

Introduced: 3/13/75  
Referred: Community and  
Regional Affairs and  
Finance

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE BY REQUEST

2 SENATE BILL NO. 260

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 sharing of state revenues with  
7 municipalities of the state; and providing for an  
8 effective date."

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

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

11 CHAPTER 17. STATE REVENUE-SHARING PAYMENTS  
12 TO MUNICIPALITIES.

13 Sec. 43.17.010. STATE REVENUE SHARING. During each fiscal year  
14 the state shall share its revenues as provided in this chapter with  
15 municipalities which are providing one or more of the following services  
16 in accordance with other provisions of law:

- 17 (1) police,  
18 (2) fire,  
19 (3) health,  
20 (4) sewers and water,  
21 (5) ports and airports,  
22 (6) mass transit,  
23 (7) parks and recreation,  
24 (8) roads and drainage,  
25 (9) environmental quality,  
26 (10) planning and zoning.

27 Sec. 43.17.020. MINIMUM GRANTS. During each fiscal year, the  
28 department shall pay to a municipality eligible for shared revenues  
29 under sec. 10 of this chapter the following minimum grants:

- 1 (1) municipalities with populations of 25 - 50 persons,  
2 \$10,000;  
3 (2) municipalities with populations of 51 - 250 persons,  
4 \$25,000;  
5 (3) municipalities with populations of 251 - 500 persons,  
6 \$50,000;  
7 (4) municipalities with populations of 501 or more,  
8 \$100,000.

9 Sec. 43.17.030. FORMULA. (a) In addition to the minimum grants  
10 under sec. 20 of this chapter, during each fiscal year the department  
11 shall pay municipalities shared revenues according to the following  
12 formula:

13 (1) from funds available for allocation from the state revenue-  
14 sharing fund as provided in sec. 40 of this chapter, subtract the total  
15 amount of minimum grants to be paid under sec. 20 of this chapter;

16 (2) establish service units as follows:

- 17 (A) police, 10 units  
18 (B) fire, 8 units  
19 (C) health, 8 units  
20 (D) sewers and water, 5 units  
21 (E) ports and airports, 5 units  
22 (F) mass transit, 5 units  
23 (G) parks and recreation, 4 units  
24 (H) roads and drainage, 4 units  
25 (I) environmental quality, 2 units  
26 (J) planning and zoning, 2 units;

27 (3) for each category of units under (2) of this subsection,  
28 multiply the number of service units by the population for which the  
29 service is provided (i.e., entire municipality, borough, area outside

1 a city, service area, or other limited population basis); subject to  
2 (b) of this section, for municipalities commencing to provide a service,  
3 double the number of service units authorized in (1) of this subsection  
4 for the first fiscal year of service, and increase the number by one-  
5 half for the second fiscal year of service; total the result for each  
6 municipality;

7 (4) add the results for all municipalities under (3) of this  
8 subsection;

9 (5) determine the proportion which the result for each munici-  
10 pality under (3) of this subsection bears to the sum for all municipali-  
11 ties under (4) of this subsection;

12 (6) allocate funds available for allocation after subtraction  
13 of the total amount of minimum grants under (1) of this subsection.

14 (b) To be eligible for supplemental service units as provided in  
15 (a)(2) of this section, municipalities commencing to provide a service  
16 must inform the department of the new service six months before the  
17 beginning of the fiscal year for which supplemental service units are  
18 to be credited.

19 Sec. 43.17.040. STATE REVENUE-SHARING FUND. (a) There is in the  
20 department a state revenue-sharing fund. The Department of Revenue is  
21 custodian of the fund. Not less than 25 per cent of revenues which are  
22 derived by the state from oil and gas properties and which may be dedi-  
23 cated consistent with art. IX, sec. 7 of the state constitution shall be  
24 deposited in the fund. Deposits may be invested in accordance with AS  
25 37.10.070 (investment of surplus state funds), and the resulting inter-  
26 est shall accrue to the fund.

27 (b) During each fiscal year the department shall allocate money in  
28 the state revenue-sharing fund in accordance with the allocations to  
29 municipalities provided in secs. 20 and 30 of this chapter. If in a

1 fiscal year less than \$30,000,000 is available for allocation from the  
2 state revenue-sharing fund, appropriations from the general fund are  
3 authorized so as to provide a minimum allocation totalling \$30,000,000  
4 under this chapter.

5 Sec. 43.17.050. DISBURSEMENTS AND EXPENDITURES. No money may be  
6 disbursed to a municipality under this chapter except upon application  
7 to the department. Shared revenues received by a municipality under  
8 this chapter may be expended by the municipality for any public purpose.

9 Sec. 43.17.060. REGULATIONS. The department may adopt regulations  
10 governing applications under this chapter, procedures for submitting  
11 budgets, reports and other information necessary to calculate and verify  
12 allocations under this chapter and to verify that money disbursed is  
13 utilized for a public purpose, and other regulations which the department  
14 considers necessary to carry out the purpose of this chapter.

15 Sec. 43.17.070. DEFINITIONS. In this chapter

16 (1) "department" means the Department of Community and  
17 Regional Affairs;

18 (2) "municipality" means a home rule or general law city or  
19 organized borough and includes but is not limited to a unified munici-  
20 pality organized under AS 29.68.240 - 29.68.440;

21 (3) "population" means population as determined by the latest  
22 figures of the United States Bureau of the Census or other population  
23 data which in the judgment of the department is reliable.

24 \* Sec. 2. AS 43.18 is repealed.

25 \* Sec. 3. This Act takes effect July 1, 1975.  
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