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Referred: Community & Regional
Affairs and Finance

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1 IN THE HOUSE

2 SPONSOR SUBSTITUTE FOR 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, 1982, the department shall compute and pay an entitlement to each
11 qualified municipality. The entitlement shall be used for capital projects
12 and for 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 quali-
15 fied municipality is entitled to receive \$1,000 per person residing within
16 the boundaries of the municipality, or \$25,000, whichever is greater.

17 (c) To qualify for an entitlement under this section, a municipality
18 must submit a written application and agreement to the department by
19 October 1, 1981. In that agreement municipality which does not levy property
20 or sales and use taxes must agree to use the entitlement for capital
21 projects. In that agreement a municipality which levies a tax must agree

22 (1) to reduce the amount of taxes levied in 1981, as compared to
23 the amount levied in 1980, by the amount of the entitlement; or

24 (2) not to levy taxes in 1981 if the entitlement is greater than
25 the amount of taxes levied in 1980 and to use the portion of the entitlement
26 which exceeds 1980 taxes levied for capital projects.

27 (d) Payment of an entitlement to a unified municipality under this Act
28 is conditioned on compliance with (c) of this section and, if the entitle-
29 ment or a portion of it is to be used for capital projects, payment is also

1 conditioned on approval of the plan of expenditure by the local governing
2 body and by a majority of the registered voters of the municipality voting
3 on the question at a regular election or special election called for that
4 purpose.

5 (e) Within the limits of appropriations for the purpose, the depart-
6 ment shall compute an entitlement for the unorganized borough of \$1,000 per
7 person residing within the unorganized borough. The department shall admin-
8 ister the entitlement for the unorganized borough and disburse money from
9 the entitlement for capital projects in the unorganized borough upon autho-
10 rization of the legislature.

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

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

27 * Sec. 4. DEFINITIONS. In this Act

28 (1) "department" means the Department of Community and Regional
29 Affairs;

1 (2) "municipality" means a city, borough, or unified municipality
2 incorporated under state law and includes home rule and general law munici-
3 palities.

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

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

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