

Introduced: 4/17/86
Referred: Judiciary and Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 479

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act providing for pro rata reductions of certain
7 state payments to local governments; and providing
8 for an effective date."

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

10 * Section 1. AS 04.11.610(a) is amended to read:

11 (a) Subject to appropriations for the purpose, annual [ANNUAL]
12 license fees, excluding annual wholesale license fees, collected
13 within a municipality shall be refunded semi-annually to the munici-
14 pality. If appropriations for the purpose are insufficient to fully
15 fund refunds under this subsection the amount available shall be
16 distributed pro rata among eligible municipalities.

17 * Sec. 2. AS 10.25.570 is amended to read:

18 Sec. 10.25.570. REFUND TO LOCAL GOVERNMENTS. Subject to appro-
19 priations for the purpose, the [THE] proceeds of the telephone cooper-
20 ative gross revenue tax and the electric cooperative tax, less the
21 amount expended by the state in their collection, shall be refunded to
22 an organized borough or a city of any class incorporated under state
23 law, in the proportion that the revenue was earned within the city or
24 the borough area outside the city. However, taxes collected on gross
25 revenue earned by a telephone cooperative or on the sale of electric-
26 ity by an electric cooperative outside a city or organized borough
27 shall be retained by the state and deposited into the [ITS] general
28 fund. If appropriations for the purpose are insufficient to fully
29 fund refunds under this section the amount available shall be

1 distributed pro rata among eligible municipalities.

2 * Sec. 3. AS 29.45.060(e) is amended to read:

3 (e) Subject to legislative appropriations for the purpose, the
4 state shall reimburse a borough or city, as appropriate, for the
5 property tax revenues lost to it by the operation of this section. If
6 appropriations are not sufficient to fully fund reimbursements under
7 this subsection, the amount available shall be distributed pro rata
8 among eligible municipalities.

9 * Sec. 4. AS 43.35.050 is amended to read:

10 Sec. 43.35.050. DISTRIBUTION OF TAX. Subject to appropriations
11 for the purpose, one-half [ONE-HALF] of the proceeds of the gross
12 revenue from the tax provided by this chapter, excluding distributors'
13 fees, penalties, and the amount determined to have been spent by the
14 state in its collection, shall be refunded to organized boroughs and
15 cities of the first, second, and third classes by action of the
16 legislature in the proportion that the revenue was earned within them,
17 and the balance shall be retained by the state and deposited in the
18 general fund. If appropriations for the purpose are insufficient to
19 fully fund refunds under this section the amount available shall be
20 distributed pro rata among eligible municipalities.

21 * Sec. 5. AS 43.35.130 is amended to read:

22 Sec. 43.35.130. REFUND TO LOCAL GOVERNMENTS. Subject to appro-
23 priations for the purpose, the [THE] department shall refund 75
24 percent of the tax collected from sales of punchboards in an organized
25 borough or city of the first, second, or third class to the local
26 government. The balance shall be deposited in the general fund. If
27 appropriations for the purpose are insufficient to fully fund refunds
28 under this section, the amount available shall be distributed pro rata
29 among eligible municipalities.

1 * Sec. 6. AS 43.40.010(e) is amended to read:

2 (e) Subject to appropriations for the purpose, 60 [SIXTY] per-
3 cent of the proceeds of the revenue from the taxes on aviation fuel,
4 excluding the amount determined to have been spent by the state in its
5 collection, shall be refunded to a municipality owning and operating
6 or leasing and operating an airport in the proportion that the revenue
7 was collected at the municipal airport. All other proceeds of the
8 taxes on aviation fuel shall be paid into a special aviation fuel tax
9 account in the state general fund. The legislature may appropriate
10 funds from this account for aviation facilities. If appropriations
11 for the purpose are insufficient to fully fund refunds under this
12 subsection the amount available shall be distributed pro rata among
13 eligible municipalities.

14 * Sec. 7. AS 43.75.130 is amended to read:

15 Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. Subject to appro-
16 priations for the purpose, the [THE] commissioner of revenue shall pay

17 (1) to each unified municipality and to each city located
18 in the unorganized borough, 50 percent of the amount of tax revenue
19 collected in the municipality from taxes levied by this chapter
20 [AS 43.75];

21 (2) to each city located within a borough, 25 percent of
22 the amount of tax revenue collected in the city from taxes levied by
23 this chapter; and

24 (3) to each borough

25 (A) 50 percent of the amount of tax revenue collected
26 in the area of the borough outside cities from taxes levied by
27 this chapter; and

28 (B) 25 percent of the amount of tax revenue collected
29 in cities located within the borough from taxes levied by this

1 **chapter.**

2 * **Sec. 8.** AS 43.75.130 is amended by adding a new subsection to read:

3 **(b)** If appropriations are not sufficient to fully fund refunds
4 under **(a)** of this section, the amount available shall be distributed
5 pro rata among eligible municipalities.

6 * **Sec. 9.** This Act takes effect July 1, 1986.