

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE BY REQUEST

2 SENATE BILL NO. 298

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; 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. REVENUE SHARING WITH MUNICIPALITIES.

11 Sec. 43.17.010. PER CAPITA PAYMENTS. During each fiscal year
12 the department shall pay to each city outside an organized borough and,
13 subject to sec. 20(a) of this chapter, each organized borough including
14 but not limited to a unified municipality organized under AS 29.68.240 -
15 29.68.440, the larger of the following amounts:

16 (1) \$60 per capita for each person residing in the city or
17 borough; or

18 (2) a per capita amount obtained by multiplying a sum equal
19 to 25 per cent of the state oil and gas revenues for the previous fiscal
20 year by a fraction representing the population of the city or borough
21 denominated by the combined population of all cities and organized
22 boroughs of the state, including but not limited to unified municipali-
23 ties organized under AS 29.68.240 - 29.68.440.

24 Sec. 43.17.020. DISTRIBUTION TO CITIES WITHIN BOROUGH. (a) In
25 an organized borough which includes a city within its boundaries, money
26 authorized to the borough under sec. 10 of this chapter shall be dis-
27 tributed by the department to the borough and cities of the borough
28 in the proportion that tax revenues derived for the borough and each
29 city of the borough respectively bear to the total tax revenues derived

1 for the borough and all cities of the borough combined.

2 (b) Money distributed under this chapter to an organized borough
3 which includes a city within its boundaries may be appropriated and
4 expended by the borough only as follows:

5 (1) an amount shall be utilized for areawide purposes in the
6 proportion which tax revenues derived for areawide borough purposes bear
7 to the total tax revenues derived for the borough;

8 (2) an amount shall be utilized for borough purposes in the
9 borough area outside cities in the proportion which tax revenues derived
10 for purposes in the borough area outside cities bear to the total tax
11 revenues derived for the borough;

12 (3) an amount shall be utilized for service area purposes
13 within each borough service area in the proportion which tax revenues
14 for the service area respectively bear to the total tax revenues derived
15 for the borough.

16 Sec. 43.17.030. MINIMUM GRANTS TO MUNICIPALITIES. As an alterna-
17 tive to the payments authorized for it under secs. 10 and 20 of this
18 chapter, a municipality may apply to the department for a minimum grant
19 according to the following schedule:

20 (1) cities or organized boroughs having populations of
21 25 - 50 persons - \$5,000 plus \$200 per person over 25 persons;

22 (2) cities or organized boroughs having populations of
23 51 - 250 persons - \$10,000 plus \$100 per person over 50 persons;

24 (3) cities or organized boroughs having populations in
25 excess of 250 persons - \$25,000.

26 Sec. 43.17.040. FINANCIAL REPORTS. No money may be distributed
27 to a municipality under this chapter unless the municipality has first
28 submitted a financial report to the department for the fiscal year
29 immediately preceding the fiscal year in which funds are to be distri-

1 buted, a budget for the municipality's fiscal year in which funds are
2 to be distributed, and the adopted budget or budget under consideration
3 by the governing body for the municipality's fiscal year immediately
4 following the fiscal year in which funds are to be distributed. For
5 organized boroughs including a city within their boundaries and for
6 cities within organized boroughs, the reports shall include a listing
7 of tax revenues claimed by the municipality as a basis for distribution
8 under sec. 20(a) of this chapter.

9 Sec. 43.17.050. DEPARTMENT REPORT TO LEGISLATURE. (a) Each year,
10 at least 90 days before the beginning of the next regular legislative
11 session, the department shall prepare and issue a public report listing
12 for the prior fiscal year the total amount of state oil and gas revenues
13 and for each municipality receiving aid under this chapter,

- 14 (1) total expenditures;
15 (2) total tax revenues;
16 (3) populations upon which grants under sec. 10 or 30 of
17 this chapter were based; and
18 (4) total amount of money received under sec. 10, 20 or 30
19 of this chapter.

20 (b) For organized boroughs which include cities, the department
21 shall list tax revenues derived from levies as set out in sec. 20 of
22 this chapter and shall provide the other information called for in (a)
23 of this section under the following categories:

- 24 (1) areawide,
25 (2) borough area outside cities,
26 (3) individual service areas.

27 Sec. 43.17.060. REGULATIONS. The department may adopt regulations
28 governing the uniform determination of tax revenues and proportions
29 under sec. 20 of this chapter, procedures and filing dates for submitting

1 financial reports, budgets, and other information required to calculate
2 and verify authorized payments under this chapter and to verify that
3 money is utilized for a public purpose and in accordance with the
4 requirements of sec. 20(b) of this chapter, applications for minimum
5 grants under sec. 30 of this chapter, and other regulations which the
6 department considers necessary to carry out the purpose of this chapter.

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

11 Sec. 43.17.080. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. This
12 chapter may not be construed so as to create a debt of the state. If
13 funds appropriated by the legislature to carry out the provisions of
14 this chapter are insufficient for that purpose, such funds as are
15 available shall be distributed pro rata among eligible municipalities.

16 Sec. 43.17.090. DEFINITIONS. In this chapter

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

19 (2) "municipality" means a home rule or general law city
20 or organized borough of the state, including but not limited to a
21 unified municipality organized under AS 29.68.240 - 29.68.440;

22 (3) "state oil and gas revenues" means taxes, leasehold
23 income, sale income, fees, royalties, and other revenues received by
24 the state upon properties used for the production, sale, transportation,
25 leasing, storage, distribution or manufacture of oil and gas products
26 or levied or obtained in connection with the production, sale, trans-
27 portation, leasing, storage, distribution or manufacture of oil and gas
28 products or properties;

29 (4) "tax revenues" means proceeds of a municipal real and

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personal property tax and sales tax, business license tax, electric cooperative gross receipts tax, utility franchise tax or fee, raw fish tax, or other taxes and levies primarily intended or used to provide municipal revenues, but does not include real and personal property taxes and other tax levies, which are for public education, fees for governmental services and inspections, or special assessments upon property.

* Sec. 2. AS 43.18.010(a) - (h) and AS 43.18.030 - 43.18.460 are repealed.

* Sec. 3. Other provisions of this Act notwithstanding, a municipality which would receive less money under the provisions of this Act than under the provisions of AS 43.18 repealed by this Act shall continue to receive an amount equal to that authorized under the former provisions of AS 43.18, in accordance with those provisions.

* Sec. 4. This Act takes effect July 1, 1975.

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