

CS FOR HOUSE BILL NO. 54 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/26/91
Referred: Rules

Sponsor(s): REPRESENTATIVES MACKIE, Grussendorf, C.Davis

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the distribution of national forest receipts; providing for the
2 distribution of national forest receipts to an organized borough in proportion to the
3 percentage of the national forest within the organized borough; establishing an unorganized
4 borough national forest receipts fund with 75 percent of the fund to be utilized for the
5 benefit of public schools in the unorganized borough, and 25 percent of the fund to be
6 utilized for the benefit of public roads in the unorganized borough; authorizing
7 distributions from the fund to a home rule or first class city located within the
8 unorganized borough and within a national forest or within 20 miles of a national forest
9 on the basis of the proportion of the number of children in average daily membership
10 of the city school district compared to the total number of children in average daily
11 membership in city school districts located within the unorganized borough and within a
12 national forest or within 20 miles of a national forest and in regional educational

1 attendance areas that have a school located within the unorganized borough and within
2 a national forest or within 20 miles of a national forest; authorizing distributions from
3 the fund to a home rule city, first class city, or second class city that exercises road
4 powers and to a municipality organized under federal law that exercises road powers, that
5 is located within the unorganized borough and located within a national forest or within
6 20 miles of a national forest, on the basis of the proportion of the number of road miles
7 within municipal boundaries over which the community exercises road powers plus the
8 number of state road miles maintained by the municipality under agreement with the state
9 compared to the total number of road miles maintained by state or local governments
10 within the unorganized borough and within a national forest or within 20 miles of a
11 national forest; authorizing the deposit of the remainder of the fund in the general fund
12 to offset state expenses for education and road maintenance in the unorganized borough;
13 and providing for an effective date."

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

15 * Section 1. FINDINGS AND PURPOSE. (a) Federal law, 16 U.S.C. 500, provides that 25 percent
16 of all money received each fiscal year from each national forest shall be paid to the state in which the
17 national forest is located, to be distributed under state law for the benefit of the public schools and roads
18 of the county or counties in which the national forest is located.

19 (b) The intent of this federal law is to provide funds to support roads and schools of
20 communities affected by national forest activities.

21 (c) Under present state law, communities that are affected by national forest activities, but
22 located within the unorganized borough, do not receive direct payment of national forest income.

23 (d) That portion of national forest income not distributed to organized boroughs under
24 AS 41.15.180(a) should be distributed to communities within the unorganized borough that are situated
25 within a national forest or within 20 miles of a national forest that contribute financially to the provision
26 of education and road maintenance and that presently do not receive funds from national forest receipts.

27 * Sec. 2. AS 41.15.180 is repealed and reenacted to read:

1 Sec. 41.15.180. NATIONAL FOREST INCOME. (a) When the commissioner of
2 community and regional affairs receives national forest income under 16 U.S.C. 500, the
3 commissioner shall immediately pay to each organized borough in which national forest land is
4 located a share of the income from that forest; an organized borough's share of income from a
5 national forest shall be proportional to the area of the national forest located within its
6 boundaries.

7 (b) There is created as a separate account in the general fund the unorganized borough
8 national forest receipts fund. The fund consists of national forest income received by the
9 Department of Community and Regional Affairs under 16 U.S.C. 500 for the percentage of a
10 national forest located within the unorganized borough. Seventy-five percent of the fund shall
11 be allocated for public schools and 25 percent for public roads.

12 (c) From the percentage of the unorganized borough national forest receipts fund
13 allocated to the public schools under (b) of this section, the commissioner shall pay to each home
14 rule or first class city located within the unorganized borough and within a national forest or
15 within 20 miles of a national forest, a share of the income from the public schools allocation of
16 the fund. A home rule or first class city's share shall be calculated as the proportion of the
17 number of children in average daily membership of the city school district compared to the total
18 number of children in average daily membership in city school districts located within the
19 unorganized borough and within the national forest or within 20 miles of the national forest and
20 in regional educational attendance areas that have a school located within the unorganized
21 borough and within the national forest or within 20 miles of the national forest.

22 (d) From the percentage of the unorganized borough national forest receipts fund
23 allocated to public roads under (b) of this section, the commissioner shall pay to each

24 (1) home rule city, first class city, or second class city that exercises road powers,
25 that is located within the unorganized borough and within a national forest or within 20 miles
26 of a national forest, a share of the income from the roads allocation of the fund; a home rule city,
27 first class city, or second class city's share shall be calculated as the proportion of the number
28 of road miles within municipal boundaries over which the community exercises road powers plus
29 the number of state road miles maintained by the municipality under agreement with the state
30 compared to the total number of road miles maintained by state or local governments in the
31 unorganized borough and within the national forest or within 20 miles of the national forest;

1 (2) municipality organized under federal law as a Indian reserve that existed
2 before the enactment of 43 U.S.C. 1618(a) and is continued in existence under that subsection
3 and that has formed a community development corporation under AS 29.60.365, that exercises
4 road powers and that is located within the unorganized borough and within the national forest
5 or within 20 miles of the national forest a share of the income from the roads allocation of the
6 fund; the share due a municipality organized under federal law that exercises road powers shall
7 be calculated as the proportion of the number of road miles within municipal boundaries over
8 which the community exercises road powers plus the number of state road miles maintained by
9 the municipality under agreement with the state compared to the total number of road miles
10 maintained by state or local governments in the unorganized borough and within the national
11 forest or within 20 miles of the national forest; however, the commissioner may pay income from
12 national forest receipts under this paragraph only after the corporation has delivered a written
13 waiver of sovereign immunity from legal action by the state to recover all or a portion of the
14 money distributed under this section.

15 (e) A distribution made under (a) of this section shall be expended for public schools and
16 public roads. A distribution made under (c) of this section shall be expended for public schools.
17 A distribution made under (d) of this section shall be expended for public roads.

18 (f) For the purpose of making distributions from the fund, the commissioner of
19 community and regional affairs shall consult with the commissioner of education, for purposes
20 of determining the number of children in average daily membership in the public schools affected
21 by this section, and the commissioner of transportation and public facilities, to determine the total
22 number of road miles in the unorganized borough affected by this section.

23 (g) An organized borough, home rule city, first class city, or second class city, or a
24 municipality organized under federal law that receives a national forest income payment or
25 distribution under 16 U.S.C. 500 or this section shall annually report and account to the
26 commissioner of community and regional affairs its use of the payment or distribution for the
27 purposes provided in (a) - (e) of this section. The commissioner of community and regional
28 affairs may not distribute national forest income under this section to an entity in the unorganized
29 borough that has previously failed to report and account as required under this subsection.

30 (h) For purposes of this section, if a portion of a home rule city, first class city, or
31 second class city, or municipality organized under federal law in the unorganized borough is

1 located with the national forest or within 20 miles of a national forest or a regional educational
2 attendance area that has a school located within the national forest or within 20 miles of the
3 national forest, the entire home rule city, first class city, or second class city, regional educational
4 attendance area, or municipality organized under federal law is considered to be within the
5 national forest.

6 (i) A payment or distribution made under this section shall be made under an
7 appropriation for the purpose.

8 (j) That portion of the unorganized borough national forest receipts fund remaining in
9 the account unobligated and unexpended on June 30 of a fiscal year shall be deposited into the
10 unrestricted portion of the general fund and shall be used to offset expenses of the general fund
11 for school and road maintenance in the affected areas of the unorganized borough for which
12 direct distribution of funds has not been made.

13 * Sec. 3. This Act takes effect July 1, 1991.