

**HOUSE CS FOR CS FOR SENATE BILL NO. 210(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 4/16/16**

**Referred: Rules**

**Sponsor(s): SENATE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the community revenue sharing program; changing the name of the**  
2 **community revenue sharing program to the community assistance program; and**  
3 **providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **\* Section 1.** AS 29.20.640(b) is amended to read:

6 (b) Compliance with the provisions of this section is a prerequisite to receipt  
7 of community assistance [REVENUE SHARING] under AS 29.60.850 - 29.60.879. If  
8 a municipality does not comply with this section, the department shall withhold the  
9 allocations until the required reports are filed.

10 **\* Sec. 2.** AS 29.45.020 is amended to read:

11 **Sec. 29.45.020. Taxpayer notice.** (a) If a municipality levies and collects  
12 property taxes, the governing body shall provide the following notice:

13 "NOTICE TO TAXPAYER

14 For the current fiscal year the (city)(borough) has been allocated the

1 following amount of state aid for school and municipal purposes under  
 2 the applicable financial assistance Acts:

3	PUBLIC SCHOOL FUNDING PROGRAM (AS 14.17)	\$
4	STATE AID FOR RETIREMENT OF SCHOOL	\$
5	CONSTRUCTION DEBT (AS 14.11.100)	
6	COMMUNITY <u>ASSISTANCE</u>	\$
7	[REVENUE SHARING]	
8	PROGRAM (AS 29.60.850 - 29.60.879)	
9	TOTAL AID	\$

10 The millage equivalent of this state aid, based on the dollar value of a  
 11 mill in the municipality during the current assessment year and for the  
 12 preceding assessment year, is:

	MILLAGE EQUIVALENT		
	PREVIOUS YEAR	THIS YEAR	
15	PUBLIC SCHOOL FUNDING	... .MILLS	... .MILLS
16	PROGRAM ASSISTANCE		
17	STATE AID FOR RETIREMENT	... .MILLS	... .MILLS
18	OF SCHOOL CONSTRUCTION		
19	DEBT		
20	COMMUNITY <u>ASSISTANCE</u>	... .MILLS	... .MILLS
21	[REVENUE SHARING]		
22	PROGRAM		
23	TOTAL MILLAGE EQUIVALENT	... .MILLS	... .MILLS"

24 Notice shall be provided by

25 (1) furnishing a copy of the notice with tax statements mailed for the  
 26 fiscal year for which aid is received; or

27 (2) publishing in a newspaper of general circulation in the municipality  
 28 a copy of the notice once each week for a period of three successive weeks, with  
 29 publication to occur not later than 45 days after the final adoption of the municipality's  
 30 budget.

31 (b) Compliance with the provisions of this section is a prerequisite to receipt

1 of community **assistance** [REVENUE SHARING] under AS 29.60.850 - 29.60.879.  
 2 The department shall withhold annual allocations under those sections until municipal  
 3 officials demonstrate that the requirements of this section have been met.

4 \* **Sec. 3.** AS 29.45.660(b) is amended to read:

5 (b) Compliance with the provisions of this section is a prerequisite to receipt  
 6 of community **assistance** [REVENUE SHARING] under AS 29.60.850 - 29.60.879.  
 7 The department shall withhold annual allocations under those sections until municipal  
 8 officials demonstrate that the requirements of this section have been met.

9 \* **Sec. 4.** AS 29.60.810 is amended to read:

10 **Sec. 29.60.810. Grant applications.** A municipality or regional housing  
 11 authority that owns a harbor facility may submit to the Department of Transportation  
 12 and Public Facilities an application for a harbor facility grant to be used for  
 13 construction, expansion, major repair, or major maintenance of a harbor facility. The  
 14 application must include information about the project requested by the department.  
 15 For a proposed project to be eligible for a grant, the municipality or regional housing  
 16 authority must provide evidence acceptable to the department that the

17 (1) proposed project is a capital improvement project and not part of a  
 18 preventive maintenance program or regular custodial care program;

19 (2) municipality or regional housing authority will provide 50 percent  
 20 of the total project cost as matching funds for the state grant and that money received  
 21 by the municipality or regional housing authority from the state will not be used for  
 22 the matching funds except money received under

23 (A) AS 29.60.850 - 29.60.879 (community **assistance**  
 24 [REVENUE SHARING] program);

25 (B) AS 29.60.450, AS 43.75.130, and 43.75.137 (shared  
 26 fisheries business taxes);

27 (C) AS 43.52.200 - 43.52.295 (excise tax on overnight  
 28 accommodations on commercial passenger vessels); and

29 (D) a transfer agreement between the state and a municipality  
 30 **for** [PURSUANT TO] a sale under AS 35.10.120;

31 (3) municipality or regional housing authority has secured and will

1 maintain adequate property loss insurance for the replacement cost of the harbor  
2 facility or has an adequate program of insurance;

3 (4) municipality or regional housing authority has a preventive  
4 maintenance plan for the harbor facility and will be adequately adhering to the  
5 preventive maintenance plan after completion of the proposed project.

6 \* **Sec. 5.** AS 29.60.850(a) is amended to read:

7 (a) The community assistance [REVENUE SHARING] fund is established in  
8 the general fund for the purpose of making community assistance [REVENUE  
9 SHARING] payments to municipalities, reserves, and communities for any public  
10 purpose. The fund consists of appropriations. Income earned on money in the fund  
11 may be appropriated to the fund. Money in the fund does not lapse.

12 \* **Sec. 6.** AS 29.60.850(b) is amended to read:

13 (b) Each fiscal year, the legislature may appropriate to the community  
14 assistance [REVENUE SHARING] fund money received by the state during the  
15 previous calendar year under AS 43.20.030(c). The amount may not exceed the  
16 greater of

17 (1) \$30,000,000 [\$60,000,000]; or

18 (2) the amount that, when added to the fund balance on June 30 of the  
19 previous fiscal year, equals \$90,000,000 [\$180,000,000].

20 \* **Sec. 7.** AS 29.60.850(c) is amended to read:

21 (c) The balance in the community assistance [REVENUE SHARING] fund  
22 shall be determined on June 30 of each year. If the fund balance is at least \$15,000,000  
23 [\$60,000,000], without further appropriation, the department shall distribute one-third  
24 of that amount as community assistance [REVENUE SHARING] payments for the  
25 immediately following fiscal year. Otherwise, no payments may be made.

26 \* **Sec. 8.** AS 29.60.855 is amended to read:

27 **Sec. 29.60.855. Basic community assistance [REVENUE SHARING]**  
28 **payments.** (a) The [DEPARTMENT SHALL CALCULATE THE] basic amount  
29 used for determining the basic community assistance [REVENUE SHARING]  
30 payment for a fiscal year [BY APPLYING THE FOLLOWING FORMULA: THE  
31 AMOUNT AVAILABLE FOR PAYMENTS FOR THAT FISCAL YEAR UNDER

1 AS 29.60.850(c), MINUS 60,000,000, DIVIDED BY 60,000,000, PLUS ONE,  
 2 MULTIPLIED BY 384,000. HOWEVER, IF THE AMOUNT CALCULATED IS  
 3 LESS THAN \$220,000, THE BASIC AMOUNT FOR THAT FISCAL YEAR] is  
 4 **\$300,000** [\$220,000]. **However, if the amount available for payments for that**  
 5 **fiscal year under AS 29.60.850(c) is less than the amount necessary to make the**  
 6 **payments under (b) of this section, the department shall reduce the basic amount**  
 7 **pro rata.**

8 (b) Except as provided in (c) of this section, the basic community **assistance**  
 9 [REVENUE SHARING] payment for a fiscal year equals, for each

10 (1) unified municipality, the sum of the amounts calculated under (2)  
 11 and (3) of this subsection, rounded to the nearest **dollar** [\$1,000];

12 (2) borough, the basic amount, rounded to the nearest **dollar** [\$1,000];

13 (3) city and eligible reserve, one-fourth of the basic amount, rounded  
 14 to the nearest **dollar** [\$100];

15 (4) eligible community in the unorganized borough, one-twelfth of the  
 16 basic amount, rounded to the nearest **dollar** [\$100];

17 (5) eligible community in a unified municipality or borough, one-  
 18 nineteenth of the basic amount, rounded to the nearest **dollar** [\$100].

19 (c) The basic **community assistance** [REVENUE SHARING] payment  
 20 amount for a succeeding municipality formed when two or more municipalities merge,  
 21 consolidate, or unify after January 1, 2002, equals the sum of the amounts each of the  
 22 former municipalities would receive under (b) of this section calculated as if the  
 23 merger, consolidation, or unification had not occurred.

24 \* **Sec. 9.** AS 29.60.860(a) is amended to read:

25 (a) Subject to (b) of this section, if the amount available for distribution under  
 26 AS 29.60.850(c) exceeds the amount needed to fully fund all the basic community  
 27 **assistance** [REVENUE SHARING] payments, the balance shall be distributed on a  
 28 per capita basis to municipalities, to reserves, and to communities in the unorganized  
 29 borough.

30 \* **Sec. 10.** AS 29.60.860(b) is amended to read:

31 (b) The per capita amount distributed to each community in the unorganized

1           borough may not, when added to the basic community **assistance** [REVENUE  
2           SHARING] payment for that community, exceed the basic amount calculated under  
3           AS 29.60.855(b)(3). If the per capita distribution for a community in the unorganized  
4           borough, when added to the basic community **assistance** [REVENUE SHARING]  
5           payment for that community, would exceed the basic amount calculated under  
6           AS 29.60.855(b)(3), the excess amount shall be distributed on a per capita basis to  
7           other communities in the unorganized borough.

8           \* **Sec. 11.** AS 29.60.865 is amended to read:

9                       **Sec. 29.60.865. Eligibility requirements for reserves and communities.** (a)

10           The department, with advice from the Department of Law, shall determine whether  
11           there is in each community or reserve an incorporated nonprofit entity or a Native  
12           village council that will agree to receive and spend the community **assistance**  
13           [REVENUE SHARING] payment. If there is more than one qualified entity in a  
14           reserve or community in the unorganized borough, the department shall pay the money  
15           to the entity that the department finds most qualified to receive and spend the money  
16           on behalf of the reserve or community. The department may not make a community  
17           **assistance** [REVENUE SHARING] payment to a Native village council unless the  
18           council waives immunity from suit for claims arising out of activities of the council  
19           related to the payment. A waiver of immunity from suit under this section must be on  
20           a form provided by the Department of Law. If there is no qualified incorporated  
21           nonprofit entity or Native village council in a reserve or community that is willing to  
22           receive the community **assistance** [REVENUE SHARING] payment and use the  
23           payment on behalf of that reserve or community, the payment for that reserve or  
24           community may not be paid. Neither this section nor any action taken under it enlarges  
25           or diminishes the governmental authority or jurisdiction of a Native village council.

26                       (b) The department may make a community **assistance** [REVENUE  
27           SHARING] payment on behalf of a community in a borough or unified municipality  
28           only to the municipality for payment by the municipality to an incorporated nonprofit  
29           entity or Native village council that has been approved by the assembly and meets the  
30           requirements of (a) of this section. The department shall have written evidence of the  
31           assembly approval. If there is more than one qualified entity in a community in a

1           borough or unified municipality, one of the entities may receive the entire payment, or  
 2           the payment may be shared between two or more of the qualified entities, as  
 3           determined by the assembly.

4           (c) A community in a borough or unified municipality is eligible for a  
 5           community **assistance** [REVENUE SHARING] payment only if at least three of the  
 6           following services are generally available to all residents of the community and each  
 7           of the three services, in any combination, are provided by one or more qualifying  
 8           incorporated nonprofit entities or a Native village council or are substantially paid for  
 9           by the residents of the community through taxes, charges, or assessments levied or  
 10          authorized by the borough or unified municipality:

- 11                       (1) fire protection;
- 12                       (2) emergency medical;
- 13                       (3) water and sewer;
- 14                       (4) solid waste management;
- 15                       (5) public road or ice road maintenance;
- 16                       (6) public health;
- 17                       (7) search and rescue.

18          \* **Sec. 12.** AS 29.71.040(h)(2) is amended to read:

19                       (2) "state money" includes state reimbursement to municipalities for  
 20          school or related construction, foundation funding for education, municipal assistance,  
 21          **community assistance**, revenue sharing, and state funds for capital projects.

22          \* **Sec. 13.** AS 36.10.090(b) is amended to read:

23                       (b) A local government or school district covered by the provisions of this  
 24          chapter that is found to be in violation of these provisions may be required to forfeit  
 25          all or part of the state aid made available for the project in which the violation occurs  
 26          and in addition may be denied up to 12 months of state **community assistance**  
 27          [REVENUE SHARING] or public school funding. A state department or agency head  
 28          found to be in violation of this chapter may be required to forfeit the position of  
 29          department or agency head.

30          \* **Sec. 14.** AS 36.10.125(c) is amended to read:

31                       (c) In an action brought under (b) of this section, the court may, in its

1 discretion, order denial of state community assistance, revenue sharing, or public  
 2 school funding, forfeiture of office or position, or injunctive or other relief. If the court  
 3 finds for the plaintiff in an action brought under (b) of this section, it may award the  
 4 plaintiff an amount equal to the actual costs and attorney fees incurred by the plaintiff.

5 \* **Sec. 15.** AS 36.15.050(h)(3) is amended to read:

6 (3) "state money" includes state reimbursement to school districts for  
 7 school or related construction, foundation funding for education, municipal assistance,  
 8 community assistance, revenue sharing, and state funds for capital projects.

9 \* **Sec. 16.** AS 44.33.020(a) is amended to read:

10 (a) The Department of Commerce, Community, and Economic Development  
 11 shall

12 (1) advise and assist local governments;

13 (2) advise the governor and other commissioners on the delivery of  
 14 government services to rural areas, including services relating to public safety, justice,  
 15 economic development, natural resource management, education, and public health;

16 (3) make recommendations to the governor and other commissioners  
 17 about policy changes that would affect rural governments and rural affairs;

18 (4) serve as staff for the Local Boundary Commission;

19 (5) conduct studies and carry out experimental and pilot projects for  
 20 the purpose of developing solutions to community and regional problems;

21 (6) promote cooperative solutions to problems affecting more than one  
 22 community or region, including joint service agreements, regional compacts, and other  
 23 forms of cooperation;

24 (7) serve as a clearinghouse for information useful in solution of  
 25 community and regional problems, and channel to the appropriate authority requests  
 26 for information and services;

27 (8) advise and assist community and regional governments on matters  
 28 of finance, including but not limited to bond marketing and procurement of federal  
 29 funds;

30 (9) prepare suggested guidelines relating to the content of notice of  
 31 bond sale advertisements, prospectuses, and other bonding matters issued by local

1 governments;

2 (10) administer state funds appropriated for the benefit of unorganized  
3 regions within the state, allowing for maximum participation by local advisory  
4 councils and similar bodies;

5 (11) as assigned through a delegation by the governor, administer and  
6 implement the state's role in the federal community development quota program  
7 established under 16 U.S.C. 1855(i) or a successor federal program; the department  
8 may adopt regulations under a delegation from the governor to implement duties under  
9 this paragraph;

10 (12) carry out those administrative functions in the unorganized  
11 borough that the legislature may prescribe;

12 (13) study existing and proposed laws and state activities that affect  
13 community and regional affairs and submit to the governor recommended changes in  
14 those laws and activities;

15 (14) coordinate activities of the state that affect community and  
16 regional affairs;

17 (15) assist in the development of new communities and serve as the  
18 agent of the state for purposes of participation in federal programs relating to new  
19 communities;

20 (16) supervise planning, management, and other activities required for  
21 local eligibility for financial aid under those federal and state programs that provide  
22 assistance to community and regional governments;

23 (17) advise and assist municipalities on procedures of assessment,  
24 valuation, and taxation, and notify municipalities of major errors in those procedures;

25 (18) apply for, receive, and use funds from federal and other sources,  
26 public or private, for use in carrying out the powers and duties of the department;

27 (19) request and utilize the resources of other agencies of state  
28 government in carrying out the purposes of this chapter to the extent **the** [SUCH]  
29 utilization is more efficient than maintaining departmental staff, reimbursing the other  
30 agencies when appropriate;

31 (20) administer state and, as appropriate, federal programs for revenue

1 sharing, community assistance, grants, and other forms of financial assistance to  
2 community and regional governments;

3 (21) administer the state programs relating to commerce or community  
4 development, enforce the laws relating to these programs, and adopt regulations under  
5 these laws;

6 (22) register corporations;

7 (23) collect corporation franchise taxes;

8 (24) enforce state laws regulating public utilities and other public  
9 service enterprises, banking and securities, insurance, and other businesses and  
10 enterprises touched with a public interest;

11 (25) make veterans' loans;

12 (26) furnish the budgeting, clerical, and administrative services for  
13 regulatory agencies and professional and occupational licensing boards not otherwise  
14 provided for;

15 (27) conduct studies, enter into contracts and agreements, and make  
16 surveys relating to the economic development of the state and, when appropriate,  
17 assemble, analyze, and disseminate the findings obtained;

18 (28) provide factual information and technical assistance for potential  
19 industrial and commercial investors;

20 (29) receive gifts, grants, and other aid that facilitate the powers and  
21 duties of the department from agencies and instrumentalities of the United States or  
22 other public or private sources;

23 (30) establish and activate programs to achieve balanced economic  
24 development in the state and advise the governor on economic development policy  
25 matters;

26 (31) formulate a continuing program for basic economic development  
27 and for the necessary promotion, planning, and research that will advance the  
28 economic development of the state;

29 (32) cooperate with private, governmental, and other public institutions  
30 and agencies in the execution of economic development programs;

31 (33) review the programs and annual reports of other departments and

1 agencies as they are related to economic development and prepare an annual report on  
2 the economic growth of the state;

3 (34) administer the economic development programs of the state;

4 (35) perform all other duties and powers necessary or proper in  
5 relation to economic development and planning for the state;

6 (36) request tourism-related businesses in the state to provide data  
7 regarding occupancy levels, traffic flow and gross receipts and to participate in visitor  
8 surveys conducted by the department; data collected under this paragraph that  
9 discloses the particulars of an individual business is not a matter of public record and  
10 shall be kept confidential; however, this restriction does not prevent the department  
11 from using the data to formulate tourism economic impact information including  
12 expenditure patterns, tax receipts and fees, employment and income attributable to  
13 tourism, and other information considered relevant to the planning, evaluation, and  
14 policy direction of tourism in the state;

15 (37) provide administrative and budgetary services to the Real Estate  
16 Commission under AS 08.88 as requested by the commission;

17 (38) sell at cost, to the extent possible, publications and promotional  
18 materials developed by the department;

19 (39) as delegated by the governor, administer under 16 U.S.C. 1856  
20 the internal waters foreign processing permit procedures and collect related fees;

21 (40) administer state laws relating to the issuance of business licenses;

22 (41) comply with AS 15.07.055 to serve as a voter registration agency  
23 to the extent required by state and federal law, including 42 U.S.C. 1973gg (National  
24 Voter Registration Act of 1993);

25 (42) [REPEALED

26 (43)] carry out other functions and duties, consistent with law,  
27 necessary or appropriate to accomplish the purpose of this chapter;

28 (43) [(44)] administer the Alaska BIDCO assistance program under  
29 AS 37.17.500 - 37.17.690 and adopt regulations to carry out the provisions of those  
30 statutes;

31 (44) [(45)] supply necessary clerical and administrative services for the

1 Alcoholic Beverage Control Board and the Marijuana Control Board.

2 \* **Sec. 17.** AS 46.07.080(2) is amended to read:

3 (2) "village" means

4 (A) a second class city;

5 (B) a first class city with a population of less than 1,000;

6 (C) a home rule municipality with a population of less than  
7 1,000;

8 (D) the Annette Island Reserve established by 25 U.S.C. 495  
9 for the Metlakatla Indian Community;

10 (E) a community with a population between 25 and 1,000 that  
11 is represented by

12 (i) a council organized under 25 U.S.C. 476 (sec. 16 of  
13 the Indian Reorganization Act);

14 (ii) a traditional village council recognized by the  
15 United States as eligible for federal aid to Indians; or

16 (iii) an incorporated nonprofit entity or Native village  
17 council that the Department of Commerce, Community, and Economic  
18 Development, with advice from the Department of Law, has  
19 determined is eligible to receive and spend a community assistance  
20 [REVENUE SHARING] payment under AS 29.60.865, if the  
21 incorporated nonprofit entity or Native village council agrees to act as a  
22 village governing body for the purposes of this chapter and provides for  
23 the ongoing maintenance of a project funded under this chapter.

24 \* **Sec. 18.** This Act takes effect January 1, 2017.