

Introduced: 2/16/82
Referred: Community & Regional
Affairs, Health, Education &
Social Services and Finance

1 IN THE SENATE

BY THE SPECIAL COMMITTEE
ON PROPERTY TAXATION

2 SENATE BILL NO. 797

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid to municipalities and
7 other recipients; and providing for an effective date."

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

9 * Section 1. AS 29.13.100 is amended by adding a new paragraph to read:

10 (48) AS 29.87 (entitlements to municipalities)

11 * Sec. 2. AS 29.23.560(b) is amended to read:

12 (b) Compliance with the provisions of this section is a pre-
13 requisite to receipt of entitlements to municipalities [MUNICIPAL TAX
14 RESOURCE EQUALIZATION ASSISTANCE] under AS 29.87 [AS 29.88] and state
15 aid for miscellaneous municipal services under AS 29.89. The Department
16 of Community and Regional Affairs shall withhold annual allocations
17 under AS 29.87 [AS 29.88] and 29.89 in the event of noncompliance until
18 [SUCH TIME AS] the report requirements are met.

19 * Sec. 3. AS 29.73.070(a) is amended to read:

20 (a) If a municipality levies and collects real or personal
21 property taxes, the governing body shall provide the following notice:

22 "NOTICE TO TAXPAYER

23 For the current fiscal year the (city) (borough) has been
24 allocated the following amount of state aid for school and
25 municipal purposes under the applicable financial assistance
26 Acts:

27 PUBLIC SCHOOL FOUNDATION PROGRAM ASSISTANCE

28 (AS 14.17)

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29 STATE AID FOR RETIREMENT OF SCHOOL CONSTRUC-

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TION DEBT (AS 43.18.100) \$
ENTITLEMENTS TO MUNICIPALITIES (AS 29.87)
 [MUNICIPAL TAX RESOURCE EQUALIZATION ASSIS-
 TANCE (AS 29.88)] \$
 STATE AID FOR MISCELLANEOUS MUNICIPAL
 SERVICES (AS 29.89) \$
 TOTAL AID \$

The millage equivalent of this state aid, based on the dollar value of a mill in the municipality during the current assessment year and for the preceding assessment year, is:

	MILLAGE EQUIVALENT	
	PREVIOUS YEAR	THIS YEAR
PUBLIC SCHOOL FOUNDATION		
PROGRAM ASSISTANCE	.... MILLS	.... MILLS
STATE AID FOR RETIREMENT OF		
SCHOOL CONSTRUCTION DEBT	.... MILLS	.... MILLS
<u>ENTITLEMENTS FOR MUNICIPALITIES</u>		
[MUNICIPAL TAX RESOURCE EQUALI-		
ZATION ASSISTANCE]	.... MILLS	.... MILLS
STATE AID FOR MISCELLANEOUS		
MUNICIPAL SERVICES	.... MILLS	.... MILLS
TOTAL MILLAGE EQUIVALENT	.... MILLS	.... MILLS"

Notice shall be provided

(1) by furnishing a copy of the notice with tax statements mailed for the fiscal year for which aid is received; or

(2) by publishing in a newspaper of general circulation within the municipality a copy of the notice once each week for a period of three successive weeks, with publication to occur not later than 45 days after the final adoption of the municipality's budget.

1 * Sec. 4. AS 29.73.070(c) is amended to read:

2 [(c)] Compliance with the provisions of this section is a pre-
3 requisite to receipt of entitlements to municipalities [MUNICIPAL TAX
4 RESOURCE EQUALIZATION ASSISTANCE] under AS 29.87 [AS 29.88] and state
5 aid for miscellaneous municipal services under AS 29.89. The Department
6 of Community and Regional Affairs shall withhold annual allocations
7 under AS 29.87 [AS 29.88] and 29.89 until municipal officials demon-
8 strate that the requirements of this section have been met.

9 * Sec. 5. AS 29 is amended by adding a new chapter to read:

10 ENTITLEMENTS TO MUNICIPALITIES.

11 Sec. 29.87.010. BASE ENTITLEMENTS. (a) During each fiscal year
12 the Department of Community and Regional Affairs shall compute a base
13 entitlement for each eligible municipality to be used for facilities and
14 services provided by the municipality.

15 (b) The base entitlement computed for a municipality is the
16 greater of \$25,000 or an amount based on the population of the munici-
17 pality that is determined by the application of the formula

18 Entitlement = $\frac{P}{T \times A}$

19 Where P = the population of the municipality;

20 T = the total state population; and

21 A = the total amount of appropriations available for
22 distribution as base entitlements during the
23 fiscal year.

24 Sec. 29.87.020. COST-OF-LIVING ENTITLEMENTS. (a) During each
25 fiscal year the Department of Community and Regional Affairs shall
26 compute a cost-of-living entitlement for each eligible municipality to
27 be used for facilities and services provided by the municipality.

28 (b) The cost-of-living entitlement computed for a municipality may
29 not result in the reduction of the base entitlement under AS 29.87.010

1 and is determined by the application of the formula

2 Entitlement = (B x C) - B

3 where B = the base entitlement for the municipality

4 under AS 29.87.010 for the fiscal year; and

5 C = the cost-of-living differential for the munici-
6 pality determined annually under AS 39.27.030.

7 Sec. 29.87.030. ELIGIBILITY. A municipality is eligible to receive
8 an entitlement under AS 29.87.010 and 29.87.020 if

9 (1) the municipality has conducted a regular election under
10 AS 29.28.010 - 29.28.050 during the fiscal year preceding the year for
11 which payment of the entitlements are authorized and has reported the
12 results of the election to the commissioner of the Department of
13 Community and Regional Affairs;

14 (2) regular council meetings are held in the municipality in
15 accordance with the requirements of AS 29.23.210 during the fiscal year
16 preceding the year for which payment of the entitlements are authorized
17 and a record of the proceedings is maintained;

18 (3) a municipal budget has been adopted for the fiscal year
19 during which payment of the entitlements are authorized and an audit or
20 financial statement for the preceding fiscal year has been prepared and
21 furnished to the Department of Community and Regional Affairs in accor-
22 dance with AS 29.23.560(a); and

23 (4) local ordinances adopted by the governing body of the
24 municipality have been codified in accordance with AS 29.48.180.

25 Sec. 29.87.040. DETERMINATION OF POPULATION. For purposes of
26 computing the base entitlement of a municipality the population of the
27 municipality shall be determined annually by the latest figures of the
28 United States Bureau of the Census or other population data that, in the
29 judgment of the Department of Community and Regional Affairs, is reliable.

1 The population of a municipality includes the population of a military
2 reservation that is located within the boundaries of the municipality.
3 The population of a borough does not include the population of cities in
4 the borough.

5 Sec. 29.87.050. BASE ENTITLEMENTS ACCOUNT. The base entitlements
6 account is established in the Department of Community and Regional
7 Affairs. Money to carry out the provisions of AS 29.87.010 shall be
8 allocated by the department to the account and shall be fully distributed
9 as base entitlements to municipalities each fiscal year. If amounts
10 allocated to the account are insufficient to pay each municipality's
11 base entitlement, the amounts that are available shall be distributed
12 pro rata among eligible municipalities.

13 Sec. 29.87.060. COST-OF-LIVING ENTITLEMENTS ACCOUNT. The cost-of-
14 living entitlement account is established in the Department of Community
15 and Regional Affairs. Money to carry out the provisions of AS 29.87.020
16 shall be allocated by the department to the account and shall be fully
17 distributed as cost-of-living entitlements to municipalities each fiscal
18 year. If amounts allocated to the account are insufficient to pay each
19 municipality's cost-of-living entitlement, the amounts that are avail-
20 able shall be distributed pro rata among eligible municipalities.

21 Sec. 29.87.070. ADMINISTRATION. The Department of Community and
22 Regional Affairs may adopt regulations necessary to implement this
23 chapter. The regulations may include procedures for the preparation and
24 submission of population data by municipalities.

25 * Sec. 6. AS 29.89.010 is amended to read:

26 Sec. 29.89.010. REVENUE SHARING PAYABLE. In addition to the
27 [EQUALIZATION] entitlements paid under AS 29.87 [AS 29.88], during each
28 fiscal year the department shall pay aid

29 (1) to a municipality or other eligible recipient that [WHICH]

1 has the power to provide the services described in AS 29.89.020 - 29.-
2 89.040 and exercises the power in the manner required by this chapter;

3 (2) to an unincorporated community [A NATIVE VILLAGE GOVERN-
4 MENT] under AS 29.89.050.

5 * Sec. 7. AS 29.89.050 is amended to read:

6 Sec. 29.89.050. STATE AID TO UNINCORPORATED COMMUNITY ORGANIZATIONS
7 [NATIVE VILLAGE GOVERNMENTS]. The state shall pay \$25,000 to an unin-
8 corporated community organization [A NATIVE VILLAGE GOVERNMENT FOR A
9 VILLAGE WHICH IS NOT INCORPORATED AS A CITY UNDER THIS TITLE]. In this
10 section, "unincorporated community organization" ["NATIVE VILLAGE GOV-
11 ERNMENT"] means

12 (1) a local governing body organized by authority of the Act
13 of Congress of June 18, 1934 (25 U.S.C. sec. 476); [OR]

14 (2) a traditional village council or, if there is no tradi-
15 tional village council, the paramount chief or other governing body of a
16 Native village that [WHICH] meets the requirements of the Alaska Native
17 Claims Settlement Act (43 U.S.C. secs. 1601-1628); or

18 (3) a nonprofit corporation, association or other organization
19 in an unincorporated community that does not have a governing body under
20 (1) or (2) of this section, if the nonprofit corporation, association or
21 other organization is able to provide public services to the unincorpo-
22 rated community as determined by regulation of the department.

23 * Sec. 8. AS 29.95.010 is amended to read:

24 Sec. 29.95.010. ALLOCATION AND DISTRIBUTION. (a) Each year, the
25 Department of Community and Regional Affairs shall allocate money ap-
26 propriated to the accounts established in AS 29.87.050, 29.87.060,
27 AS 29.89.080 [AS 29.88, AS 29.89], and AS 29.90.020 [29.90] in the
28 amounts determined by the legislature.

29 (b) Money in the miscellaneous services account established in

1 AS 29.89.080 that [WHICH] exceeds the amount required to fully fund
2 distributions authorized by AS 29.89 shall be reallocated to the base
3 entitlements [TAX EQUALIZATION] account established in AS 29.87.050
4 [AS 29.88.035] and distributed according to the provisions of AS 29.87.-
5 010 [AS 29.88].

6 (c) Money in the hospital construction assistance account estab-
7 lished in AS 29.90.020 that [WHICH] exceeds the amount required to fully
8 fund distributions authorized by AS 29.90 shall be reallocated to the
9 base entitlements [TAX EQUALIZATION] account established in AS 29.87.050
10 [AS 29.88.035] and distributed according to the provisions of AS 29.87.-
11 010 [AS 29.88].

12 * Sec. 9. AS 44.83.162(m) is amended to read:

13 (m) For purposes of (c) of this section, the number of residents
14 of the community equals the number of residents of the community deter-
15 mined by the Department of Community and Regional Affairs in accordance
16 with AS 29.87.040 [AS 29.88.015].

17 * Sec. 10. AS 46.11.900(8) is amended to read:

18 (8) "state financial assistance" means a loan, grant, guaran-
19 tee, insurance, payment, rebate, subsidy, or other form of state assist-
20 ance (other than aid under AS 29.87 [AS 29.88], 29.89, 29.90, AS 29.95
21 and AS 43.18.100 - 43.18.500) including the purchase by a state agency
22 of a loan to finance the construction of a new residential, commercial,
23 or industrial building;

24 * Sec. 11. AS 29.13.100(46); AS 29.88; AS 29.95.020, 29.95.030; and
25 AS 43.20.016 are repealed.

26 * Sec. 12. Notwithstanding other provisions of this Act, if, during the
27 first five fiscal years this Act is in effect, a municipality is eligible to
28 receive less under AS 29.87 added by sec. 5 of this Act, AS 29.89 as amended
29 by secs. 6 and 7 of this Act, and AS 29.90 than the total amount the municipal-

1 ity received during the fiscal year ending June 30, 1982, under AS 29.88,
2 AS 29.89, AS 29.90, and AS 43.20.016 then the municipality shall receive the
3 amount it received during the fiscal year ending June 30, 1982, under AS 29.-
4 88, AS 29.89, AS 29.90, and AS 43.20.016. If the amount of appropriations
5 during a fiscal year is insufficient to pay all entitlements under this
6 section and AS 29.87, AS 29.89, and AS 29.90, the amounts that are available
7 shall be distributed pro rata among eligible municipalities.

8 * Sec. 13. This Act takes effect on the first day of the fiscal year for
9 which \$143.1 million or more is appropriated and made available for distri-
10 bution under this Act.

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