

Introduced: 3/21/85
Referred: Community & Regional
Affairs and Finance

1 IN THE SENATE

BY COGHILL

2 SENATE BILL NO. 244

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the use of funds from the undis-
7 tributed income account in the Alaska permanent fund
8 for certain municipal aid programs, establishing a
9 two-year funding cycle; and providing for an effec-
10 tive date."

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

12 * Section 1. AS 29.95 is amended by adding a new section to read:

13 Sec. 29.95.005. TWO-YEAR FUNDING CYCLE. (a) Entitlements under
14 AS 29.88, AS 29.89.010 - 29.89.100, AS 29.95.020, and sec. 9, ch. 95,
15 SLA 1983, shall be estimated by the Department of Community and
16 Regional Affairs based on a funding cycle of two fiscal years and
17 recomputed each fiscal year. Legislative appropriations to carry out
18 the provisions of AS 29.88, AS 29.89.010 - 29.89.100, AS 29.95.020,
19 and sec. 9, ch. 95, SLA 1983, shall be made for a period of two fiscal
20 years.

21 (b) By January 15 of each fiscal year, the commissioner of
22 revenue shall transfer from the undistributed income account in the
23 Alaska permanent fund (AS 37.13.145) to the Department of Community
24 and Regional Affairs an amount, determined by the commissioner of
25 community and regional affairs, sufficient to fully fund the entitle-
26 ments under AS 29.88, AS 29.89.010 - 29.80.100, AS 29.95.020, and sec.
27 9, ch. 95, SLA 1983.

28 * Sec. 2. AS 29.95.010 is amended to read:

29 Sec. 29.95.010. ALLOCATION AND DISTRIBUTION. (a) Every two

1 fiscal years [EACH YEAR], the Department of Community and Regional
2 Affairs shall allocate money appropriated to the accounts established
3 in AS 29.88 and AS [,] 29.89.010 - 29.89.100, and for payments under
4 sec. 9, ch. 95, SLA 1983, [FORMER AS 29.90] in the amounts determined
5 by the legislature.

6 (b) Money in the miscellaneous services account established in
7 AS 29.89.080 that [WHICH] exceeds the amount required to fully fund
8 distributions authorized by AS 29.89.010 - 29.89.100 during the two-
9 year funding cycle shall be reallocated to the tax equalization ac-
10 count established in AS 29.88.035 and distributed according to the
11 provisions of AS 29.88.

12 (c) Money allocated for payments under sec. 9, ch. 95, SLA
13 1983, that [IN THE HOSPITAL CONSTRUCTION ASSISTANCE ACCOUNT ESTAB-
14 LISHED IN FORMER AS 29.90.020 WHICH] exceeds the amount required to
15 fully fund distributions authorized during the two-year funding cycle
16 [BY FORMER AS 29.90] shall be reallocated to the tax equalization
17 account established in AS 29.88.035 and distributed according to the
18 provisions of AS 29.88.

19 * Sec. 3. AS 29.95.010 is amended by adding a new subsection to read:

20 (d) If money allocated or reallocated under this section is not
21 sufficient to fully fund all entitlements under AS 29.88, AS 29.89.-
22 010 - 29.89.100, AS 29.95.020, and sec. 9, ch. 95, SLA 1983, during a
23 fiscal year, the commissioner of community and regional affairs shall
24 by January 1 of that year notify the commissioner of revenue and
25 request the transfer of additional money under AS 29.95.005.

26 * Sec. 4. AS 43.20.016(a) is amended to read:

27 (a) There is established within the department the municipal
28 assistance fund. The legislature may appropriate to the fund [DURING
29 EACH FISCAL YEAR] an amount equal to or greater than 30 percent of the

1 income tax revenue received by the state under AS 43.20.011(e) for the
2 previous two fiscal years [YEAR]. Legislative appropriations shall be
3 made for a period of two fiscal years. The department shall distrib-
4 ute money from the fund to each municipality [ORGANIZED BOROUGH AND
5 EACH CITY] of any class on an annual basis as provided in (b) and (c)
6 of this section. A municipality [BOROUGH OR CITY] may not receive
7 payment under (b) or (c) of this section until it submits to the
8 department a resolution approved by the governing body of the munic-
9 ipality that requests the funds. Distribution of money from the fund
10 to a municipality [CITY OR ORGANIZED BOROUGH] with a fiscal year
11 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]. Dis-
13 tribution of money from the fund to all other municipalities [CITIES
14 AND ORGANIZED BOROUGHES] shall be made on June 1 [OF THE STATE FISCAL
15 YEAR FOR WHICH THE APPROPRIATION TO THE FUND IS MADE]. A municipality
16 [BOROUGH OR CITY] that incorporates after December 31 [OF A STATE
17 FISCAL YEAR] is not eligible for a distribution under this section
18 until the following state fiscal year.

19 * Sec. 5. AS 43.20.016(b) is amended to read:

20 (b) The base amount to be distributed from the municipal assis-
21 tance fund to each municipality shall be estimated based on a funding
22 cycle of two fiscal years and recomputed each fiscal year. The base
23 amount to be distributed from the fund to each municipality each
24 [BOROUGH AND CITY FOR THE] fiscal year shall be the amount received by
25 that municipality [THE BOROUGH OR CITY] during fiscal year 1978 under
26 AS 43.70.080 [; HOWEVER, IF THE AMOUNT APPROPRIATED TO THE FUND BY THE
27 LEGISLATURE UNDER (a) OF THIS SECTION IS INSUFFICIENT FOR DISTRIBUTION
28 OF THE FULL BASE AMOUNT, THE DEPARTMENT SHALL PRORATE THE AMOUNT
29 AVAILABLE FOR DISTRIBUTION ON THE BASIS OF AMOUNTS RECEIVED DURING

1 FISCAL YEAR 1978 UNDER AS 43.70.080]. A city incorporated within an
2 organized borough after June 30, 1977 shall receive as a base amount a
3 share of the amount distributed to the borough in which it is located
4 based on the ratio of population in the city to the total population
5 in the borough. A city incorporated outside an organized borough
6 after June 30, 1977 shall receive as a base amount the amount received
7 by the city in the state most closely approximating it in population
8 at the time of its incorporation. A borough incorporated after
9 June 30, 1977 shall receive as a base amount the amount received by
10 the borough in the state most closely approximating it in population
11 at the time of its incorporation.

12 * Sec. 6. AS 43.20.016(c) is amended to read:

13 (c) If the amount in the municipal assistance fund is not suffi-
14 cient to fully fund all base amounts computed under (b) of this sec-
15 tion and due to be distributed under (a) of this section, the commis-
16 sioner of revenue shall transfer from the undistributed income account
17 in the Alaska permanent fund (AS 37.13.145) an amount sufficient to
18 fully fund the base amounts. If the amount in the fund at the time of
19 the last distribution during a two-year funding cycle exceeds the base
20 amounts [AMOUNT] to be distributed [UNDER (b) OF THIS SECTION], the
21 excess amount shall be distributed to each municipality [BOROUGH AND
22 CITY] on the basis of population. For the purpose of this subsection,
23 the population of a city within an organized borough shall be deducted
24 from the population of the borough. Population, for the purpose of
25 this section, shall be as certified by the commissioner of community
26 and regional affairs.

27 * Sec. 7. The initial two-year funding cycles for municipal aid pro-
28 grams required by this Act begin July 1, 1985.

29 * Sec. 8. This Act takes effect immediately in accordance with

1 AS 01.10.070(c).