

Introduced: 2/11/75
Referred: Community and
Regional Affairs and
Finance

1 IN THE SENATE

BY ORSINI BY REQUEST

2 SENATE BILL NO. 156

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state revenue sharing payments to
7 municipalities; and providing for an effective date."

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

9 * Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 17. STATE REVENUE SHARING PAYMENTS TO MUNICIPALITIES.

11 Sec. 43.17.010. MATCHING OF MUNICIPAL TAX EFFORT. (a) During
12 each fiscal year the state shall distribute revenue sharing money to
13 each municipality in an amount equal to one-half of the total tax
14 revenues estimated to be received by the municipality during the munici-
15 pality's current fiscal year adjusted upward or downward by the amount
16 required to reflect the positive or negative difference between actual
17 tax revenues received by the municipality during the previous fiscal
18 year and the estimated tax revenues which were recognized under this
19 chapter for purposes of contribution of state revenue sharing money
20 during that fiscal year.

21 (b) Municipal tax revenues recognized by this chapter for purposes
22 of state revenue sharing are called "municipal tax effort." The depart-
23 ment shall issue regulations defining taxes and levies which are the
24 measure of a municipality's entitlement for state revenue sharing money
25 under this chapter, and which comprise the municipal tax effort.

26 Sec. 43.17.020. DISTRIBUTION OF MATCHING TAX MONEY IN BOROUGHES
27 WHICH INCLUDE CITIES. Revenue sharing money appropriated to match tax
28 revenues of a borough which includes cities shall be spent for the
29 following purposes only:

1 (1) Revenue sharing money appropriated in an amount equal to
2 one-half of the municipality's total tax revenues raised for areawide
3 purposes shall be used for areawide purposes only.

4 (2) Revenue sharing money appropriated in an amount equal to
5 one-half of the municipality's total tax revenues for a service area
6 shall be used in that service area only.

7 Sec. 43.17.030. MINIMUM GRANTS TO MUNICIPALITIES. (a) A munici-
8 pality may, in lieu of obtaining revenue sharing money to match municipal
9 tax effort, obtain instead a minimum grant according to the following
10 schedule:

11 (1) municipalities with populations of
12 50 - 499 persons \$50 a person

13 (2) municipalities with populations of
14 500 or more persons \$25,000

15 (b) The department shall issue regulations regarding procedures
16 and time limits for making an election under this section.

17 Sec. 43.17.040. FINANCIAL REPORTS. No revenue sharing money may
18 be distributed to a municipality until it has first submitted a financial
19 report to the department for the fiscal year immediately preceding the
20 current fiscal year for which revenue sharing payment is requested, a
21 budget for the municipality's current fiscal year and the adopted budget
22 or any budget currently under consideration by the governing body for
23 the municipality's fiscal year immediately following the current fiscal
24 year. These reports shall include a listing of tax revenues claimed by
25 the municipality to be eligible for matching under this chapter. No
26 revenue sharing money may be used by a municipality except for a public
27 purpose. The department may, by regulation, prescribe procedures and
28 filing dates for submitting financial reports and other information
29 required to determine the municipality's tax effort and to determine

1 that the revenue sharing money is being used solely for a public purpose

2 Sec. 43.17.050. DETERMINATIONS OF MUNICIPAL TAX EFFORT. (a) The
3 department shall make a determination before July 1 of each year re-
4 garding the municipal tax effort of each municipality which will be
5 recognized for purposes of distribution of revenue sharing money to
6 match that municipality's tax effort and the amount of any upward or
7 downward adjustment in revenue sharing money required to reflect the
8 difference between actual tax revenues received by the municipality
9 during the previous fiscal year and the estimated tax revenues which
10 were recognized that year for purposes of distributing revenue sharing
11 payments. The department shall make a final determination regarding
12 each municipality's entitlement to revenue sharing money before Septem-
13 ber 2 of the year for which revenue sharing money is appropriated.

14 (b) If, upon review of information obtained by the department, the
15 department determines that a portion of the estimated or actual municipa-
16 tax effort claimed by the municipality does not qualify for recognition
17 as municipal tax effort under this chapter or determines that a portion
18 of revenue sharing money expended was expended for a purpose other than
19 a public purpose, the department shall deduct an amount equal to the
20 money which is not recognized for purposes of revenue sharing from the
21 municipality's allotment for the current year. Before making a final
22 determination to withhold this money, the department shall first notify
23 the municipality in writing of the reasons for the proposed withholding
24 of money and provide the municipality a reasonable time to respond to or
25 challenge the department's proposed determination. A determination of
26 the department under this section may be appealed to the superior court.

27 Sec. 43.17.060. REPORTS OF THE DEPARTMENT. (a) Each year, at
28 least 90 days before the beginning of the next regular legislative
29 session, the department shall prepare and issue a public report listing,

1 for each municipality which qualifies for state revenue sharing money,

2 (1) total expenditures by the municipality;

3 (2) total revenues of the municipality;

4 (3) total tax revenues which are eligible for matching by
5 state revenue sharing payment (the municipal tax effort);

6 (4) total revenue sharing payment received by the munici-
7 pality which matched the municipality's tax effort (received during the
8 calendar year of the report);

9 (5) total revenue sharing payment received by the munici-
10 pality as a minimum grant (during the calendar year of the report);

11 (6) population of the municipality as determined by the
12 department for purposes of the last previous distribution of revenue
13 sharing money.

14 (b) For boroughs which include cities, the department shall list
15 the information called for in (a) of this section under two categories:

16 (1) areawide and

17 (2) service areas.

18 Sec. 43.17.070. DETERMINATIONS OF POPULATION. For purposes of
19 this chapter, population shall be determined by the latest figures of
20 the United States Bureau of the Census or other population data which,
21 in the judgment of the department, is reliable.

22 Sec. 43.17.080. DEFINITIONS. In this chapter

23 (1) "department" means the Department of Community and
24 Regional Affairs;

25 (2) "municipality" means a city or borough organized or
26 incorporated under the laws of the state;

27 (3) "tax revenues" includes proceeds of a municipal real and
28 personal property tax levy, sales tax, business license tax, electric
29 cooperative tax, gross receipts tax, utility franchise tax or fee, raw

1 fish tax and other municipal taxes and levies which are primarily
2 intended to raise revenues and levied by the municipality, but does not
3 include fees for governmental services and inspections or special asses-
4 sments upon property.

5 * Sec. 2. AS 43.18 is repealed.

6 * Sec. 3. A municipality which would have received a greater revenue
7 sharing payment under AS 43.18 than under AS 43.17 for the fiscal year during
8 which this Act takes effect or for the next following fiscal year shall
9 receive an amount equal to that which it would have received under AS 43.18.

10 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
11 070(c).

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