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Original sponsors: Sackett and
Ferguson

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

1 IN THE SENATE

2

CS FOR SENATE BILL NO. 37 (C&RA)

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 aid for municipalities and
7 other recipients; and providing for an effective
8 date."

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

10 * Section 1. AS 29.88.010(c)(1)(C) is amended to read:

11 (C) revenue from fees, rentals, leases, penalties,
12 licenses or permits received during the preceding fiscal year [BY
13 THE MUNICIPALITY FOR A FUNCTION OR SERVICE OVER WHICH IT HAS
14 CONTROL, INCLUDING REVENUES DERIVED FROM PARKS AND RECREATION
15 SERVICES, MASS TRANSIT, OFFSTREET PARKING, AND GARBAGE AND SOLID
16 WASTE DISPOSAL SERVICES];

17 * Sec. 2. AS 29.88.010(c)(1)(D) is amended to read:

18 (D) special assessments received during the preceding
19 fiscal year; [AND]

20 * Sec. 3. AS 29.88.010(c)(1) is amended by adding a new subparagraph to
21 read:

22 (F) electric and telephone cooperative taxes received
23 by the municipality under AS 10.25.570;

24 * Sec. 4. AS 29.88 is amended by adding a new section to read:

25 Sec. 29.88.032. STATE AID TO UNINCORPORATED COMMUNITIES. (a)
26 The department shall pay to each unincorporated community an entitle-
27 ment of \$50,000 each fiscal year to be used for a public purpose.

28 (b) The Department of Community and Regional Affairs with advice
29 from the Department of Law shall determine whether there is in each

1 unincorporated community an incorporated nonprofit entity or a Native
2 village council that will agree to receive and spend the entitlement.
3 If there is no qualified incorporated nonprofit entity or Native
4 village council in an unincorporated community that is willing to
5 receive money under an entitlement, the entitlement for that unincor-
6 porated community may not be paid. If there is more than one quali-
7 fied entity in an unincorporated community, the department shall
8 select the entity that the department finds most qualified to receive
9 and spend the money.

10 (c) After selecting an entity under (b) of this section the
11 department shall provide public notice of the selection. The notice
12 shall indicate that the selection is preliminary and other qualified
13 entities may be nominated to receive the entitlement by filing a
14 petition with the department. A petition must be signed by a number
15 of voters of the unincorporated community equal to or greater than 15
16 percent of those who voted during the last general election in the
17 community. The department shall provide a sample petition upon re-
18 quest.

19 (d) If the department receives within 30 days after notice is
20 provided under (b) of this section a sufficient petition nominating an
21 entity other than the entity selected by the department, the depart-
22 ment shall hold an election with the assistance of the director of
23 elections to determine which entity shall receive the entitlement.
24 The election shall be held within 90 days after notice is provided
25 under (c) of this section. The department shall provide public notice
26 of the date of the election.

27 (e) All voters who reside within the boundaries established for
28 the purposes of determining the population of the unincorporated
29 community are qualified to vote in an election held under this

1 section. The name of the entity selected by the department under (b)
2 of this section and the name of each entity nominated under (c) of
3 this section shall be placed on the ballot. The department shall pay
4 the entitlement for that year to the entity receiving the greatest
5 number of votes.

6 (f) The Department of Community and Regional Affairs may not pay
7 money under an entitlement to a Native village council unless the
8 council waives immunity from suit for claims arising out of activities
9 of the council related to the entitlement. A waiver of immunity from
10 suit under this subsection must be on a form provided by the Depart-
11 ment of Law. Neither this subsection nor any action taken under it
12 enlarges or diminishes the governmental authority or jurisdiction of a
13 Native village council.

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

17 * Sec. 5. AS 29.88.035 is amended to read:

18 Sec. 29.88.035. TAX EQUALIZATION ACCOUNT. The tax equalization
19 account is established. Money to carry out the provisions of this
20 chapter and AS 29.95.020 shall be allocated by the department to the
21 account. The amount allocated to the account shall be fully distrib-
22 uted by the department as payments to municipalities to fulfill each
23 municipality's share authorized under AS 29.88.010, and to unincorpo-
24 rated communities to fulfill each unincorporated community's share
25 authorized under AS 29.88.032 and AS 29.95.020. If the amount al-
26 located to the account is not sufficient to pay all entitlements under
27 AS 29.88.010, AS 29.88.032, and AS 29.95.020, after payment of minimum
28 entitlements under AS 29.95.020 the [. THE] amount remaining in
29 [ALLOCATED TO] the account shall be distributed by the department

1 pro rata among eligible municipalities.

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

3 (1) to a municipality that [WHICH] has the power to provide
4 hospital facilities and services and that [WHICH] exercises that
5 power, [\$1,000 PER BED FOR EACH BED ACTUALLY USED FOR PATIENT CARE,
6 LIMITED TO THE NUMBER OF BEDS PROVIDED FOR IN THE CONSTRUCTION DESIGN
7 OF THE HOSPITAL, OR] \$250,000 a hospital for those hospitals with 10
8 or more beds, or \$50,000 a hospital for those hospitals with less than
9 10 beds [, AS THE MUNICIPALITY MAY ELECT]; money received under this
10 paragraph may be used only for hospitals and shall be apportioned
11 among qualifying hospitals as the municipality determines;

12 * Sec. 7. AS 29.89.030(a)(3) is amended to read:

13 (3) to a municipality in which a health facility is op-
14 erated, \$2,000 per bed for each bed actually used for patient care,
15 limited to the number of beds provided for in the construction design
16 of the health facility, or \$8,000 per health facility as the muni-
17 cipality determines; money received under this paragraph may be used
18 only for health facilities and shall be apportioned among qualifying
19 health facilities as the municipality determines.

20 * Sec. 8. AS 29.89.070(a) is amended to read:

21 (a) Payments to a municipality or other eligible recipient under
22 AS 29.89.020 - 29.89.040 [29.89.030] shall reflect area cost-of-living
23 differentials. Payments shall be based upon the sum of per capita, per
24 mile and per bed or facility grants due each municipality or other
25 recipient multiplied by the appropriate area cost-of-living differen-
26 tial. The area cost-of-living differential for each recipient shall
27 be determined annually by election district under the provisions of
28 AS 39.27.030. Application of the area cost-of-living differential may
29 not result in distribution of an amount less than the amount of the

1 payment determined without application of this section.

2 * Sec. 9. AS 29.95.010(b) is amended to read:

3 (b) Money in the miscellaneous services account established in
4 AS 29.89.080 that [WHICH] exceeds the amount required to fully fund
5 distributions authorized by AS 29.89 shall be reallocated to the tax
6 equalization account established in AS 29.88.035 and distributed
7 according to the provisions of AS 29.88, AS 29.95.020, and AS 29.95.-
8 030.

9 * Sec. 10. AS 29.95.010(c) is amended to read:

10 (c) Money in the hospital construction assistance account estab-
11 lished in AS 29.90.020 that [WHICH] exceeds the amount required to
12 fully fund distributions authorized by AS 29.90 shall be reallocated
13 to the tax equalization account established in AS 29.88.035 and dis-
14 tributed according to the provisions of AS 29.88, AS 29.95.020, and
15 AS 29.95.030.

16 * Sec. 11. AS 29.95.020 is repealed and reenacted to read:

17 Sec. 29.95.020. QUALIFICATION FOR MINIMUM PAYMENT. (a) During
18 each fiscal year a municipality qualifying for an entitlement under
19 AS 29.88 or AS 29.89 shall receive a minimum payment of \$100,000 plus
20 an area cost-of-living differential or the amount it received under
21 AS 29.88, AS 29.95.020, and AS 43.20.016 during the fiscal year ending
22 June 30, 1982, whichever is greater, if:

23 (1) the municipality has conducted a regular election under
24 AS 29.28.010 - 29.28.050 during the fiscal year preceding the year for
25 which payment of an entitlement is authorized by AS 29.88 or AS 29.89
26 and has reported the results of the election to the commissioner of
27 the Department of Community and Regional Affairs;

28 (2) regular meetings of the governing body are held in the
29 municipality in accordance with the requirements of AS 29.23.060 or

1 AS 29.23.210 during the fiscal year preceding the year for which
2 payment of an entitlement is authorized by AS 29.88 or AS 29.89 and a
3 record of the proceedings is maintained;

4 (3) a municipal budget has been adopted for the fiscal year
5 during which payment of an entitlement is authorized by AS 29.88 or
6 AS 29.89 and an audit or financial statement for the preceding fiscal
7 year has been prepared and furnished to the Department of Community
8 and Regional Affairs in accordance with AS 29.23.560(a);

9 (4) local ordinances adopted by the governing body of the
10 municipality have been codified in accordance with AS 29.48.180;

11 (5) for a municipality with over 2,000 residents, the
12 municipality has spent at least 50 percent of the money received under
13 this section during the previous fiscal year to provide for at least
14 three of the following:

- 15 (A) municipal administration;
- 16 (B) police protection;
- 17 (C) fire protection;
- 18 (D) pollution control;
- 19 (E) solid waste collection and disposal;
- 20 (F) land use planning;
- 21 (G) parks and recreation;
- 22 (H) street maintenance;
- 23 (I) hospitals;
- 24 (J) health facilities;
- 25 (K) airports;
- 26 (L) wharves and harbors;
- 27 (M) libraries, museums and cultural facilities.

28 (b) An unincorporated community qualifying for an entitlement
29 under AS 29.88 shall receive a minimum payment of \$50,000 plus an area

1 cost-of-living differential for each fiscal year.

2 (c) The area cost-of-living differential payable to each munici-
3 pality and unincorporated community under this section shall be deter-
4 mined annually by election district under the provisions of AS 39.27.-
5 030. Except as provided in AS 29.95.030, application of the area
6 cost-of-living differential may not result in a payment that is less
7 than the minimum payment determined under (a) or (b) of this section.
8 For purposes of this subsection, the election districts used are those
9 designated by the proclamation of reapportionment and redistricting of
10 December 7, 1961, and retained for the house of representatives by
11 proclamation of the governor September 3, 1965.

12 (d) The Department of Community and Regional Affairs shall pay
13 to each municipality eligible to receive a minimum payment under this
14 section an amount equal to the difference between the minimum payment
15 determined under (a) and (c) of this section and the sum of the
16 amounts payable for the same fiscal year under AS 29.88 and AS 29.89.
17 The Department of Community and Regional Affairs shall pay to each
18 unincorporated community eligible to receive a minimum payment under
19 this section an amount equal to the difference between the minimum
20 payment determined under (b) and (c) of this section and the amount
21 payable for the same fiscal year under AS 29.88.

22 (e) A payment under this section shall be made from the money
23 allocated to the tax equalization account established in AS 29.88.035.
24 A payment may be prorated and reduced under AS 29.95.030.

25 * Sec. 12. AS 29.95.030 is repealed and reenacted to read:

26 Sec. 29.95.030. DISTRIBUTION AND PRORATION OF PAYMENTS. If the
27 amount of money allocated to the tax equalization account established
28 in AS 29.88.035 is not sufficient for all payments authorized under
29 AS 29.88 and AS 29.95.020, the Department of Community and Regional

1 Affairs shall distribute minimum payments to all municipalities and
2 unincorporated communities under AS 29.95.020. After minimum payments
3 have been distributed, money remaining in the account shall be adjust-
4 ed and distributed under AS 29.88 to municipalities that qualify for
5 more than the amount of the minimum payment. If the amount of money
6 allocated to the tax equalization account is not sufficient for mini-
7 mum payments to all municipalities and unincorporated communities, the
8 Department of Community and Regional Affairs shall adjust the payments
9 distributed under AS 29.95.020 and distribute no money under AS 29.88.
10 Payments shall be adjusted by prorating amounts payable by a factor
11 that, when applied, reduces all payments in equal proportion.

12 * Sec. 13. AS 29.88.020(b), AS 29.89.010(2), AS 29.89.050, and AS 43.-
13 20.016 are repealed.

14 * Sec. 14. This Act takes effect July 1, 1983.