

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

BY THE HOUSE FINANCE COMMITTEE

Amended: 4/29/91
Offered: 4/26/91
Referred: Rules

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

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 to be utilized for the benefit of public schools and
5 roads in the unorganized borough; providing for distributions from the fund to
6 communities in the unorganized borough; and providing for an effective date."

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

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

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

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

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

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 AS 41.15.180 is repealed and reenacted to read:

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

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

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

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

31 (1) home rule city, first class city, or second class city that exercises road powers,

1 that is located within the unorganized borough and within a national forest or within 20 miles
2 of a national forest, a share of the income from the roads allocation of the fund; a home rule city,
3 first class city, or second class city's share shall be calculated as the proportion of the number
4 of road miles within municipal boundaries over which the community exercises road powers plus
5 the number of state road miles maintained by the municipality under agreement with the state
6 compared to the total number of road miles maintained by state or local governments in the
7 unorganized borough and within the national forest or within 20 miles of the national forest;

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

22 (e) A distribution made under (a) of this section shall be expended for public schools and
23 public roads. A distribution made under (c) of this section shall be expended for public schools.
24 A distribution made under (d) of this section shall be expended for public roads.

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

30 (g) An organized borough, home rule city, first class city, or second class city, or a
31 municipality organized under federal law that receives a national forest income payment or

1 distribution under 16 U.S.C. 500 or this section shall annually report and account to the
2 commissioner of community and regional affairs its use of the payment or distribution for the
3 purposes provided in (a) - (e) of this section. The commissioner of community and regional
4 affairs may not distribute national forest income under this section to an entity in the unorganized
5 borough that has previously failed to report and account as required under this subsection.

6 (h) For purposes of this section, if a portion of a home rule city, first class city, or
7 second class city, or municipality organized under federal law in the unorganized borough is
8 located with the national forest or within 20 miles of a national forest or a regional educational
9 attendance area that has a school located within the national forest or within 20 miles of the
10 national forest, the entire home rule city, first class city, or second class city, regional educational
11 attendance area, or municipality organized under federal law is considered to be within the
12 national forest.

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

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

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