

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 8
 Bill Version: HCS CSSB 72(FIN)
 (H) Publish Date: 3/5/2008

Identifier (file name): _____ Dept. Affected: DCCED
 Title _____ RDU Revenue Sharing (217)
 Sponsor Senate Community and Regional Affairs Committee Component New
 Requester House Finance Component Number New

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims	60,000.0		60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0
Miscellaneous								
TOTAL OPERATING	60,000.0		60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	60,000.0		60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	60,000.0		60,000.0	60,000.0	60,000.0	60,000.0	60,000.0	60,000.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This legislation establishes a community revenue sharing fund consisting of legislative appropriations in an amount equal to 20% of the money received by the state during the previous calendar year under AS 43.55.011(g). The legislation establishes a target annual appropriation to the fund of \$60.0 million or the amount that, when added to the fund balance on June 30 of the previous fiscal year, equals \$180.0 million. The department shall annually distribute as community revenue sharing payments one-third of the amount in the fund as of June 30 of the previous fiscal year. The department shall calculate basic community revenue sharing payments to municipalities, unincorporated communities, and reserves. The basic community revenue sharing payments are established for the various entities as a proportion of the calculated basic payment for organized boroughs.

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 Division: House Finance Committee
 Approved by: Rep. Kevin Meyer, Co-Chairman, House Finance Committee
Rep. Mike Chenault, Co-Chairman, House Finance Committee

Phone 465-6875
 Date/Time 03/03/2008 11:36 a.m.
 Date 3/3/2008

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ANALYSIS CONTINUATION

The basic payments fluctuate with the overall annual distribution level and at a \$60.0 million funding level an organized borough would receive a basic payment of \$384.0. Cities and eligible reserves would receive a basic payment of one-fourth (\$96.0); unincorporated communities in the unorganized borough one-twelfth (\$32.0); unincorporated communities in organized boroughs one-nineteenth (\$20.2); and unified municipalities the sum of the borough and city basic payment amounts (\$480.0). The minimum basic payment for a borough is \$220.0.

Money available after funding the basic payments is distributed to municipalities, unincorporated communities in the unorganized borough and reserves on a per capita basis. For purposes of determining the population of each borough, the population of each city in the borough shall be deducted from the total borough population.

To be eligible for payment, an unincorporated community located within an organized borough must have either a Native village council or incorporated non-profit entity that has been approved by the borough assembly and must be providing at least three of the listed services in the bill that are generally available to all residents of the unincorporated community, and each of the three services, in any combination, are provided by one or more qualifying incorporated non-profit entities or Native village council, or are substantially paid for by the residents of the unincorporated community through taxes, charges or assessments levied or authorized by the borough or unified municipality. If there is more than one qualified entity in an unincorporated community in a borough or unified municipality, one of the entities may receive the entire payment, or it may be shared amount the qualified entities, as determined by the assembly.

The legislation also repeals the State Revenue Sharing and Safe Communities statutes currently found under Title 29 (AS 29.60.010-29.60.375).

The department anticipates implementing the provisions of this legislation with existing staff and resources.

Currently, the Governor's FY 09 Capital Budget request includes a \$75.0 million appropriation for one-time payments as grants to communities. The fiscal note is based on the assumption that the appropriation will be removed from the Governor's FY 09 Capital Budget.