

Original sponsor: Finance Committee

Offered: 5/6/82
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 830 (Finance)

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 assistance for municipalities and
7 unincorporated communities; and providing for an effective
8 date."

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

10 * Section 1. Section 1(a), ch. 60, SLA 1981 is amended to read:

11 (a) By June 30, 1983 [DURING THE FISCAL YEAR ENDING JUNE 30,
12 1982], the Department of Administration shall compute and pay an entitle-
13 ment to each qualified municipality. An entitlement to a municipality
14 with a population of at least 1,000 shall be used for social services
15 and capital projects at the discretion of the municipality. An entitle-
16 ment to a municipality with a population of less than 1,000 shall be
17 used for social services, capital projects, or operating expenses of
18 capital projects at the discretion of the municipality. The entitlement
19 for each municipality shall be computed in accordance with (b) of this
20 section, and is payable by the Department of Administration in accor-
21 dance with AS 37.05.315 - 37.05.319 [AS 37.05.315] to the extent that
22 the provisions of AS 37.05.315 - 37.05.319 [AS 37.05.315] are consistent
23 with (c), (d), and (e) of this section.

24 * Sec. 2. Section 2(a), ch. 60, SLA 1981 is amended to read:

25 (a) By June 30, 1983 [DURING THE FISCAL YEAR ENDING JUNE 30,
26 1982], the Department of Community and Regional Affairs shall compute
27 and pay an entitlement to each unincorporated community in the unorga-
28 nized borough. The entitlement for each community shall be computed in
29 accordance with (b) of this section, and is payable by the Department of

1 Community and Regional Affairs in accordance with (c) of this section.

2 * Sec. 3. Section 2(c), ch. 60, SLA 1981 is amended to read:

3 (c) By August 15, 1981, the Department of Community and Regional
4 Affairs shall notify each unincorporated community that its entitlement
5 is available. The Department of Community and Regional Affairs with
6 advice from the Department of Law shall determine whether there is [,]
7 in the unincorporated community [,] an incorporated entity or a Native
8 village council that [FEDERALLY CHARTERED ENTITY THAT DOES NOT POSSESS
9 SOVEREIGN IMMUNITY AND] will agree to receive and spend the entitlement
10 money [RECEIVED UNDER THE ENTITLEMENT]. If there is in the unincorpo-
11 rated community more than one qualified [INCORPORATED OR FEDERALLY
12 CHARTERED] entity, the Department of Community and Regional Affairs
13 shall pay the money under the entitlement to the entity that the depart-
14 ment finds most qualified to receive and spend the money consistent with
15 (d) and (e) of this section. The Department of Community and Regional
16 Affairs may not pay entitlement money to a Native village council unless
17 the council waives immunity from suit for contract claims arising out of
18 activities of the council related to the entitlement. A waiver of
19 immunity from suit must be on a form provided by the Department of Law.
20 Neither this subsection nor any action taken under it enlarges or dimin-
21 ishes the governmental authority or jurisdiction of a Native village
22 council. [IN SELECTING THE RECIPIENT ENTITY, THE DEPARTMENT OF COMMUNITY
23 AND REGIONAL AFFAIRS SHALL GIVE PREFERENCE TO A NONPROFIT CORPORATION
24 ORGANIZED BY AN UNINCORPORATED COMMUNITY FOR RECEIPT OF THE ENTITLEMENT.]

25 * Sec. 4. Section 2(f), ch. 60, SLA 1981 is amended to read:

26 (f) If there is no qualified [INCORPORATED ENTITY OR FEDERALLY
27 CHARTERED] entity willing to receive the money in an unincorporated
28 community, the entitlement for that unincorporated community may not be
29 paid.

1 * Sec. 5. AS 29.89.010(2) is amended to read:

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

4 * Sec. 6. AS 29.89.050 is repealed and reenacted to read:

5 Sec. 29.89.050. STATE AID TO UNINCORPORATED COMMUNITIES. (a) The
6 Department of Community and Regional Affairs shall pay an entitlement of
7 \$25,000 each fiscal year to each unincorporated community. The Depart-
8 ment of Community and Regional Affairs with advice from the Department
9 of Law shall determine whether there is in each unincorporated community
10 an incorporated nonprofit entity or a Native village council that will
11 agree to receive and spend the entitlement. If there is more than one
12 qualified entity in an unincorporated community, the Department of Com-
13 munity and Regional Affairs shall pay the money under the entitlement to
14 the entity that the department finds most qualified to receive and spend
15 the money. The Department of Community and Regional Affairs may not pay
16 money under an entitlement to a Native village council unless the council
17 waives immunity from suit for contract claims arising out of activities
18 of the council related to the entitlement. A waiver of immunity from
19 suit under this subsection must be on a form provided by the Department
20 of Law. Neither this subsection nor any action taken under it enlarges
21 or diminishes the governmental authority or jurisdiction of a Native
22 village council. If there is no qualified incorporated nonprofit entity
23 or Native village council in an unincorporated community that is willing
24 to receive money under an entitlement, the entitlement for that unincor-
25 porated community may not be paid.

26 (b) In this section "unincorporated community" means a place in
27 the unorganized borough that is not incorporated as a city and in which
28 25 or more persons reside as a social unit.

29 * Sec. 7. AS 29 is amended by adding a new chapter to read:

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CHAPTER 87. MUNICIPAL ASSISTANCE.

Sec. 29.87.010. MUNICIPAL ASSISTANCE FUND. (a) There is established in the Department of Community and Regional Affairs the municipal assistance fund. The legislature may appropriate to the municipal assistance fund during each fiscal year an amount equal to or greater than 10 percent of the income tax revenue received by the state under AS 43.20.011(e) and AS 43.21 for the previous fiscal year.

(b) The Department of Community and Regional Affairs shall distribute money from the municipal assistance fund to each organized borough and each city of any class on an annual basis as provided in AS 29.87.-020 and 29.87.030. A borough or city may not receive payment until it submits to the Department of Community and Regional Affairs a resolution approved by the governing body of the municipality that requests the money. Distribution of money from the municipal assistance fund to a city or organized borough with a fiscal year beginning on January 1 shall be made on February 1 of the state fiscal year for which the appropriation to the fund is made. Distribution of money from the municipal assistance fund to all other cities and organized boroughs shall be made on June 1 of the state fiscal year for which the appropriation to the fund is made. A borough or city that incorporates after December 31 of a state fiscal year is not eligible for a distribution under this section until the following state fiscal year.

Sec. 29.87.020. BASE AMOUNT OF ASSISTANCE. (a) The base amount to be distributed from the municipal assistance fund to each borough and city for the fiscal year shall be the amount received by the borough or city during fiscal year 1978 under AS 43.70.080. A city incorporated within an organized borough after June 30, 1977, shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total popula-

1 tion in the borough. A city incorporated outside an organized borough
2 after June 30, 1977, shall receive as a base amount the amount received
3 by the city in the state most closely approximating it in population at
4 the time of its incorporation. A borough incorporated after June 30,
5 1977, shall receive as a base amount the amount received by the borough
6 in the state most closely approximating it in population at the time of
7 its incorporation.

8 (b) If the amount appropriated to the municipal assistance fund by
9 the legislature during a fiscal year is insufficient for distribution of
10 the full base amount to each borough and city, the Department of
11 Community and Regional Affairs shall prorate the amount available for
12 distribution on the basis of amounts received during the fiscal year
13 1978 under AS 43.70.080.

14 Sec. 29.87.030. INCREASED ASSISTANCE. (a) If the amount in the
15 municipal assistance fund at the time of distribution exceeds the base
16 amount to be distributed under AS 29.87.020, the excess amount shall be
17 distributed to each borough and city on the basis of population. Popula-
18 tion for the purpose of this section shall be as certified by the com-
19 missioner of community and regional affairs. In determining the popula-
20 tion of a borough, the population of all cities in the borough shall be
21 deducted from the total population of the borough.

22 (b) The intent of (a) of this section is that a municipality that
23 levies property taxes reduce those levies in reasonable proportion to
24 the amount of increased state aid received by the municipality. The
25 governing body of each municipality shall furnish a notice with each tax
26 statement describing its use of this increased state aid.

27 * Sec. 8. AS 29.60.100(2) is amended to read:

28 (2) to an unincorporated community [A NATIVE VILLAGE GOVERN-
29 MENT] under AS 29.60.140.

1 * Sec. 9. AS 29.60.140 is repealed and reenacted to read:

2 Sec. 29.60.140. STATE AID TO UNINCORPORATED COMMUNITIES. (a) The
3 Department of Community and Regional Affairs shall pay an entitlement of
4 \$25,000 each fiscal year to each unincorporated community. The Depart-
5 ment of Community and Regional Affairs with advice from the Department
6 of Law shall determine whether there is in each unincorporated community
7 an incorporated nonprofit entity or a Native village council that will
8 agree to receive and spend the entitlement. If there is more than one
9 qualified entity in an unincorporated community, the Department of
10 Community and Regional Affairs shall pay the money under the entitlement
11 to the entity that the department finds most qualified to receive and
12 spend the money. The Department of Community and Regional Affairs may
13 not pay money under an entitlement to a Native village council unless
14 the council waives immunity from suit for contract claims arising out of
15 activities of the council related to the entitlement. A waiver of
16 immunity from suit under this subsection must be on a form provided by
17 the Department of Law. Neither this subsection nor any action taken
18 under it enlarges or diminishes the governmental authority or jurisdic-
19 tion of a Native village council. If there is no qualified incorporated
20 nonprofit entity or Native village council in an unincorporated community
21 that is willing to receive money under an entitlement, the entitlement
22 for that unincorporated community may not be paid.

23 (b) In this section "unincorporated community" means a place in
24 the unorganized borough that is not incorporated as a city and in which
25 25 or more persons reside as a social unit.

26 * Sec. 10. AS 29.60 is amended by adding new sections to read:

27 ARTICLE 05. MUNICIPAL ASSISTANCE.

28 Sec. 29.60.350. MUNICIPAL ASSISTANCE FUND. (a) There is estab-
29 lished in the department the municipal assistance fund. The legislature

1 may appropriate to the municipal assistance fund during each fiscal year
2 an amount equal to or greater than 10 percent of the income tax revenue
3 received by the state under AS 43.20.011(e) and AS 43.21 for the previous
4 fiscal year.

5 (b) The department shall distribute money from the municipal
6 assistance fund to each municipality on an annual basis as provided in
7 AS 29.60.360 and 29.60.370. A municipality may not receive payment
8 until it submits to the department a resolution approved by the govern-
9 ing body of the municipality that requests the money. Distribution of
10 money from the municipal assistance fund to a municipality with a fiscal
11 year beginning on January 1 shall be made on February 1 of the state
12 fiscal year for which the appropriation to the fund is made. Distribu-
13 tion of money from the municipal assistance fund to all other muni-
14 cipalities shall be made on June 1 of the state fiscal year for which
15 the appropriation to the fund is made. A municipality that incorporates
16 after December 31 of a state fiscal year is not eligible for a distribu-
17 tion under this section until the following state fiscal year.

18 Sec. 29.60.360. BASE AMOUNT OF ASSISTANCE. (a) The base amount
19 to be distributed from the municipal assistance fund to each munici-
20 pality for the fiscal year shall be the amount received by the munici-
21 pality during fiscal year 1978 under AS 43.70.080. A city incorporated
22 within a borough after June 30, 1977, shall receive as a base amount a
23 share of the amount distributed to the borough in which it is located
24 based on the ratio of population in the city to the total population in
25 the borough. A city incorporated outside a borough after June 30, 1977,
26 shall receive as a base amount the amount received by the city in the
27 state most closely approximating it in population at the time of its
28 incorporation. A borough incorporated after June 30, 1977, shall receive
29 as a base amount the amount received by the borough in the state most

1 closely approximating it in population at the time of its incorporation.

2 (b) If the amount appropriated to the municipal assistance fund by
3 the legislature during a fiscal year is insufficient for distribution of
4 the full base amount to each municipality, the department shall prorate
5 the amount available for distribution on the basis of amounts received
6 during the fiscal year 1978 under AS 43.70.080.

7 Sec. 29.60.370. INCREASED ASSISTANCE. (a) If the amount in the
8 municipal assistance fund at the time of distribution exceeds the base
9 amount to be distributed under AS 29.60.360, the excess amount shall be
10 distributed to each municipality on the basis of population. Population
11 for the purpose of this section shall be as certified by the commis-
12 sioner of community and regional affairs. In determining the population
13 of a borough, the population of all cities in the borough shall be
14 deducted from the total population of the borough.

15 (b) The intent of (a) of this section is that a municipality that
16 levies property taxes reduce those levies in reasonable proportion to
17 the amount of increased state aid received by the municipality. The
18 governing body of each municipality shall furnish a notice with each tax
19 statement describing its use of this increased state aid.

20 * Sec. 11. AS 43.20.016 is repealed.

21 * Sec. 12. Sections 5 - 7 of this Act are repealed.

22 * Sec. 13. Sections 8 - 10 and 12 of this Act take effect on the effec-
23 tive date of a version of House Bill No. 170 or Senate Bill No. 180 revising
24 AS 29.

25 * Sec. 14. Sections 1 - 7 and 11 of this Act take effect immediately in
26 accordance with AS 01.10.070(c).