

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) am H

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 effec-
8 tive 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 to be used for a public purpose. The entitlement for each
29 community shall be computed in accordance with (b) of this section, and

1 is payable by the Department of Community and Regional Affairs in accord-
2 ance with (c) of this section.

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

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

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

28 (f) If there is no qualified [INCORPORATED ENTITY OR FEDERALLY
29 CHARTERED] entity willing to receive the money in an unincorporated

1 community, the entitlement for that unincorporated community may not be
2 paid.

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

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

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

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

29 (b) In this section "unincorporated community" means a place in

1 the unorganized borough that is not incorporated as a city and in which
2 25 or more persons reside as a social unit.

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

4 CHAPTER 87. MUNICIPAL ASSISTANCE.

5 Sec. 29.87.010. MUNICIPAL ASSISTANCE FUND. (a) There is estab-
6 lished in the Department of Community and Regional Affairs the municipal
7 assistance fund. The legislature may appropriate to the municipal
8 assistance fund during each fiscal year an amount equal to or greater
9 than 30 percent of the income tax revenue received by the state under
10 AS 43.20.011(e) and AS 43.21 for the previous fiscal year.

11 (b) The Department of Community and Regional Affairs shall distri-
12 bute money from the municipal assistance fund to each organized borough
13 and each city of any class on an annual basis as provided in AS 29.87.-
14 020 and 29.87.030. A borough or city may not receive payment until it
15 submits to the Department of Community and Regional Affairs a resolution
16 approved by the governing body of the municipality that requests the
17 money. Distribution of money from the municipal assistance fund to a
18 city or organized borough with a fiscal year beginning on January 1
19 shall be made on February 1 of the state fiscal year for which the
20 appropriation to the fund is made. Distribution of money from the
21 municipal assistance fund to all other cities and organized boroughs
22 shall be made on June 1 of the state fiscal year for which the appropri-
23 ation to the fund is made. A borough or city that incorporates after
24 December 31 of a state fiscal year is not eligible for a distribution
25 under this section until the following state fiscal year.

26 Sec. 29.87.020. BASE AMOUNT OF ASSISTANCE. (a) The base amount
27 to be distributed from the municipal assistance fund to each borough and
28 city for the fiscal year shall be the amount received by the borough or
29 city during fiscal year 1978 under AS 43.70.080. A city incorporated

1 within an organized borough after June 30, 1977, shall receive as a base
2 amount a share of the amount distributed to the borough in which it is
3 located based on the ratio of population in the city to the total
4 population in the borough. A city incorporated outside an organized
5 borough after June 30, 1977, shall receive as a base amount the amount
6 received by the city in the state most closely approximating it in
7 population at the time of its incorporation. A borough incorporated
8 after June 30, 1977, shall receive as a base amount the amount received
9 by the borough in the state most closely approximating it in population
10 at the time of its incorporation.

11 (b) If the amount appropriated to the municipal assistance fund by
12 the legislature during a fiscal year is insufficient for distribution of
13 the full base amount to each borough and city, the Department of
14 Community and Regional Affairs shall prorate the amount available for
15 distribution on the basis of amounts received during the fiscal year
16 1978 under AS 43.70.080.

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

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

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

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

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

5 Sec. 29.60.140. 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 to be used for
8 a public purpose. The Department of Community and Regional Affairs with
9 advice from the Department of Law shall determine whether there is in
10 each unincorporated community an incorporated nonprofit entity or a
11 Native village council that will agree to receive and spend the entitle-
12 ment. If there is more than one qualified entity in an unincorporated
13 community, the Department of Community and Regional Affairs shall pay
14 the money under the entitlement to the entity that the department finds
15 most qualified to receive and spend the money. The Department of
16 Community and Regional Affairs may not pay money under an entitlement to
17 a Native village council unless the council waives immunity from suit
18 for claims arising out of activities of the council related to the
19 entitlement. A waiver of immunity from suit under this subsection must
20 be on a form provided by the Department of Law. Neither this subsection
21 nor any action taken under it enlarges or diminishes the governmental
22 authority or jurisdiction of a Native village council. If there is no
23 qualified incorporated nonprofit entity or Native village council in an
24 unincorporated community that is willing to receive money under an
25 entitlement, the entitlement for that unincorporated community may not
26 be paid.

27 (b) In this section "unincorporated community" means a place in
28 the unorganized borough that is not incorporated as a city and in which
29 25 or more persons reside as a social unit.

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

2 ARTICLE 05. MUNICIPAL ASSISTANCE.

3 Sec. 29.60.350. MUNICIPAL ASSISTANCE FUND. (a) There is estab-
4 lished in the department the municipal assistance fund. The legislature
5 may appropriate to the municipal assistance fund during each fiscal year
6 an amount equal to or greater than 30 percent of the income tax revenue
7 received by the state under AS 43.20.011(e) and AS 43.21 for the
8 previous fiscal year.

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

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

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

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

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

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

25 * Sec. 11. AS 43.20.016 is repealed.

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

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

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

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