/2/07

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the community revenue sharing program; and providing for an
2 effective 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 Revenue Sharing Program.**

6 **Sec. 29.60.850. Community revenue sharing fund.** (a) The community
7 revenue sharing fund is established in the general fund. By August 1 of each fiscal
8 year, the Department of Revenue shall transfer to the fund an amount equal to six
9 percent of the money received by the state during the immediately preceding fiscal
10 year from the following sources:

11 (1) disposals of state land or interests in state land, together with the
12 fixtures on the land;

13 (2) disposals of minerals, including sand, gravel, stone, and water,
14 mineral lease rentals, royalties, royalty sale proceeds, and federal mineral revenue

1 sharing payments and bonuses;

2 (3) state taxation of the production and transportation of minerals in
3 which the state has an interest;

4 (4) state taxation of property used in the exploration for and production
5 and transportation of minerals in which the state has an interest;

6 (5) state taxation of income derived from the production and
7 transportation of minerals; and

8 (6) timber produced or processed.

9 (b) Each fiscal year, the legislature may appropriate money in the community
10 revenue sharing fund to the department for community revenue sharing payments or
11 appropriate it for other public purposes.

12 (c) Nothing in this section creates a dedicated fund.

13 **Sec. 29.60.860. Amount of community revenue sharing payments.** (a) The
14 basic community revenue sharing payment for a fiscal year equals

15 (1) \$250,000 for a borough or unified municipality;

16 (2) \$75,000 for a city or reserve eligible under (c) of this section; and

17 (3) \$25,000 for an unincorporated community eligible under (c) of this
18 section.

19 (b) If the amount appropriated for a fiscal year

20 (1) is not sufficient to fully fund all the basic payments, the amount
21 paid to each recipient shall be reduced on a pro rata basis so that the entire amount
22 appropriated is distributed;

23 (2) exceeds the amount needed to fully fund all the basic payments, the
24 balance shall be distributed on a per capita basis to each recipient of a basic payment
25 under (a)(1) or (2) of this section.

26 (c) The department, with advice from the Department of Law, shall determine
27 whether there is, in each reserve or unincorporated community, an incorporated
28 nonprofit entity or a Native village council that will agree to receive and spend the
29 community revenue sharing payment for the benefit of the reserve or unincorporated
30 community. If there is more than one qualified entity in a reserve or unincorporated
31 community, the department shall pay the dividend to the entity that the department

1 finds most qualified to receive and spend the money. The department may not make
2 the payment unless the incorporated nonprofit entity or Native village council waives
3 immunity from suit for claims arising out of activities of the corporation or council
4 related to the payment. A waiver of immunity from suit under this subsection must be
5 on a form provided by the Department of Law. If there is not a qualified incorporated
6 nonprofit entity or Native village council in a reserve or unincorporated community
7 that is willing to receive and spend the community revenue sharing payment for the
8 benefit of the reserve or unincorporated community, that reserve or unincorporated
9 community is not eligible for the payment, and the payment may not be made.

10 **Sec. 29.60.870. Determination of population.** For purposes of determining
11 the amount of a revenue sharing payment under AS 29.60.860(b)(2), the population of
12 the municipality or reserve shall be determined by using the numbers of permanent
13 fund dividend recipients or other population data that the department determines is
14 reliable. For purposes of determining the population of a borough, the population of
15 each city and reserve in the borough shall be deducted from the total population of the
16 borough. For purposes of determining the population of a unified municipality, the
17 population of each reserve in the unified municipality shall be deducted from the total
18 population of the unified municipality.

19 **Sec. 29.60.879. Definitions.** In AS 29.60.850 - 29.60.879,

20 (1) "reserve" means a place that is organized under federal law as an
21 Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is continued in
22 existence under that subsection;

23 (2) "unincorporated community" has the meaning given in
24 AS 29.60.140.

25 * **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).