

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: 3  
 Bill Version: CSSB 72(FIN)  
 (S) Publish Date: 5/8/07

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title Community Revenue Sharing Program RDU Revenue Sharing (217)  
 Component New  
 Sponsor Community & Regional Affairs  
 Requester Finance Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2008         | FY 2009         | FY 2010         | FY 2011         | FY 2012         | FY 2013         |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Personal Services      |                 |                 |                 |                 |                 |                 |
| Travel                 |                 |                 |                 |                 |                 |                 |
| Contractual            |                 |                 |                 |                 |                 |                 |
| Supplies               |                 |                 |                 |                 |                 |                 |
| Equipment              |                 |                 |                 |                 |                 |                 |
| Land & Structures      |                 |                 |                 |                 |                 |                 |
| Grants & Claims        | 48,100.0        | 50,000.0        | 50,000.0        | 50,000.0        | 50,000.0        | 50,000.0        |
| Miscellaneous          |                 |                 |                 |                 |                 |                 |
| <b>TOTAL OPERATING</b> | <b>48,100.0</b> | <b>50,000.0</b> | <b>50,000.0</b> | <b>50,000.0</b> | <b>50,000.0</b> | <b>50,000.0</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**FUND SOURCE** (Thousands of Dollars)

|                                       |                 |                 |                 |                 |                 |                 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1002 Federal Receipts                 |                 |                 |                 |                 |                 |                 |
| 1003 GF Match                         |                 |                 |                 |                 |                 |                 |
| 1004 GF                               | 48,100.0        | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |
| 1005 GF/Program Receipts              |                 |                 |                 |                 |                 |                 |
| 1037 GF/Mental Health                 |                 |                 |                 |                 |                 |                 |
| Other: New Community Rev Sharing Fund | 0.0             | 50,000.0        | 50,000.0        | 50,000.0        | 50,000.0        | 50,000.0        |
| <b>TOTAL</b>                          | <b>48,100.0</b> | <b>50,000.0</b> | <b>50,000.0</b> | <b>50,000.0</b> | <b>50,000.0</b> | <b>50,000.0</b> |

Estimate of any current year (FY2007) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary)

This legislation establishes a community revenue sharing fund with the lesser of \$50 million or three percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the state during preceding fiscal year. Subject to an annual appropriation by the legislature from the fund, the department would provide community revenue sharing payments to municipalities, unincorporated communities in the unorganized borough, and reserves. Five percent of the amount appropriated would be available for unincorporated communities and the remaining 95% for municipalities and reserves. The basic payment amount for unincorporated communities is \$25,000, with the balance added on a per capita basis up to a maximum per capita payment of \$50,000 per community. (continued next page)

Prepared by: Michael Black, Director Phone 907.269.4758  
 Division: Community Advocacy Date/Time 5/7/07 3:23 PM  
 Approved by: Emil Notti, Commissioner Date 5/7/2007  
 Agency: Commerce, Community, and Economic Development

**FISCAL NOTE # 3**

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**BILL NO. CSSB 72(FIN)**

**ANALYSIS CONTINUATION**

The basic payment amount for each borough and unified municipality is \$250,000 and \$75,000 for each city and reserve with the balance allocated on a per capita basis. For purposes of determining the population of a borough, the population of each city in the borough is deducted from the total population of the borough. Based on a percentage list provided in the legislation, certain municipalities are then subject to a reduction of their revenue sharing payment by the stated percentage amount. The total amount of the reductions is then redistributed on a per capita basis among the remaining municipalities and reserves. The department anticipates implementing this program with existing staff and resources.