

Introduced: 4/5/83
Referred: Community and Regional
Affairs, Judiciary and
Finance

1 IN THE SENATE BY ZIEGLER
2 SENATE BILL NO. 228
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 Indian tribes
7 located on federally established Indian reserves; and
8 providing for an effective 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 local government [MUNICIPALITY] for a function or service
14 over which it has control, including revenues derived from parks
15 and recreation services, mass transit, offstreet parking, and
16 garbage and solid waste disposal services;
17 * Sec. 2. AS 29.88.010(c)(1)(E) is amended to read:
18 (E) payments received by a local government [MUNIC-
19 IPALITY] from a utility that [WHICH] are in place of taxes levied
20 and collected by the local government [MUNICIPALITY];
21 * Sec. 3. AS 29.88.010(c)(2)(A) is amended to read:
22 (A) revenue derived from the levy and collection of
23 local [MUNICIPAL] taxes and appropriated for the operating ex-
24 penses and debt service of utilities;
25 * Sec. 4. AS 29.88.020(a) is amended to read:
26 (a) The department may require a local government [MUNICIPALITY]
27 to return a certification, signed by the appropriate local official
28 that [MUNICIPAL TREASURER OR MANAGER AND THE MAYOR, WHICH] provides an
29 estimate of the locally generated revenue received by the local

1 government [MUNICIPALITY] during the preceding fiscal year.

2 * Sec. 5. AS 29.88.020(b) is amended to read:

3 (b) By October 15 of each year, the department shall make an
4 initial determination of the millage rate equivalent of each taxing
5 unit to be used for computing and distributing equalization entitle-
6 ments for the current fiscal year under this chapter. The department
7 shall base the initial determination on the estimates in the certi-
8 fication returned [BY A MUNICIPALITY] under (a) of this section.

9 * Sec. 6. AS 29.88.020(c) is amended to read:

10 (c) As early as possible, but not later than December 15 of each
11 year, the department shall make a final determination of the millage
12 rate equivalent of each taxing unit to use to compute and distribute
13 equalization entitlements under this chapter. The department shall
14 base the determination on audits, financial statements and other
15 financial reports prepared and submitted by the local government [A
16 MUNICIPALITY]. The department shall adjust the locally generated
17 revenue reported [BY A MUNICIPALITY] to exclude the [MUNICIPAL] reve-
18 nue claimed by the local government that [MUNICIPALITY WHICH] does not
19 qualify for inclusion in or recognition as locally generated revenue
20 for local government purposes under AS 29.88.010(c)(1). The adjust-
21 ment shall be made by deducting from total revenue claimed by the
22 local government [MUNICIPALITY] the amount of the department's esti-
23 mate of revenue that [WHICH] is not recognized for local government
24 purposes.

25 * Sec. 7. AS 29.88.020(d) is amended to read:

26 (d) The full and true assessed property value shall be deter-
27 mined by the department in the manner provided for the computation of
28 state aid to education under AS 14.17.140. When the determination of
29 locally generated revenue includes revenue of a utility received under

1 AS 29.88.010(e)(1)(E), the full and true assessed property value shall
2 include the computed assessed value of the utility, determined by
3 dividing the amount of the payment in place of taxes made by the
4 utility by the millage rate that [WHICH] would apply to the utility if
5 the utility were subject to levy and collection of local taxes [UNDER
6 AS 29.53.010 - 29.53.420].

7 * Sec. 8. AS 29.88.020(e) is amended to read:

8 (e) In addition to the computation for local governments that
9 [MUNICIPALITIES WHICH] levy and collect a property tax, the department
10 shall determine an estimated full and true assessed property value
11 under (d) of this section for

12 (1) each municipality that [WHICH] is a school district and
13 that [WHICH] does not levy and collect a property tax;

14 (2) each second class city or federally established Indian
15 reserve with a population of 750 or more persons; however, a computa-
16 tion is not required under this paragraph more often than once during
17 a period of three successive calendar years; and

18 (3) all other second class cities and federally established
19 Indian reserves, by determining the average per capita full and true
20 assessed property value of all cities and federally established Indian
21 reserves having a population of less than 750 persons in which an
22 assessment has been completed by a municipality or for which a deter-
23 mination is not made under (1) or (2) of this subsection.

24 * Sec. 9. AS 29.88.025 is amended to read:

25 Sec. 29.88.025. REPORTS. A payment of an equalization entitle-
26 ment may not be made to a local government [MUNICIPALITY] under this
27 chapter until the local government [MUNICIPALITY] has submitted its
28 certificate of estimated revenue and its financial report to the
29 department for the fiscal year preceding the year for which the

1 equalization entitlement is sought, together with a budget for the
2 local government's [MUNICIPALITY'S] current fiscal year. The finan-
3 cial report shall include a listing of general revenue collected from
4 taxes levied and assessed by the local government [MUNICIPALITY] and
5 any other revenue that [WHICH], in the opinion of the local [MUNI-
6 CIPAL] officials, is eligible for inclusion in computations of the
7 locally generated revenue of the taxing unit.

8 * Sec. 10. AS 29.88.030(b) is amended to read:

9 (b) An equalization entitlement for a municipality determined
10 with reference to revenue other than revenue obtained from the levy
11 and collection of taxes may be used for areawide or nonareawide pur-
12 poses, at the discretion of the assembly or council.

13 * Sec. 11. AS 29.88.035 is amended to read:

14 Sec. 29.88.035. TAX EQUALIZATION ACCOUNT. The tax equalization
15 account is established. Money to carry out the provisions of this
16 chapter shall be allocated by the department to the account. The
17 amount allocated to the account shall be fully distributed by the
18 department as payments to local governments [MUNICIPALITIES] to ful-
19 fill each local government's [MUNICIPALITY'S] share authorized under
20 AS 29.88.010. The amount allocated to the account shall be distri-
21 buted by the department pro rata among eligible local governments
22 [MUNICIPALITIES].

23 * Sec. 12. AS 29.88.040(a)(2) is amended to read:

24 (2) procedures for obtaining information required to com-
25 pute and determine the local government's [MUNICIPALITY'S] millage
26 rate equivalent; and

27 * Sec. 13. AS 29.88.040(a)(3) is amended to read:

28 (3) procedures by which the department shall notify a local
29 government [MUNICIPALITY] in writing of the reasons for a proposed

1 disallowance or adjustment of any factor bearing upon the determina-
2 tion of the local government's [MUNICIPALITY'S] entitlement and by
3 which the local government [MUNICIPALITY] will be provided reasonable
4 time in which to respond or to challenge the department's determina-
5 tion.

6 * Sec. 14. AS 29.88.040(b) is amended to read:

7 (b) The department shall make reasonable efforts to advise and
8 assist local governments [MUNICIPALITIES] in collecting information
9 and completing reports necessary for the determination of entitlements
10 under AS 29.88.

11 * Sec. 15. AS 29.88.040(c) is amended to read:

12 (c) The department shall, by regulation, classify for inclusion
13 or exclusion as a component of a local government's [MUNICIPALITY'S]
14 millage rate equivalent under AS 29.88.010 any tax revenue appropri-
15 ated for a utility not included in the definition set out in AS 29.-
16 88.045(4).

17 * Sec. 16. AS 29.88.045(3) is amended to read:

18 (3) "taxing unit" means an Indian tribe located on a fed-
19 erally established Indian reserve or a municipality and

20 (A) in a borough or unified municipality, a service
21 area or the entire area outside cities and outside federally
22 established Indian reserves;

23 (B) in a city, a differential tax zone;

24 * Sec. 17. AS 29.88.045 is amended by adding a new paragraph to read:

25 (5) "local government" means an Indian tribe located on a
26 federally established Indian reserve or a municipality.

27 * Sec. 18. AS 29.89.020 is amended to read:

28 Sec. 29.89.020. STATE AID TO MUNICIPALITIES FOR ROADS. (a) The
29 department shall pay to a local government that [MUNICIPALITY WHICH]

1 has power to provide for road maintenance and exercises that power,
2 \$2,500 a mile for each mile of road, street or highway maintained by
3 the local government, excluding (1) the official state highway system,
4 (2) roads, streets or highways not dedicated to public use, (3) roads,
5 streets or highways maintained under the local service road program
6 (AS 19.30.111 - 19.30.251), and (4) alleyways, in accordance with
7 regulations adopted by the Department of Transportation and Public
8 Facilities. A payment may not be made under this subsection for
9 maintenance of a road that [WHICH] is not used by automotive equip-
10 ment.

11 (b) A frozen waterway and a connection from an inhabited area to
12 a waterway that [WHICH] may be safely used for public transportation
13 by automotive equipment and is so used during a portion of a year is
14 eligible for a payment of \$1,500 per mile if the waterway and connec-
15 tion are maintained during the period of use by a local government
16 [MUNICIPALITY] or combination of local governments [MUNICIPALITIES].
17 The department, after consultation with the Department of Transporta-
18 tion and Public Facilities, shall determine which waterways and con-
19 nections qualify and, where the waterways or connections lie outside
20 the [CORPORATE] limits of a local government [MUNICIPALITY], which
21 local governments [MUNICIPALITIES] shall receive the payments under
22 this subsection, unless the local governments [MUNICIPALITIES] in-
23 volved have agreed in writing to a particular distribution.

24 * Sec. 19. AS 29.89.030(a)(1) is amended to read:

25 (1) to a local government that [MUNICIPALITY WHICH] has the
26 power to provide hospital facilities and services and that [WHICH]
27 exercises that power, \$1,000 per bed for each bed actually used for
28 patient care, limited to the number of beds provided for in the con-
29 struction design of the hospital, or \$250,000 a hospital for those

1 hospitals with 10 or more beds, or \$50,000 a hospital for those hospi-
2 tals with less than 10 beds, as the local government [MUNICIPALITY]
3 may elect; money received under this paragraph may be used only for
4 hospitals and shall be apportioned among qualifying hospitals as the
5 local government [MUNICIPALITY] determines;

6 * Sec. 20. AS 29.89.030(a)(2) is amended to read:

7 (2) on the basis set out in (1) of this subsection to a
8 local government [MUNICIPALITY] for a nonprofit hospital not operated
9 by a local government [MUNICIPALITY] if the local government [MUNICI-
10 PALITY] first certifies to the department that the nonprofit hospital
11 is in compliance with all standards for hospitals that [WHICH] have
12 been adopted by the local government [MUNICIPALITY]; money may not be
13 paid on behalf of a nonprofit hospital without this certification;
14 payments to the local government [MUNICIPALITY] shall be transferred
15 to the nonprofit hospital in accordance with the basis by which the
16 payment was generated by the hospital, and shall be applied to the
17 annual cost of operation and maintenance of the hospital or for the
18 provision of health care service at the hospital as the directors of
19 the hospital determine;

20 * Sec. 21. AS 29.89.030(a)(3) is amended to read:

21 (3) to a local government [MUNICIPALITY] in which a health
22 facility is operated, \$2,000 per bed for each bed actually used for
23 patient care, limited to the number of beds provided for in the con-
24 struction design of the health facility, or \$8,000 per health facility
25 as the local government [MUNICIPALITY] determines.

26 * Sec. 22. AS 29.89.030(c) is amended to read:

27 (c) Money received by a local government [MUNICIPALITY] under
28 (a)(3) of this section shall be used for expenses of health services
29 or operation and maintenance of health facilities as the local

1 government [MUNICIPALITY] determines.

2 * Sec. 23. AS 29.89.050(1) is amended to read:

3 (1) a local governing body organized by authority of the
4 Act of Congress of June 18, 1934 (25 U.S.C. sec. 476) other than the
5 governing body of an Indian tribe located on a federally established
6 Indian reserve; or

7 * Sec. 24. AS 29.89.100 is amended by adding a new paragraph to read:

8 (4) "local government" means an Indian tribe located on a
9 federally established Indian reserve or a municipality.

10 * Sec. 25. AS 29.95.020(a) is amended to read:

11 (a) An Indian tribe qualifying for an entitlement under AS 29.88
12 or AS 29.89 shall receive a minimum payment of \$25,000 plus an area
13 cost-of-living differential for each fiscal year. A municipality
14 qualifying for an entitlement under AS 29.88 or AS 29.89 shall receive
15 a minimum payment of \$25,000 plus an area cost-of-living differential
16 for each fiscal year if:

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

22 (2) regular council meetings are held in the municipality
23 in accordance with the requirements of AS 29.23.210 during the fiscal
24 year preceding the year for which payment of an entitlement is author-
25 ized by AS 29.88 or AS 29.89 and a record of the proceedings is main-
26 tained;

27 (3) a municipal budget has been adopted for the fiscal year
28 during which payment of an entitlement is authorized by AS 29.88 or
29 AS 29.89 and an audit or financial statement for the preceding fiscal

1 year has been prepared and furnished to the Department of Community
2 and Regional Affairs in accordance with AS 29.23.560(a); and

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

5 * Sec. 26. AS 29.95.020(b) is amended to read:

6 (b) The area cost-of-living differential payable to each Indian
7 tribe and municipality under this section shall be determined annually
8 by election district under the provisions of AS 39.27.030. Except as
9 provided in AS 29.95.030, application of the area cost-of-living
10 differential may not result in a payment which is less than the mini-
11 mum payment determined under (a) of this section. For purposes of
12 this subsection, the election districts used are those designated by
13 the proclamation of reapportionment and redistricting of December 7,
14 1961, and retained for the house of representatives by proclamation of
15 the governor September 3, 1965.

16 * Sec. 27. AS 29.95.020(c) is amended to read:

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

23 * Sec. 28. AS 43.20.016(a) is amended to read:

24 (a) There is established within the Department of Revenue the
25 municipal assistance fund. The legislature may appropriate to the
26 fund during each fiscal year an amount equal to or greater than 30
27 percent of the income tax revenue received by the state under AS 43.-
28 20.011(e) and AS 43.21 for the previous fiscal year. The Department
29 of Revenue shall distribute money from the fund to each Indian tribe

1 located on a federally established Indian reserve and municipality
2 [ORGANIZED BOROUGH AND EACH CITY OF ANY CLASS] on an annual basis as
3 provided in (b), [AND] (c) and (e) of this section. An Indian tribe
4 located on a federally established Indian reserve or a municipality [A
5 BOROUGH OR CITY] may not receive payment under (b), [OR] (c) or (e) of
6 this section until it submits to the Department of Revenue a resolu-
7 tion approved by the governing body [OF THE MUNICIPALITY] that re-
8 quests the funds. Distribution of money from the fund to an Indian
9 tribe located on a federally established Indian reserve or a munic-
10 ipality [CITY OR ORGANIZED BOROUGH] with a fiscal year beginning on
11 January 1 shall be made on February 1 of the state fiscal year for
12 which the appropriation to the fund is made. Distribution of money
13 from the fund to all other Indian tribes located on federally estab-
14 lished Indian reserves [CITIES] and municipalities [ORGANIZED BOR-
15 OUGH] shall be made on June 1 of the state fiscal year for which the
16 appropriation to the fund is made. A municipality [BOROUGH OR CITY]
17 that incorporates after December 31 of a state fiscal year or an
18 Indian tribe located on a reserve established by the federal govern-
19 ment after December 31 is not eligible for a distribution under this
20 section until the following state fiscal year.

21 * Sec. 29. AS 43.20.016(c) is amended to read:

22 (c) If the amount in the fund at the time of distribution ex-
23 ceeds the base amount to be distributed under (b) and (e) of this
24 section, the excess amount shall be distributed to each Indian tribe
25 located on a federally established Indian reserve [BOROUGH] and munic-
26 ipality [CITY] on the basis of population. For the purpose of this
27 subsection, the population of each Indian tribe located on a federally
28 established Indian reserve and each [A] city within an organized
29 borough shall be deducted from the population of the borough.

1 Population, for the purpose of this section, shall be as certified by
2 the commissioner of community and regional affairs.

3 * Sec. 30. AS 43.20.016 is amended by adding a new subsection to read:

4 (e) The base amount to be distributed during each fiscal year
5 from the municipal assistance fund to each Indian tribe located on a
6 federally established Indian reserve within a borough or unified
7 municipality shall be a share of the amount distributed to the borough
8 or unified municipality in which the reserve is located based on the
9 ratio of population in the reserve to the total population in the
10 borough or unified municipality. The base amount to be distributed to
11 each Indian tribe located on a federally established Indian reserve
12 outside a borough or unified municipality shall be the amount received
13 as a base amount by the city most closely approximating the reserve in
14 population at the time of the city's incorporation.

15 * Sec. 31. This Act takes effect July 1, 1983.