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Referred: Community & Regional
Affairs and Finance

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1 IN THE HOUSE

2 HOUSE BILL NO. 182

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a special municipal aid program;
7 and providing for an effective date."

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

9 * Section 1. MUNICIPAL AID PROGRAM. (a) During the fiscal year ending
10 June 30, 1981, the department shall compute and pay an entitlement to each
11 qualified municipality. The entitlement shall be used for capital projects
12 and tax reduction, and shall be computed in accordance with (b) of this
13 section.

14 (b) Within the limits of appropriations for the purpose, each qualified
15 municipality is entitled to receive \$1,000 per person residing within the
16 boundaries of the municipality, or \$25,000, whichever is greater.

17 (c) To qualify for an entitlement under this section, a municipality
18 which levies taxes must agree to reduce the amount of taxes levied in 1981
19 by 20 percent of the amount of the entitlement. This eligibility requirement
20 does not apply to a tax levied on oil and gas production and pipeline prop-
21 erty under AS 29.53.045 or to a tax levied on unimproved land. The agreement
22 must be submitted in writing to the department by October 1, 1981.

23 (d) An entitlement to a unified municipality is conditioned on compli-
24 ance with (c) of this section and on approval of the expenditure of the
25 money for a capital project. The plan of expenditure shall be approved by
26 the local governing body and submitted to the people for ratification by a
27 majority of the registered voters voting on the question of approval at a
28 regular election or special election called for that purpose.

29 (e) Within the limits of appropriations for the purpose, the depart-

1 ment shall compute an entitlement for the unorganized borough of \$1,000 per
2 person residing within the unorganized borough. The department shall admin-
3 ister the entitlement for the unorganized borough and disburse money from
4 the entitlement for capital projects in the unorganized borough upon autho-
5 rization of the legislature.

6 * Sec. 2. DETERMINATION OF POPULATION. For purposes of this Act, the
7 population of a municipality and of the unorganized borough shall be deter-
8 mined from the latest figures of the United States Bureau of the Census or
9 other population data which, in the judgment of the department is reliable.
10 For purposes of determining the population of a home rule or general law
11 borough, the population of each city located within the boundaries of the
12 borough shall be subtracted from the population of the borough.

13 * Sec. 3. MUNICIPAL AID ACCOUNT. The municipal aid account is estab-
14 lished in the department. Money to carry out the provisions of this Act
15 shall be appropriated to the account and distributed by the department as
16 authorized under sec. 1 of this Act. If the amount appropriated to the
17 account is not sufficient to finance all entitlements, the amount appropri-
18 ated shall be distributed pro rata among eligible municipalities and the
19 unorganized borough. If the amount appropriated to the account exceeds the
20 amount authorized for entitlements under sec. 1 of this Act, the excess
21 money lapses into the general fund on June 30, 1982.

22 * Sec. 4. DEFINITIONS. In this Act

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

25 (2) "municipality" means a city, borough, or unified municipality
26 incorporated under state law and includes home rule and general law munic-
27 palities.

28 * Sec. 5. This Act terminates July 1, 1982.

29 * Sec. 6. This Act takes effect July 1, 1981.