

Introduced: 4/4/83
Referred: State Affairs and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 317

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state revenue sharing and municipi-
7 pal assistance programs; establishing a program of
8 aid for unincorporated communities; and providing for
9 an effective date."

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

11 * Section 1. AS 29.88.010 is repealed and reenacted to read:

12 CHAPTER 88. MUNICIPAL GUARANTEED ASSISTANCE.

13 Sec. 29.88.010. GUARANTEED ASSISTANCE. (a) For the fiscal year
14 ending June 30, 1984 and for each fiscal year after that, the base
15 amount to be distributed from the guaranteed assistance account, es-
16 tablished in AS 29.88.035, to each municipality is the greater of (1)
17 the amount received by the municipality from the former tax
18 equalization account under AS 29.88, and from former AS 43.20.016, for
19 the fiscal year ending June 30, 1982; or (2) the amount received from
20 those sources for the fiscal year ending June 30, 1983; or (3) the
21 minimum entitlement to a municipality required by AS 29.95.020(a).

22 (b) If appropriations for a fiscal year are not enough to pay
23 the base amount to each municipality, the department shall prorate the
24 amount available. A city incorporated after June 30, 1981 or a city
25 that did not receive state revenue sharing or municipal assistance for
26 fiscal year 1982 is entitled to receive as a base amount the amount
27 received under (a) of this section, by the city in the state most
28 closely approximating it in population at the time of its incor-
29 poration. A borough organized after June 30, 1981 is entitled to

1 receive as a base amount the amount received under (a) of this
2 section, by the borough in the state most closely approximating it in
3 population at the time of its incorporation.

4 (c) If appropriations exceed the amount necessary to satisfy the
5 requirements of (a) of this section, the excess amount shall be dis-
6 tributed among the municipalities. The amount of a payment under this
7 subsection is determined by multiplying the population of the munici-
8 pality by an area cost-of-living differential determined in the same
9 manner as provided in AS 29.95.050(a). For the purposes of this sub-
10 section, the population of a city within an organized borough shall be
11 deducted from the population of the borough.

12 * Sec. 2. AS 29.88.025 is amended to read:

13 Sec. 29.88.025. REPORTS. A payment of a guaranteed assistance
14 [AN EQUALIZATION] entitlement may not be made to a municipality under
15 AS 29.88 [29.88.010 -- 29.88.045] until the municipality has submitted
16 [ITS CERTIFICATE OF ESTIMATED REVENUE AND] its financial report to the
17 department for the fiscal year preceding the year for which the
18 [EQUALIZATION] entitlement is sought, together with a budget for the
19 municipality's current fiscal year. [THE FINANCIAL REPORT SHALL IN-
20 CLUDE A LISTING OF GENERAL REVENUE COLLECTED FROM TAXES LEVIED AND
21 ASSESSED BY THE MUNICIPALITY AND ANY OTHER REVENUE WHICH, IN THE OPIN-
22 ION OF THE MUNICIPAL OFFICIALS, IS ELIGIBLE FOR INCLUSION IN COMPUTA-
23 TIONS OF THE LOCALLY GENERATED REVENUE OF THE TAXING UNIT.]

24 * Sec. 3. AS 29.88.035 is amended to read:

25 Sec. 29.88.035. GUARANTEED ASSISTANCE [TAX EQUALIZATION] AC-
26 COUNT. The guaranteed assistance [TAX EQUALIZATION] account is estab-
27 lished as an account in the general fund. Money appropriated to carry
28 out the provisions of AS 29.88 [29.88.010 -- 29.88.045] shall be
29 allocated by the department to the account in accordance with

1 AS 29.95.010. The amount allocated to the account shall be fully
2 distributed by the department as payments to municipalities to fulfill
3 each municipality's share authorized under AS 29.88.010. The amount
4 allocated to the account shall be distributed by the department pro
5 rata among eligible municipalities.

6 * Sec. 4. AS 29.89.030(a)(1) is amended to read:

7 (1) to a municipality which has the power to provide hospi-
8 tal facilities and services and which exercises that power, [\$1,000
9 PER BED FOR EACH BED ACTUALLY USED FOR PATIENT CARE, LIMITED TO THE
10 NUMBER OF BEDS PROVIDED FOR IN THE CONSTRUCTION DESIGN OF THE HOSPI-
11 TAL, OR] \$250,000 a hospital for those hospitals with 10 or more beds,
12 or \$50,000 a hospital for those hospitals with less than 10 beds [, AS
13 THE MUNICIPALITY MAY ELECT]; money received under this paragraph may
14 be used only for hospitals and shall be apportioned among qualifying
15 hospitals by [AS] the municipality [DETERMINES];

16 * Sec. 5. AS 29.89.030(a)(3) is amended to read:

17 (3) to a municipality in which a health facility is oper-
18 ated, \$2,000 per bed for each bed actually used for patient care,
19 limited to the number of beds provided for in the construction design
20 of the health facility, or \$8,000 per health facility, whichever is
21 greater; money received under this paragraph shall be apportioned
22 among qualifying health facilities by [AS] the municipality [DETER-
23 MINES].

24 * Sec. 6. AS 29.89.100(2)(C) is amended to read:

25 (C) excludes a facility operated or wholly supported
26 by the state or the federal government or a facility which prin-
27 cipally serves as a temporary residence or receiving home;

28 * Sec. 7. AS 29.90.010 is amended to read:

29 Sec. 29.90.010. STATE AID FOR HOSPITAL AND HEALTH FACILITY

1 CONSTRUCTION. (a) If construction of a hospital began after January
2 1, 1968 and before July 1, 1982, or if construction of a health
3 facility began after January 1, 1968, and before July 1, 1980, and
4 state matching aid for construction approved for payment to the
5 municipality or other hospital or health facility sponsor constitutes
6 less than 25 percent of the total project cost, the department shall
7 pay to the municipality or other hospital or health facility sponsor
8 each fiscal year \$2,500 a bed for the maximum number of beds provided
9 for in the construction design of the hospital or health facility or
10 five percent of the total project cost, whichever is greater.

11 (b) State aid provided for in this section shall continue until
12 the municipality or other hospital or health facility sponsor has
13 received an amount which, combined with state matching money for
14 construction of the hospital or health facility, equals 25 percent of
15 the total project cost. Money received for construction may not be
16 used for any other purpose.

17 * Sec. 8. AS 29.90.020 is amended to read:

18 Sec. 29.90.020. HOSPITAL AND HEALTH FACILITY CONSTRUCTION ASSIS-
19 TANCE ACCOUNT. The hospital and health facility construction assis-
20 tance account is established. Requests for appropriations for the
21 purposes of this chapter shall be presented to the legislature as part
22 of the governor's capital budget. Money appropriated for the purposes
23 [TO CARRY OUT THE PROVISIONS] of this chapter [AS 29.90.010 -- 29.90.-
24 030] shall be allocated by the department to the account in accordance
25 with AS 29.95.010. If amounts in the account are insufficient to pay
26 each recipient's share authorized under this chapter, the accounts
27 which are available shall be distributed pro rata among eligible
28 recipients.

29 * Sec. 9. AS 29.90 is amended by adding a new section to read:

1 Sec. 29.90.025. TERMINATION OF CHAPTER. This chapter terminates
2 on July 1, 1988.

3 * Sec. 10. AS 29 is amended by adding a new chapter to read:

4 CHAPTER 91. STATE AID TO UNINCORPORATED AREAS.

5 Sec. 29.91.010. STATE AID TO UNINCORPORATED COMMUNITIES. (a)
6 Except as provided in (e) of this section, each unincorporated commun-
7 ity in the unorganized borough is entitled to an annual payment of
8 \$50,000 from the state.

9 (b) The department shall annually notify each unincorporated
10 community that it is entitled to a payment under (a) of this section
11 if the requirements of (d) of this section are satisfied. The depart-
12 ment shall determine whether there is in the unincorporated community
13 an incorporated entity, federally chartered entity, or a Native vil-
14 lage government that will agree to receive and spend the money re-
15 ceived under this section. If there is in the unincorporated commun-
16 ity more than one qualified incorporated or federally chartered enti-
17 ty, or Native village government, the department shall pay the money
18 to the entity that the department finds most qualified to receive and
19 spend the money under (c) and (d) of this section. In selecting the
20 recipient entity, the department shall give preference to a nonprofit
21 corporation organized by an unincorporated community for receipt of
22 the money.

23 (c) Money received as an entitlement under (a) of this section
24 may be used for any public purpose.

25 (d) An unincorporated community may not receive money as an en-
26 titlement under this section until the recipient selected by the de-
27 partment under (b) of this section provides the department with a copy
28 of a resolution adopted by it that

29 (1) authorizes the recipient to receive and spend the money

1 provided under (a) of this section;

2 (2) identifies public purposes, projects, and services for
3 which money is to be spent under this section; or

4 (3) identifies each party

5 (A) that owns or will own a capital project for which
6 money is spent under this section; or

7 (B) that will be responsible for the maintenance and
8 operation of a capital project for which money is spent under
9 this section; and

10 (4) agrees that each public purpose, project, or service
11 for which money will be used under this section will be operated or
12 provided for the benefit of the public without preferring one class of
13 persons over another when the party operates a facility or provides a
14 service.

15 (e) If there is no qualified incorporated entity, federally
16 chartered entity, or a Native village government willing to receive
17 the money in an unincorporated community, the entitlement for the un-
18 incorporated community may not be paid.

19 Sec. 29.91.020. WAIVER OF IMMUNITY. The department may not ac-
20 cept an application for a payment under this chapter from a Native
21 village government, unless the governing council waives any immunity
22 from suit it might have for claims by the state arising out of the
23 activities of the Native village government under this chapter. The
24 waiver must be on a standard form provided by the Department of Law.
25 This section or any action taken under it does not enlarge or diminish
26 governmental authority or jurisdiction which a Native village govern-
27 ment might have.

28 Sec. 29.91.030. STATE AID TO VOLUNTEER FIRE DEPARTMENTS IN THE
29 UNORGANIZED BOROUGH. (a) The department shall pay to a volunteer

1 fire department registered with the state fire marshal and serving at
2 least 25 persons in an area not in an organized borough or city a sum
3 for protection purposes equal to either \$10 per capita adjusted by an
4 area cost-of-living differential as set out in AS 29.95.050, or
5 \$2,000, whichever is greater.

6 (b) A payment under (a) of this section may be made to organize
7 a volunteer fire department in an area not in an organized borough or
8 city if

9 (1) the persons who wish to organize the fire department
10 apply to the fire marshal; and

11 (2) the fire marshal approves the application according to
12 standards of organization and service prescribed by regulations adopt-
13 ed by the Department of Public Safety.

14 Sec. 29.91.040. UNORGANIZED BOROUGH ACCOUNT. The unorganized
15 borough account is established. Money appropriated to carry out the
16 provisions of this chapter shall be allocated by the department to the
17 account in accordance with AS 29.95.010. If amounts in the account
18 are insufficient to pay each eligible recipient's share authorized
19 under this chapter, the amounts which are available shall be distribu-
20 ted pro rata among eligible recipients.

21 Sec. 29.91.050. POPULATION DETERMINATION. For purposes of this
22 chapter, population shall be determined by the latest figures of the
23 United States Bureau of the Census or other reliable population data.

24 Sec. 29.91.060. DEFINITIONS. In this chapter,

25 (1) "department" means the Department of Community and Re-
26 gional Affairs;

27 (2) "Native village government" means an Alaska Native
28 village, as that term is defined in the Alaska Native Claims
29 Settlement Act, 43 U.S.C. 1602(c) (sec. 3c, P.L. 92-203), and the

1 Metlakatla Indian Community;

2 (3) "unincorporated community" means a place in the unorga-
3 nized borough which is not incorporated as a municipality under AS 29
4 and in which 25 or more persons reside as a social unit; the place
5 must be open to unrestricted access by the public and not be a place
6 provided by an employer, which is composed entirely of persons who are
7 required to reside there as a condition of their employment.

8 * Sec. 11. AS 29.95.010 is amended to read:

9 Sec. 29.95.010. ALLOCATION AND DISTRIBUTION. (a) Each year,
10 the Department of Community and Regional Affairs shall allocate money
11 appropriated for the purposes of AS 29.88, AS 29.89, AS 29.90, and
12 AS 29.91, to the proper accounts, [TO THE ACCOUNTS ESTABLISHED IN
13 AS 29.88.010 -- 29.88.045, 29.89.010 -- 29.89.100, AND 29.90.010 --
14 29.90.030] in the amounts determined by the legislature.

15 (b) Money in the miscellaneous services account established in
16 AS 29.89.080 which exceeds the amount required to fully fund distribu-
17 tions authorized by AS 29.89 [29.89.010 -- 29.89.100] shall be real-
18 located to the guaranteed assistance [TAX EQUALIZATION] account estab-
19 lished in AS 29.88.035 and distributed according to the provisions of
20 AS 29.88 [29.88.010 -- 29.88.045].

21 (c) Money in the hospital and health facility construction as-
22 sistance account established in AS 29.90.020 which exceeds the amount
23 required to fully fund distributions authorized by AS 29.90 [29.90.-
24 010 -- 29.90.030] shall be reallocated to the guaranteed assistance
25 [TAX EQUALIZATION] account established in AS 29.88.035 and distributed
26 according to the provisions of AS 29.88 [29.88.010 -- 29.88.045].

27 (d) Money in the unorganized borough account established in
28 AS 29.91.040 which exceeds the amount required to fully fund distribu-
29 tions authorized by AS 29.91 shall be reallocated to the guaranteed

1 assistance account established in AS 29.88.035 and distributed accord-
2 ing to the provisions of AS 29.88.

3 * Sec. 12. AS 29.95.020(a) is amended to read:

4 Sec. 29.95.020. QUALIFICATION FOR [MINIMUM] PAYMENT. (a) A mu-
5 nicipality qualifying for an entitlement under AS 29.88 [29.88.010 --
6 29.88.045] or AS 29.89 is entitled to [29.89.010 -- 29.89.100 SHALL]
7 receive a [MINIMUM] payment of at least \$100,000 adjusted by [\$25,000
8 PLUS] an area cost-of-living differential for each fiscal year. To
9 qualify for an entitlement under AS 29.88 or AS 29.89, a municipality
10 shall annually [IF:]

11 (1) conduct [THE MUNICIPALITY HAS CONDUCTED] a regular
12 election under AS 29.28.010 -- 29.28.050 during the fiscal year pre-
13 ceding the year for which payment of an entitlement is authorized by
14 AS 29.88 [29.88.010 -- 29.28.045] or AS 29.89 [29.89.010 -- 29.89.100]
15 and report [HAS REPORTED] the results of the election to the commis-
16 sioner of the Department of Community and Regional Affairs;

17 (2) certify that regular council meetings are held in the
18 municipality in accordance with the requirements of AS 29.23.210 dur-
19 ing the fiscal year preceding the year for which payment of an enti-
20 tlement is authorized by AS 29.88 [29.88.010 -- 29.88.045] or AS 29.89
21 [29.89.010 -- 29.89.100] and maintain a record of the proceedings [IS
22 MAINTAINED];

23 (3) adopt a municipal budget [HAS BEEN ADOPTED] for the
24 fiscal year during which payment of an entitlement is authorized by
25 AS 29.88 [29.88.010 -- 29.88.045] or AS 29.89 [29.89.010 -- 29.89.100]
26 and prepare and furnish to the Department of Community and Regional
27 Affairs an audit or financial statement for the preceding fiscal year
28 [HAS BEEN PREPARED AND FURNISHED TO THE DEPARTMENT OF COMMUNITY AND
29 REGIONAL AFFAIRS] in accordance with AS 29.23.560(a); [AND]

1 (4) certify that local ordinances adopted by the governing
2 body of the municipality have been codified, or are in the process of
3 being codified, in accordance with AS 29.48.180; and

4 (5) spend at least 50 percent of the payment received under
5 this section for the previous fiscal year on at least three basic ser-
6 vices which the municipality has the power to provide.

7 * Sec. 13. AS 29.95.030 is amended to read:

8 Sec. 29.95.030. PRORATION OF PAYMENTS. (a) Payments under
9 AS 29.95.020 and AS 29.88 [29.88.010 -- 29.88.045] shall equal the
10 amount allocated to the guaranteed assistance [TAX EQUALIZATION]
11 account (AS 29.88.035), adjusted in accordance with AS 29.95.010.

12 (b) Adjustments of payments shall be determined by prorating
13 amounts payable under AS 29.95.020 and amounts payable under AS 29.88
14 [29.88.010 -- 29.88.045] by a factor which, when applied, reduces all
15 payments in equal proportion so that payments under AS 29.95.020 and
16 payments under AS 29.88 [29.88.010 -- 29.88.045] equal the amount
17 allocated to the guaranteed assistance [TAX EQUALIZATION] account
18 established in AS 29.88.035.

19 * Sec. 14. AS 29.95 is amended by adding new sections to read:

20 Sec. 29.95.040. REGULATIONS. (a) The department shall adopt
21 regulations necessary to implement AS 29.88, AS 29.89, AS 29.90,
22 AS 29.91, and AS 29.95. The regulations must include, among other
23 provisions,

24 (1) procedures and filing dates for submitting applications
25 and financial reports;

26 (2) procedures for obtaining information required to com-
27 pute and determine entitlements for eligible applicants;

28 (3) procedures by which the department will notify an
29 eligible applicant, in writing, of the reasons for a proposed

1 disallowance or adjustment of any factor bearing upon the
2 determination of the applicant's entitlement and by which the
3 applicant will be provided reasonable time in which to respond or to
4 challenge the department's determination.

5 (b) The department shall make reasonable efforts to advise and
6 assist applicants in collecting information and completing reports
7 necessary for the determination of entitlements.

8 Sec. 29.95.050. AREA COST-OF-LIVING DIFFERENTIAL. (a) Payments
9 to a municipality or other eligible recipient under AS 29.88.010(c),
10 AS 29.89.020 -- 29.89.030, and AS 29.91.030 must reflect area cost-
11 of-living differentials. Payments must be based upon the sum of per
12 capita, per mile, and per bed, or facility amounts due each municipal-
13 ity or other recipient, multiplied by the appropriate area cost-of-
14 living differential. The area cost-of-living differential for each
15 recipient must be determined annually by election district under the
16 provisions of AS 39.27.030. Application of the area cost-of-living
17 differential may not result in distribution of an amount less than the
18 amount of the payment determined without application of this section.

19 (b) The election districts used to establish area cost-of-living
20 differentials under (a) of this section are those designated by the
21 proclamation of reapportionment and redistricting of December 7, 1961,
22 and retained for the Alaska House of Representatives by proclamation
23 of the governor September 3, 1965.

24 (c) Application of the area cost-of-living differential may not
25 result in a payment which is less than the minimum payment determined
26 under AS 29.95.020(a) unless the appropriation is prorated as provided
27 in AS 29.95.030.

28 * Sec. 15. AS 29.95 is amended by adding a new section to read:

29 Sec. 29.95.500. DEFINITIONS. In this chapter,

- 1 (1) "basic services" means
2 (A) municipal administration, finance, and planning;
3 (B) police protection;
4 (C) fire protection;
5 (D) environmental pollution control;
6 (E) solid waste collection and disposal;
7 (F) land use planning;
8 (G) parks and recreation;
9 (H) road and street maintenance;
10 (I) hospitals;
11 (J) health facilities;
12 (K) airports;
13 (L) ports and small boat harbors; and
14 (M) libraries, museums, and cultural facilities;

15 (2) "department" means the Department of Community and Re-
16 gional Affairs.

17 * Sec. 16. AS 29.88.020, 29.88.030, 29.88.040, 29.88.045(4); AS 29.89.-
18 010, 29.89.040, 29.89.050, 29.89.060, 29.89.070, 29.89.090; AS 29.95.-
19 020(b); and AS 43.20.016 are repealed.

20 * Sec. 17. REGULATIONS. (a) Regulations of the Department of Public
21 Safety setting fire department standards of organization and service, which
22 were adopted under the authority of former AS 43.18.010(a)(2) (which au-
23 thority was carried forward in AS 29.89.040(b) [being repealed in sec. 16
24 of this Act]), continue in effect until amended or repealed by the Depart-
25 ment of Public Safety.

26 (b) Regulations of the Department of Community and Regional Affairs
27 concerning municipal tax resource equalization and state aid for
28 miscellaneous municipal purposes, which were adopted under the authority of
29 AS 29.88.040 and AS 29.89.090, respectively, expire upon the effective date

1 of the repeal of those statutes under sec. 16 of this Act.

2 * Sec. 18. This Act takes effect July 1, 1983.