

CS FOR SENATE BILL NO. 72(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/8/07

Referred: Rules

Sponsor(s): SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

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. The fund consists of
8 appropriations to the fund. In addition, by August 1 of each fiscal year, the
9 Department of Revenue shall transfer to the fund the lesser of

10 (1) \$50,000,000; or

11 (2) an amount equal to three percent of the money received by the state
12 during the immediately preceding fiscal year from all mineral lease rentals, royalties,
13 royalty sale proceeds, federal mineral revenue sharing payments, and bonuses.

14 (b) Each fiscal year, the legislature may appropriate money in the community

1 revenue sharing fund to the department for community revenue sharing payments or
2 appropriate it for other public purposes.

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

4 **Sec. 29.60.855. Community revenue sharing payments for communities.**

5 (a) Five percent of the amount appropriated for a fiscal year for community revenue
6 sharing payments is available for payments by the department to unincorporated
7 communities eligible under AS 29.60.865. The department shall calculate the amount
8 of each payment under (b) of this section and distribute the payments.

9 (b) The basic payment value for a fiscal year equals \$25,000 for each
10 unincorporated community. If the amount available under (a) of this section for a
11 fiscal year

12 (1) is not sufficient to fully fund total basic payment values, the
13 amount paid to each unincorporated community shall be reduced on a pro rata basis so
14 that the entire available amount is distributed;

15 (2) exceeds the amount needed to fully fund each of the basic payment
16 values, the balance shall be added on a per capita basis to each basic payment value so
17 that the entire available amount is distributed; however, the maximum amount of a
18 community revenue sharing payment to an unincorporated community under this
19 subsection may not exceed \$50,000.

20 **Sec. 29.60.860. Community revenue sharing payments for municipalities**
21 **and reserves.** (a) Ninety-five percent of the amount appropriated for a fiscal year for
22 community revenue sharing payments is available for payments by the department to
23 municipalities and to reserves eligible under AS 29.60.865. The amount of each
24 payment shall first be calculated by the department under (b) of this section and then
25 adjusted under (c) and (d) of this section.

26 (b) The basic payment value for a fiscal year equals \$250,000 for a borough or
27 unified municipality and \$75,000 for a city or reserve. If the amount available under
28 (a) of this section for a fiscal year

29 (1) is not sufficient to fully fund the total basic payment values, the
30 basic payment values shall be reduced on a pro rata basis so that the entire amount
31 available is accounted for;

1 (2) exceeds the amount needed to fully fund the total basic payment
 2 values, the basic payment value calculated for each municipality and reserve shall be
 3 increased on a per capita basis so that the entire amount available is accounted for.

4 (c) The community revenue sharing payment amount for each of the following
 5 municipalities equals the basic payment value calculated under (b) of this section for
 6 that municipality reduced by the following percent:

| 7 MUNICIPALITY | PERCENT OF REDUCTION |
|---------------------------------|----------------------|
| 8 Anchorage | 39.76 percent |
| 9 Fairbanks | 17.73 percent |
| 10 Juneau | 9.04 percent |
| 11 Fairbanks North Star Borough | 2.34 percent |
| 12 Matanuska-Susitna Borough | 2.30 percent |
| 13 Kenai Peninsula Borough | 3.35 percent |
| 14 Ketchikan | 3.80 percent |
| 15 Sitka | 2.91 percent |
| 16 Kodiak | 2.38 percent |
| 17 Kenai | 2.04 percent |
| 18 Valdez | 1.94 percent |
| 19 Kodiak Island Borough | 0.97 percent |
| 20 Ketchikan Gateway Borough | 0.73 percent |
| 21 Homer | 1.08 percent |
| 22 Palmer | 1.06 percent |
| 23 Petersburg | 1.20 percent |
| 24 North Slope Borough | 0.57 percent |
| 25 Wrangell | 1.10 percent |
| 26 Cordova | 1.07 percent |
| 27 Haines Borough | 0.55 percent |
| 28 Soldotna | 0.52 percent |
| 29 Nome | 0.54 percent |
| 30 Seward | 0.56 percent |
| 31 Wasilla | 0.18 percent |

| | | |
|----|----------------------------|--------------|
| 1 | Bristol Bay Borough | 0.21 percent |
| 2 | Lake and Peninsula Borough | 0.12 percent |
| 3 | Unalaska | 0.20 percent |
| 4 | Denali Borough | 0.07 percent |
| 5 | North Pole | 0.32 percent |
| 6 | Dillingham | 0.22 percent |
| 7 | Craig | 0.29 percent |
| 8 | Yakutat | 0.04 percent |
| 9 | Saxman | 0.16 percent |
| 10 | Sand Point | 0.11 percent |
| 11 | Saint Paul | 0.12 percent |
| 12 | Skagway | 0.09 percent |
| 13 | Hoonah | 0.06 percent |
| 14 | King Cove | 0.06 percent |
| 15 | Nenana | 0.06 percent |
| 16 | Unalakleet | 0.02 percent |
| 17 | Kachemak | 0.03 percent |
| 18 | Huslia | 0.03 percent |
| 19 | Pelican | 0.03 percent |
| 20 | Atka | 0.02 percent |
| 21 | Egegik | 0.01 percent |

22 (d) The community revenue sharing payment amount for each municipality or
 23 reserve not subject to (c) of this section equals the basic payment value for that
 24 municipality or reserve calculated under (b) of this section increased on a per capita
 25 basis. The total amount used for payment increases under this subsection equals the
 26 total amount by which payments are decreased under (c) of this section.

27 **Sec. 29.60.865. Eligibility.** The department, with advice from the Department
 28 of Law, shall determine whether there is, in each reserve or unincorporated
 29 community, an incorporated nonprofit entity or a Native village council that will agree
 30 to receive and spend the community revenue sharing payment for the benefit of the
 31 reserve or unincorporated community. If there is more than one qualified entity in a

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

12 **Sec. 29.60.870. Determination of population.** For purposes of determining
 13 the amount of revenue sharing payments, the population of a municipality, reserve, or
 14 unincorporated community shall be determined by using the numbers of permanent
 15 fund dividend recipients or other population data that the department determines is
 16 reliable. For purposes of determining the population of a borough, the population of
 17 each city and reserve in the borough shall be deducted from the total borough
 18 population. For purposes of determining the population of a unified municipality, the
 19 population of each reserve in the unified municipality shall be deducted from the total
 20 population of the unified municipality.

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

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

25 (2) "unincorporated community" has the meaning given in
 26 AS 29.60.140.

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