

1 IN THE SENATE

BY SILIDES

2 SENATE BILL NO. 270

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for shared revenues from the state  
7 tax on property used in the exploration for, production  
8 of, or pipeline transportation of gas or unrefined oil;  
9 and providing for an effective date."

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

11 \* Section 1. AS 43.56 is amended by adding a new section to read:

12 ARTICLE 1. LEVY OF TAX; ADMINISTRATION.

13 Sec. 43.56.005. LEGISLATIVE DECLARATION OF PURPOSE. The legis-  
14 lature finds and declares that Alaska's renewable and nonrenewable  
15 resources belong to all the people of the state. Therefore it is  
16 appropriate that the residents of a community be permitted to benefit  
17 directly from the resource peculiar to that area to ensure orderly  
18 development and to improve their standard of living. However, it is  
19 unwise to permit these direct benefits to accrue solely to one locale  
20 to the exclusion of the remainder of the state's populace merely  
21 because of geological accident. By virtue of the fact that some  
22 communities will experience extraordinary population growth during  
23 the period of development of these resources, great burdens will be  
24 imposed by the rapidly expanding population on public services thus  
25 straining the financial resources of these communities beyond their  
26 fiscal ability to cope with municipal service demands unless specially  
27 assisted by the state. It is the intention of the legislature that  
28 the state share its wealth among all the people of this state according  
29 to community need and service to ensure that every citizen and every

1 unit of local government benefit regardless of residence or geographical  
2 location. Furthermore, it is the intention of the legislature that  
3 these shared revenues will be used by the state and the receiving  
4 units of local government to develop other nonrenewable resources  
5 long a part of the state's heritage and economy which will outlive  
6 the supply of the nonrenewable resources.

7 \* Sec. 2. AS 43.56 is amended by adding new sections to read:

8 ARTICLE 2. SHARED REVENUES; DETERMINATION AND DISTRIBUTION

9 Sec. 43.56.220. DETERMINATION OF SHARED REVENUES. To the extent  
10 that the tax levied and collected under secs. 10(b) or 10(c) of this  
11 chapter does not equal 35 per cent of the total proceeds from the 20  
12 mill tax levied and collected under sec. 10(a) of this chapter, the  
13 balance of the 35 per cent shall be distributed as shared revenues to  
14 the organized boroughs of the state, or to first and second class  
15 cities outside an organized borough, in accordance with sec. 240 of  
16 this chapter.

17 Sec. 43.56.230. AUTHORIZATION OF APPROPRIATION. There is autho-  
18 rized to be appropriated to the Department of Community and Regional  
19 Affairs each year an amount equal to the difference between 35 per cent  
20 of the sums deposited in the general fund under sec. 150 of this  
21 chapter and the sums levied and collected by the municipalities in  
22 accordance with sec. 10(b) or 10(c) of this chapter.

23 Sec. 43.56.240. DISTRIBUTION TO LOCAL GOVERNMENT OF SHARED  
24 REVENUES. (a) As soon as practicable following the annual appropriation  
25 provided for in sec. 230 of this chapter, the Department of Community  
26 and Regional Affairs shall distribute the sum appropriated among the  
27 eligible receiving units of local government in direct proportion of  
28 the population of the receiving unit bears with the total population  
29 of the state.

1 (b) When an organized borough is the unit receiving the payment  
2 distributed by the Department of Community and Regional Affairs under  
3 this section, the borough shall first apply the payment to the cost  
4 of area wide operation and maintenance of public schools under  
5 AS 14.40.060 and AS 29.33.050. If a balance remains in the payment,  
6 it shall be divided by the borough among the cities and service areas  
7 lying within the borough in the proportion that the population of a  
8 city or service area bears to the total population of the borough.

9 (c) As used in this section, "population" means that number of  
10 inhabitants residing within each organized borough, service area within  
11 an organized borough, or in the state, as determined by the Department  
12 of Community and Regional Affairs based on the latest statistics of the  
13 United States Bureau of the Census or on other reliable population data.

14 Sec. 43.56.250. ANTICIPATORY BORROWING. After the effective date  
15 of this chapter, an organized borough or a city eligible to receive a  
16 payment from the state under secs. 220 and 240 of this chapter may  
17 borrow from the state in accordance with AS 29.58.010 - 29.58.060 in  
18 anticipation of receipt of the payment authorized under secs. 220 and  
19 240 of this chapter. However, the limitation set out in AS 29.58.030  
20 is not applicable to revenue anticipation notes issued under this  
21 section. A revenue anticipation note shall bear interest at the rate  
22 of six per cent a year on the unpaid balance effective from the date  
23 of the note. The commissioner of community and regional affairs shall  
24 deduct from any payment made under secs. 220 and 240 of this chapter  
25 all payments of principal and interest due the state under a revenue  
26 anticipation note issued by a borough or city under this section. The  
27 authority to issue revenue anticipation notes under this section  
28 expires June 30, 1979, unless extended by the legislature.

29 \* Sec. 3. This Act takes effect on the day after its passage and approval

1 or on the day it becomes law without approval.

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