

Introduced: 2/18/74
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY FISCHER

2 HOUSE BILL NO. 651

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state reimbursement to municipali-
7 ties of costs of state-mandated programs; and providing
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 *Section 1. AS 43.18 is amended by adding new sections to read:

11 ARTICLE 5. STATE REIMBURSEMENT TO MUNICIPALITIES

12 FOR COSTS OF STATE-MANDATED PROGRAMS.

13 Sec. 43.18.500. REIMBURSEMENT. The state shall pay to each muni-
14 cipality an amount to reimburse the municipality for the full costs,
15 which are mandated by acts enacted after December 31, 1974, of a new
16 state-mandated local program or an increased level of service of an
17 existing state-mandated local program.

18 Sec. 43.18.510. LEGISLATION. A new state program or increased
19 level of service of an existing mandated program, which is mandated by
20 legislative action after December 31, 1974, shall include provisions
21 within the bill, or in a separate appropriation bill, to provide an
22 amount sufficient to cover the total cost of the mandated program for
23 all affected municipalities, as estimated by the Department of Adminis-
24 tration, or the legislative finance division of the Legislative Budget
25 and Audit Committee. This amount shall be appropriated to the
26 department for disbursement.

27 Sec. 43.18.520. ALLOCATION OF FUNDS. (a) The commissioner of
28 administration shall allocate the funds appropriated under sec. 510 of
29 this chapter among the municipalities for each state-mandated local

1 program based upon claims submitted by the affected municipality within
2 45 days after the operative date of the mandate. These claims shall
3 be based on the municipality's estimate of its cost of the mandated
4 program for the fiscal year. The commissioner may review claims and may
5 reduce those which appear to be excessive or unreasonable. The alloca-
6 tions to the appropriate municipality shall be made by the commissioner
7 in accordance with the provisions of each bill which mandates additional
8 cost.

9 (b) For subsequent fiscal years with respect to the costs of a
10 mandated program or service level as defined in sec. 500 of this chapter,
11 the commissioner shall allocate funds to each municipality to reimburse
12 them for these costs. Claims shall be submitted by affected municipi-
13 palities before November 1 and, after review and adjustments, shall be
14 paid at the time or times provided in each bill which mandates
15 additional local cost.

16 (c) The claims shall include the actual cost for the preceding
17 fiscal year and the estimated cost for the current fiscal year. The
18 commissioner may reduce any claim for the current fiscal year which
19 appears to be excessive or unreasonable. The commissioner shall adjust
20 the payment for the current fiscal year to the local government to
21 correct for the underpayment or overpayment of the estimated cost of
22 the mandated cost in the preceding fiscal year. The commissioner may
23 audit the records of any municipality to verify the actual costs of
24 state-mandated programs.

25 Sec. 43.18.530. STATE-MANDATED LOCAL PROGRAM BY REGULATION. The
26 state shall pay to each municipality the full costs of a new local
27 program or increased level of service of an existing local program
28 mandated by a state executive order or regulation issued after
29 December 31, 1974. The costs of that order or regulation shall be

1 estimated by the Department of Administration. Municipalities shall be
2 reimbursed in the same manner as provided in sec. 520 of this chapter.

3 Sec. 43.18.540. OPTIONAL LOCAL SERVICES, PROGRAMS SUBSEQUENTLY
4 MANDATED BY STATE. If a municipality has been providing a service or
5 program at its option that is subsequently mandated by the state, the
6 state shall pay the municipality for the cost of that mandated service
7 or program. However, the municipality shall reduce its property tax
8 rate by the amount that the state payment replaces property tax revenues
9 which were being spent on that service or program.

10 Sec. 43.18.550. CONSTRUCTION AND IMPLEMENTATION. (a) Secs.
11 500 - 540 of this chapter may not be construed to create a debt of the
12 state.

13 (b) The special state-mandated local services and programs
14 reimbursement account is created. Funds to carry out the provisions of
15 secs. 500 - 540 of this chapter shall be appropriated annually by the
16 legislature to the account. If amounts in the account are insufficient
17 for the purpose of each municipality's share authorized under secs.
18 500 - 540 of this chapter, those funds that are available shall be
19 distributed pro rata among eligible municipalities.

20 (c) Money in the special state-mandated local services and pro-
21 grams reimbursement account which, at the end of the fiscal year for
22 which the money is appropriated, exceeds the amount required for the
23 allocations authorized in this chapter reverts to the general fund.

24 Sec. 43.18.550. DEFINITIONS. In secs. 500 - 540 of this chapter

- 25 (1) "commissioner" means commissioner of administration;
26 (2) "department" means Department of Administration;
27 (3) "increased level of service" means any requirement
28 mandated by state law, regulation or order after December 31, 1974,
29 which makes necessary expanded or additional costs to a municipality;

1 (4) "municipality" means any class of city or borough, or
2 a home rule first class city or borough, or a unification of ththese.

3 * Sec. 2. AS 43.18.030(b) is amended to read:

4 (b) The governing body shall furnish the following notice with
5 tax statements mailed for the fiscal year for which aid is received
6 under this chapter:

7 "NOTICE TO TAXPAYER

8 For the current fiscal year the (city) (borough) has been allocated
9 the following amount of state aid for school and municipal
10 purposes under the Public School Foundation Program (Alaska
11 Statutes 14.17) and the revenue-sharing and municipal reimburse-
12 ment provisions of Alaska Statutes 43.18:

13 SCHOOL AID \$

14 AID BASED ON MUNICIPAL SERVICES FUR-
15 NISHED \$

16 (fire protection, police protection, air
17 or water pollution control, land use planning,
18 road maintenance, parks and recreation, trans-
19 portation facilities and services, hospital
20 operation)

21 REIMBURSEMENT FOR STATE-MANDATED

22 LOCAL SERVICES AND PROGRAMS \$

23 Total Aid \$

24 The millage equivalent of this state aid, based on
25 the present dollar value of a mill in the municipality,
26 is _____ mills."

27 * Sec. 3. This Act takes effect January 1, 1975.
28
29