

HOUSE CS FOR CS FOR SENATE BILL NO. 72(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 5/11/07

Referred: Finance

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

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

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

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

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

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

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

1 available is accounted for;

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

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

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

1	Wasilla	0.18 percent
2	Bristol Bay Borough	0.21 percent
3	Lake and Peninsula Borough	0.12 percent
4	Unalaska	0.20 percent
5	Denali Borough	0.07 percent
6	North Pole	0.32 percent
7	Dillingham	0.22 percent
8	Craig	0.29 percent
9	Yakutat	0.04 percent
10	Saxman	0.16 percent
11	Sand Point	0.11 percent
12	Saint Paul	0.12 percent
13	Skagway	0.09 percent
14	Hoonah	0.06 percent
15	King Cove	0.06 percent
16	Nenana	0.06 percent
17	Unalakleet	0.02 percent
18	Kachemak	0.03 percent
19	Huslia	0.03 percent
20	Pelican	0.03 percent
21	Atka	0.02 percent
22	Egegik	0.01 percent

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

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

1 for the benefit of the reserve or unincorporated community. If there is more than one
2 qualified entity in an unincorporated community located in the unorganized borough
3 or in a reserve, the department shall pay the dividend to the entity that the department
4 finds most qualified to receive and spend the money. The department may make a
5 payment on behalf of an unincorporated community located in a borough or unified
6 municipality only to the municipality as provided in (b) of this section. The
7 department may not make a payment on behalf of any reserve or unincorporated
8 community unless the incorporated nonprofit entity or Native village council waives
9 immunity from suit for claims arising out of activities of the corporation or council
10 related to the payment. A waiver of immunity from suit under this subsection must be
11 on a form provided by the Department of Law. If there is not a qualified incorporated
12 nonprofit entity or Native village council in a reserve or unincorporated community
13 that is willing to receive and spend the community revenue sharing payment for the
14 benefit of the reserve or unincorporated community, that reserve or unincorporated
15 community is not eligible for the payment, and the payment may not be made.

16 (b) The department may make a community revenue sharing payment on
17 behalf of an unincorporated community in a borough or unified municipality only to
18 the municipality for payment by the municipality to an incorporated nonprofit entity or
19 Native village council that has been approved by the assembly and meets the
20 requirements of (a) of this section. The department must have written evidence of the
21 assembly approval. The assembly may only approve an incorporated nonprofit entity
22 or Native village council that provides at least three of the following services within
23 the unincorporated community that are generally available to all residents of the
24 unincorporated community;

- 25 (1) fire protection;
- 26 (2) emergency medical;
- 27 (3) water and sewer;
- 28 (4) solid waste management;
- 29 (5) public road or ice road maintenance;
- 30 (6) public health;
- 31 (7) search and rescue.

1 **Sec. 29.60.870. Determination of population.** For purposes of determining
2 the amount of revenue sharing payments, the population of a municipality, reserve, or
3 unincorporated community shall be determined by using the numbers of permanent
4 fund dividend recipients or other population data that the department determines is
5 reliable. For purposes of determining the population of a borough, the population of
6 each city, unincorporated community, and reserve in the borough shall be deducted
7 from the total borough population. For purposes of determining the population of a
8 unified municipality, the population of each unincorporated community and reserve in
9 the unified municipality shall be deducted from the total population of the unified
10 municipality.

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

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

15 (2) "unincorporated community" means a place in the unorganized
16 borough, in a borough, or in a unified municipality that is not incorporated as a city,
17 that is not a reserve, and in which 25 or more individuals reside as a social unit.

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