

CSHB 539

PER CAPITA FISCAL ANALYSIS OF ~~HB 539/SB 473~~

Basic Grants AS43.17.030	#	Population	FY '77 entitlements under existing law	Per Capita	FY '77 entitlements under new law	Per Capita
Boroughs*	10	349,213	\$11,533,457	\$33	14,422,511 \$14,433,238	\$43 \$41
Cities*	41	99,483	4,236,130	43	574,227 4,885,119	\$58 \$49
Volunteer Fire Dpts.	40	8,061	72,576	9	72,576	9
New Volunteer Fire Dpts. (estimate)	10	1,400	12,653	9	12,653	9
Military	3	36,705	358,053	10	911,524 419,746	25 11
 Minimum Grants AS43.17.020						
Cities	95	22,916	1,122,260	49	3,017,596	133
New Cities (estimate)	11	2,200	112,668	51	331,375	151
TOTAL			\$17,447,797		23,350,424 \$23,665,531	
less military			358,053		419,746 911,524	
			\$17,089,744		\$22,735,987 22,930,738	

*includes military

Basic Grants AS 43.17.030 (Boroughs)	Population	FY '77 entitlements under existing law	Per Capita	FY '77 entitlements under new law	Per Capita
Bristol Bay	1,147	\$ 31,134	\$27	\$ 44,033 ^{35,603}	38 ³¹
City & Borough of Juneau	19,518	682,952	35	694,515 ^{919,915}	35 ⁴⁷
City & Borough of Sitka	7,398	316,429	43	352,669 ^{354,222}	47 ⁴⁸
Fairbanks North Star military	53,781 6,892	1,838,083 29,721	34 4	2,065,209 ^{2,025,264}	37 ³⁷
Kenai Peninsula	16,844	328,951	20	368,188 ^{402,265}	22 ²⁴
Ketchikan Gateway	11,538	206,719	18	273,500 ^{222,900}	24 ¹⁹
Kodiak Island	6,915	107,183	16	167,769 ^{112,519}	24 ¹⁷
Matanuska-Susitna	12,682	131,997	10	160,297 ^{125,402}	13 ¹⁵
Municipality of Anchorage military	183,348 22,920	7,446,664 280,770	41 12	7,255,505 ^{10,616,150}	39 ⁵⁵
North Slope	6,230	132,854	21	153,471 ^{150,549}	24 ²⁴
TOTAL	349,213	\$11,533,457		\$14,433,288 ^{14,922,311}	31 ⁴³
AVERAGE			\$33		\$31

Basic Grants AS 43.17.030	Population	FY '77 entitlements under existing law	Per Capita	FY '77 entitlements under new law	Per Capita
(cities > 1,000 pop.) <i>(others will receive min. grant)</i>					40
Barrow	2,307	\$ 81,768	\$35	\$ 88,607 91,425	\$38 63
Bethel	3,314	214,525	65	221,476 226,551	67 63
Cordova	3,609	214,591	59	229,655 226,608	61 51
Dillingham	1,025	49,411	48	69,500 52,583	68 51
Fairbanks military	32,740 6,893	998,287 47,562	30 7	1,145,745 1,027,440 96,608 55,545	35 8
Haines	1,366	63,173	46	67,999 62,698	50
Homer	1,468	62,207	42	63,291 63,291	43
Kenai	5,241	235,442	45	244,213 237,440	45 45
Ketchikan	7,953	259,514	33	276,900 276,900	35
Kodiak	4,221	156,450	37	213,672 205,180	51 49
Kotzebue	2,523	96,364	38	114,356 106,664	42 42
Nome	2,685	177,745	66	197,847 191,977	71 71
Palmer	1,651	79,840	48	96,120 85,070	52 52
Petersburg	2,266	139,665	62	152,500 150,321	67 67
Seward	2,005	87,844	44	103,541 90,256	52 45
Soldotna	1,821	94,998	52	101,639 97,653	54 54
Valdez	2,221	140,649	63	155,366 154,660	69 69
Wrangell	3,059	166,595	54	188,270 180,800	62 59
TOTAL	88,373	\$3,366,630		\$3,826,639 3,528,722	58 57

Fiscal Analysis of CSMB 539

Cost of Basic Grants - AS 43.17.030

FY '77 entitlements		new	new	new air/water pollution (civilian)	new air/water pollution (military)	new ambulance	rounding up to 100	= total
Under existing law	sub-total	+	transportation	+	solid waste	+		
Boroughs	\$11,533,457(10)*	\$2,124,727(4)	\$208,787(5)	\$366,696(1)	\$53,766(2)	\$625,784(7)	\$12,094(10)	\$14,922,311
cities	4,236,130(41)	45,376(1)	135,717(15)		7,927(1)	70,147(12)	78,930(41)	4,574,227
vol. fire dpts.	72,576(40)							72,576
" " "(new)	12,653(10-est)							12,653
TOTAL	\$15,854,816	\$2,170,103	\$341,504	\$366,696	\$61,693	\$695,931	\$91,024	\$19,581,767

Cost of Minimum Grants - AS 43.17.020

FY '77 entitlements		+	additional cost of minimum grants	= total
under existing law	sub-total			
cities	\$ 1,122,260(95)		\$1,895,336(95)	\$ 3,017,596
new " "	112,668(11-est)		218,707(11-est)	331,375
TOTAL	\$ 1,234,928		\$2,114,043	\$ 3,348,971

Total FY '77 entitlements under existing law	\$17,089,744
Additional Cost of Basic Grants and Minimum Grants (HB 539/ SB 473)	<u>5,840,994</u>
TOTAL	\$22,930,738

*Numbers in parentheses indicate the number of municipalities or volunteer fire departments eligible in the category

Original sponsor: Community and Regional
Affairs Committee by request of the
Legislative Council Interim Committee on
Shared Revenue with Municipalities

Offered: 3/3/76
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 539

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND

5 A BILL

6 For an Act entitled: "An Act relating to municipalities and municipal re-
7 venue sharing; and providing for an effective date."

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

9 * Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 17. MUNICIPAL REVENUE SHARING

11 Sec. 43.17.010. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a)

12 This chapter may not be construed so as to create a debt of the state.

13 (b) The special municipal services account is established. Funds
14 to carry out the provisions of this chapter may be appropriated annually
15 by the legislature to the account. If amounts in the account are
16 insufficient for the purpose of each local government's share authorized
17 under this chapter, such funds as are available shall be distributed pro
18 rata among eligible local governments.

19 (c) Money in the special municipal services account which, at the
20 end of the fiscal year for which the money is appropriated, exceeds the
21 amount required for the allocations authorized in this chapter reverts
22 to the general fund.

23 Sec. 43.17.020. MINIMUM GRANTS TO MUNICIPALITIES. (a) A munici-
24 pality proposing to provide administrative services or a service pro-
25 vided for in sec. 30(a)(1) of this chapter may, in lieu of obtaining
26 revenue sharing money as provided in this chapter, obtain instead a
27 minimum grant of \$25,000.

28 (b) The department shall issue regulations regarding procedures
29 and time limits for making an election under this section.

ZIP
CODE

1 Sec. 43.17.030. BASIC GRANTS TO MUNICIPALITIES. (a) If a municipi-
2 pality elects not to receive the grant provided for under sec. 20 of
3 this chapter, the amount of revenue sharing for which it is eligible
4 shall be calculated: as a result of B X P where

5 (1) B is the base revenue sharing amount of \$1 times the
6 service units for each service performed by the municipality established
7 as follows:

8 (A)	police protection	12 units
9 (B)	fire protection	7.5 units
10 (C)	water pollution control	2 units
11 (D)	land use planning	2 units
12 (E)	parcs and recreation	5 units
13 (F)	small boat harbor or port	5 units
14 (G)	mass transit	5 units ←
15 (H)	airport	5 units ←
16 (I)	solid waste disposal	2 units
17 (J)	ambulance	2 units ←
18 (K)	air pollution	2 units

19 (2) P is the population of the municipality rounded up to the
20 nearest 100.

21 (3) *A new section* →
22 (b) If a municipality contains areas having differential rates of
23 taxation, the entitlement shall be calculated for areawide services and
24 for each area separately and totaled to reach the entitlement of the
25 municipality. Revenue sharing money for which the entitlement is based
26 upon areawide services may be used for areawide purposes only, and
27 revenue sharing money for which the entitlement is based upon service
28 area services may be used for that service area only.

29 Sec. 43.17.040. HEALTH FACILITIES AND HOSPITALS. (a) During each
 fiscal year the state shall make payments as follows:

43-17-110

1 (1) \$1,000 per hospital bed to municipalities having health
2 powers for each hospital bed actually used for patient care, limited to
3 the number of beds provided for in the construction design of the
4 hospital, or \$50,000 per hospital for those hospitals with 10 or more
5 beds or \$20,000 per hospital for those hospitals with less than 10 beds
6 as the local government may determine;

7 (2) \$1,000 per hospital bed to each hospital located outside
8 a municipality having health powers for each hospital bed actually used
9 for patient care, limited to the number of beds provided for in the
10 construction design of the hospital, or \$50,000 for those hospitals with
11 10 or more beds or \$20,000 per hospital for those hospitals with less
12 than 10 beds, as the hospital may determine;

13 (3) \$1,000 per bed to a municipality in which a health
14 facility is operated for each bed actually used for patient care,
15 limited to the number of beds provided for in the construction design of
16 the health facility, or \$4,000 per health facility as the local govern-
17 ment may determine;

18 (4) funds received under this section shall be used for ex-
19 pense of operation or maintenance of health services or health facilities
20 or hospitals as the municipality or hospital outside a municipality de-
21 termines;

22 (5) before funds may be distributed under this subsection,
23 the commissioner of health and social services shall certify to the
24 distributing agency that any accumulation of assets by nonprofit cor-
25 porations or other recipients under this subsection is dedicated irre-
26 vocably to a public health purpose.

27 (b) If construction of a hospital or health facility began before
28 January 1, 1976, and state matching aid for construction approved under
29 AS 18 for payment to a municipality or other facility sponsor

1 constitutes less than 25 per cent of the total project cost, the state
2 shall pay to the municipality or other facility sponsor each fiscal year
3 a sum equal to \$2,500 a bed for the maximum number of beds provided for
4 in the construction design of the facility. State aid provided for in
5 this subsection shall continue until the municipality or other facility
6 sponsor has received an amount which, combined with state matching money
7 for construction of the facility approved under AS 18, equals 25 per
8 cent of the total project cost. No funds received for construction
9 shall be used for any other purpose.

10 (c) In this section

11 (1) "hospital" means a licensed hospital determined by the
12 Department of Health and Social Services to be a general hospital; the
13 term excludes facilities operated or wholly supported by the state or
14 the federal government;

15 (2) "health facility" means public health centers, maternity
16 homes and community mental health centers, facilities for the mentally
17 or physically handicapped, nursing homes and convalescent centers which
18 are licensed, when required, by the state under AS 18.20.010 - 18.20.130
19 and are owned or operated or both by a local government or by a non-
20 profit corporation or other nonprofit sponsor; the term excludes facili-
21 ties operated or wholly supported by the state or the federal government;

22 (3) "other facility sponsor" means a public or nonprofit
23 corporation located outside a municipality which owns or operates, or
24 both, a hospital or health facility.

25 Sec. 43.17.050. VOLUNTEER FIRE DEPARTMENTS OUTSIDE MUNICIPALITIES.
26 The state shall pay to a volunteer fire department registered with the
27 state fire marshal and serving an area not in an organized borough or a
28 city a sum for protection purposes equal to \$7.50 per capita for the
29 population served by the department, as determined by the state fire

1 marshal using the latest figures of the United States Bureau of the
2 Census or other reliable data. Grants shall be made on the same basis
3 to facilitate the organization of volunteer fire departments in an area
4 not in an organized borough or a city, upon application of the proposed
5 fire protection group to the department and approval of applications
6 according to standards of organization and service prescribed by regu-
7 lations promulgated by the department.

8 Sec. 43.17.060. AREA COST-OF-LIVING DIFFERENTIAL. (a) State
9 payments to a municipality or to a hospital or volunteer fire department
10 located outside a municipality under this chapter shall reflect area
11 cost-of-living differential. Amounts distributed shall be based upon
12 the sum of the grants due each municipality or each hospital or volun-
13 teer fire department located outside a municipality multiplied by the
14 appropriate area cost-of-living differential. The area cost-of-living
15 differential for each municipality or each hospital or volunteer fire
16 department located outside a municipality shall be determined annually
17 by election district under the provisions of AS 39.27.030; however, the
18 area cost-of-living differential to be applied shall not result in an
19 amount to be distributed less than the base allocation.

20 (b) The election districts used in (a) of this section are those
21 designated by the proclamation of reapportionment and redistricting of
22 December 7, 1961, and retained for the house of representatives by
23 proclamation of the governor September 3, 1965.

24 Sec. 43.17.070. FINANCIAL REPORTS. No ~~money~~ *final payment* may be distributed to
25 a municipality under this chapter unless the municipality has first
26 submitted a financial report to the department for each of the two fis-
27 cal years immediately preceding the fiscal year in which funds are to be
28 distributed and a budget for the municipality's fiscal year in which
29 funds are to be distributed. The department may, by regulation, pre-

1 scribe procedures and filing dates for submitting financial reports and
2 for obtaining all information required to determine the municipality's
3 tax effort.

4 Sec. 43.17.080. POPULATION DETERMINATION. For purposes of this
5 chapter, population shall be determined by the latest figures of the
6 United States Bureau of the Census, Department of Labor estimates or
7 other population data which, in the judgment of the department, is
8 reliable. However, a municipality may not receive state shared revenue
9 based on the population residing on that portion of a military reser-
10 vation annexed to a city or borough after January 1, 1973, except as
11 provided in this section. If a military reservation is located within a
12 city or borough, the city or borough is limited in its entitlement to
13 state shared revenue, based on the population residing on the reserva-
14 tion, as follows: 50 per cent of the amount paid per capita for police
15 protection under this chapter; 25 per cent of the amount paid per capita
16 for parks and recreation under this chapter; 50 per cent of the amount
17 paid per capita for mass transit under this chapter; 50 per cent of the
18 amount paid per capita for water pollution under this chapter; and 50
19 per cent of the amount paid per capita for air pollution under this
20 chapter.

21 Sec. 43.17.090. ADDITIONAL LIMIT. In addition to the limitations
22 on expenditure of funds contained in sec. 40 of this chapter:

23 (1) if a borough exercises the powers in sec. 30(a)(1) of
24 this chapter in the borough area outside cities only, or in a service
25 area only, the grants authorized under this section shall be based on
26 the population of the borough area outside cities or the service area
27 respectively;

28 (2) if a city within an organized borough provides police
29 protection services, the borough may not qualify for aid under sec.

1 30(a)(1)(A) of this chapter unless

2 (A) police protection services are provided in the
3 borough area outside cities, or if limited to a service area, in
4 the service area, through borough contract with a city or with the
5 state or

6 (B) the borough assumes and exercises power to provide
7 police protection services on an areawide basis in the manner
8 provided by law.

9 Sec. 43.17.100. ROAD MAINTENANCE. During each fiscal year the
10 state shall pay to a city or organized borough of any class which has
11 power to provide for road maintenance and exercises the power a sum
12 equal to \$1,500 a mile for each mile of road, street or highway main-
13 tained by the local government, excluding the official state highway
14 system, roads, streets, or highways not dedicated to public use, any
15 roads, streets or highways maintained under the local service road pro-
16 gram (AS 19.30.111 - 19.30.251), and alleyways, in accordance with regu-
17 lations adopted by the Department of Highways. No payments may be made
18 for maintenance of roads not used by automotive equipment. Frozen
19 waterways and connections from inhabited areas to the waterways which
20 may be safely used for public transportation by automotive equipment and
21 are so used during a portion of a year are eligible for payments of \$900
22 per mile if the waterways and connections are maintained during the
23 period of use by a municipality or combination of municipalities. The
24 Department of Community and Regional Affairs, after consultation with
25 the Department of Highways, shall determine which waterways and connec-
26 tions qualify and, where the waterways or connections lie outside the
27 corporate limits of a municipality, which municipality is eligible for
28 the shared revenue unless the municipalities involved have agreed in
29 writing to a particular distribution.

1 Sec. 43.17.110. REGULATIONS. The department shall adopt regula-
2 tions necessary to carry out the purposes of this chapter. The regula-
3 tions shall include minimum standards of service required to qualify a
4 municipality for service unit credit for each service and provisions for
5 a performance report adequate to demonstrate to the department that each
6 service for which credit was allowed was actually performed by the
7 municipality at least at the prescribed minimum level.

8 Sec. 43.17.120. EXPENDITURE OF FUNDS. Funds received by a munici-
9 pality under this chapter may be expended for any public purpose for
10 which the municipality has power to expend funds except as provided in
11 sec. 40 of this chapter.

12 Sec. 43.17.130. DEFINITIONS. In this chapter

13 (1) "department" means the Department of Community and
14 Regional Affairs;

15 (2) "municipality" for revenue sharing purposes means a city,
16 borough or unified municipality incorporated under the laws of the State
17 of Alaska except a second class city incorporated after the effective
18 date of this Act and lying within an organized borough.

19 * Sec. 2. AS 43.18.010 - 43.18.050 are repealed.

20 * Sec. 3. Other provisions of this Act notwithstanding, a municipality
21 which would receive less money under the provisions of this Act than it was
22 entitled to receive in ¹⁹⁷⁶~~1975~~ under the provisions of AS 43.18 repealed by this
23 Act shall continue to receive an amount equal to that authorized for 1975
24 under the former provisions of AS 43.18, in accordance with those provisions.

25 * Sec. 4. AS 29.18.020 is amended to read:

26 Sec. 29.18.020. SECOND CLASS CITIES. A community outside an
27 organized borough having 25 or more permanent residents may incorporate
28 as a second class city. A community located within an organized borough
29 having 125 or more permanent residents may incorporate as a second class

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city.

* Sec. 5. This Act takes effect July 1, 1976.

Handwritten signature/initials

RECEIVED
DEC 4 - 1975

TO: Budget Review Committee

DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

DATE : December 2, 1975

FROM: Janet Green, Budget Analyst
Division of Budget and Management
Department of Administration

SUBJECT: FY 77 Municipal Services
Revenue Sharing Budget Request

The attached table summarizes the requirements by category of service for the FY 77 revenue sharing program. As six of the service categories are calculated on a per capita basis the reliability of population figures used is an important consideration. A summary of the assumptions and methods used by the Department of Community and Regional Affairs to estimate population levels for FY 77 follows.

Boroughs:

- A. Compiled historical population trend from 1971.
- B. Compared DPDP projections by region from Budget Instructions.
- C. Adjusted trend line for current economic developments known to department personnel.
- D. FY 76 population figures taken from applications received from eligible governments in FY 76, and appropriate factors applied.

CONCLUSIONS:

	<u>FY 76</u>	<u>FY 77</u>	<u>% increase (decrease)</u>
GAAB	\$175,697	\$206,268	\$ 17.4
Bristol Bay	1,147	1,147	-0-
Fairbanks North Star	56,441	60,674	7.5*
Kenai	16,645	16,845	1.2
Ketchikan Gateway	11,052	11,538	4.4
Kodiak	6,627	6,925	4.5
Mat-Su	11,096	12,682	14.3
Sitka	6,940	7,398	6.6
Juneau	18,310	19,518	6.6
North Slope	8,622	6,230	(27.7)**

* Petroleum refinery being constructed

** Reduction in construction population

Average percentage increase for all Boroughs = 11.72%.

Cities over 1,000 population:

Population trends from 1975, adjusted as above for personal knowledge of current economic conditions. Reconciled to assumptions used for Borough projections. FY 76 figures taken from application forms received.

Total population increase projected for 20 cities of over 1,000: FY 76, 173,719; FY 77, 188,640; Difference, 14,921. Average percentage increase for all cities in this category except Anchorage and Fairbanks from 1975 to 1977 is projected to be 16.14%.

For lack of other information the 16.14% figure was applied to all municipalities with populations under 1,000 and volunteer fire departments. Total population for this group in 1975 was 27,495; 1977 estimate is 31,922. The dollar amounts granted in FY 75 were increased by this percentage to arrive at the estimated FY 77 requirements for all categories of service based upon population.

JG/lw

February 4, 1976

Representative Hugh Malone
Chairman, House Finance Committee
Capitol Building, Room 411
Juneau, Alaska 99801

Dear Representative Malone:

The following is the method used to compute the population upon which the Department's fiscal year 1977 request for the Municipal Services Revenue Sharing Program was based.

Historical review of population approved in Revenue Sharing applications and trends from 1971 for Boroughs and 1974 for communities over 1,000 population.

Compared with the Division of Policy Development and Planning projections by region from the FY'77 budget instructions.

Adjust trend line for current economic development known to Departmental staff.

Communities with populations over 1,000 were also evaluated in a similar manner. Communities of less than 1,000 population and volunteer fire departments were increased by the average percentage growth of communities over 1,000 population excluding the Cities of Anchorage and Fairbanks. This average increase was approximately 16 percent over the approved fiscal year 1975 population level for this group.

The estimated population levels of individual communities for fiscal year 1977 are available upon request.

Sincerely,

Lee McAnerney
Commissioner

LMCA:gh

STATE OF ALASKA
DEPARTMENT OF
COMMUNITY & REGIONAL
AFFAIRS

POUCH B
JUNEAU, ALASKA 99811

ANNUAL REPORT
FISCAL YEAR 1976
STATE AID TO LOCAL GOVERNMENTS
MUNICIPAL SERVICES REVENUE SHARING PROGRAM
(AS. 43.18.010 - 050)

DRAFT

THIS REPORT IS AS OF MARCH 4, 1976

Expenditures for the State Aid to Local Governments Municipal Services Revenue Sharing Program during the period July 1, 1975 to June 30, 1976 are as follows:

ENTITLEMENTS BY CLASSIFICATION OF MUNICIPAL SERVICES

	<u>APPROVED ENTITLEMENTS</u>
Police Protection	\$ 2,842,980
Fire Protection	2,316,979
Air and/or Water Pollution Control	633,372
Land Use Planning	626,054
Parks and Recreation	1,520,860
Transportation Facilities	1,679,430
Road Maintenance	1,738,311
Health Facilities	647,000
Hospitals	1,062,000
Hospital Construction	939,116
Matching Funds	
 Total Entitlements	 \$ 14,006,102
Cost-of-Living Differential	914,477
Pre-payments to ineligible municipalities	<u>(3,762)**</u>
 Total Disbursed to Participants	 \$ 14,916,817

ENTITLEMENTS BY CLASSIFICATION OF RECIPIENT*

	<u>NUMBER PARTICIPATING</u>	<u>APPROVED ENTITLEMENTS</u>
Boroughs	8	\$ 2,501,647
Unified Governments	3	6,599,687
Home Rule Cities	12	2,811,421
First Class Cities	21	804,769
Second Class Cities	93	1,235,367
Unorganized Borough	36	<u>53,211</u>
Fire Protection Groups		
 Total Entitlement		 \$ 14,006,102
Cost-of-Living Differential		914,477
Pre-payments to ineligible municipalities		<u>(3,762)**</u>
 Total Disbursed to Participants		 \$ 14,916,817

*See attached schedule for detailed entitlements.

**The difference between the underpayment and the overpayment (see the following page for more details).

Original sponsor: Community and Regional
Affairs Committee by request of the
Legislative Council Interim Committee on
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Offered: 3/3/76
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18 rata among eligible local governments.

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5 (i) B is the base revenue sharing amount of \$1 times the
6 service units for each service performed by the municipality established
7 as follows:

8	(A) police protection	12 units
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21 (b) If a municipality contains areas having differential rates of
22 taxation, the entitlement shall be calculated for areawide services and
23 for each area separately and totaled to reach the entitlement of the
24 municipality. Revenue sharing money for which the entitlement is based
25 upon areawide services may be used for areawide purposes only, and
26 revenue sharing money for which the entitlement is based upon service
27 area services may be used for that service area only.

28 Sec. 43.17.040. HEALTH FACILITIES AND HOSPITALS. (a) During each
29 fiscal year the state shall make payments as follows:

1 (1) \$1,000 per hospital bed to municipalities having health
2 powers for each hospital bed actually used for patient care, limited to
3 the number of beds provided for in the construction design of the
4 hospital, or \$50,000 per hospital for those hospitals with 10 or more
5 beds or \$20,000 per hospital for those hospitals with less than 10 beds
6 as the local government may determine;

7 (2) \$1,000 per hospital bed to each hospital located outside
8 a municipality having health powers for each hospital bed actually used
9 for patient care, limited to the number of beds provided for in the
10 construction design of the hospital, or \$50,000 for those hospitals with
11 10 or more beds or \$20,000 per hospital for those hospitals with less
12 than 10 beds, as the hospital may determine;

13 (3) \$1,000 per bed to a municipality in which a health
14 facility is operated for each bed actually used for patient care,
15 limited to the number of beds provided for in the construction design of
16 the health facility, or \$4,000 per health facility as the local govern-
17 ment may determine;

18 (4) funds received under this section shall be used for ex-
19 pense of operation or maintenance of health services or health facilities
20 or hospitals as the municipality or hospital outside a municipality de-
21 termines;

22 (5) before funds may be distributed under this subsection,
23 the commissioner of health and social services shall certify to the
24 distributing agency that any accumulation of assets by nonprofit cor-
25 porations or other recipients under this subsection is dedicated irre-
26 vocably to a public health purpose.

27 (b) If construction of a hospital or health facility began before
28 January 1, 1976, and state matching aid for construction approved under
29 AS 18 for payment to a municipality or other facility sponsor

1 constitutes less than 25 per cent of the total project cost, the state
2 shall pay to the municipality or other facility sponsor each fiscal year
3 a sum equal to \$2,500 a bed for the maximum number of beds provided for
4 in the construction design of the facility. State aid provided for in
5 this subsection shall continue until the municipality or other facility
6 sponsor has received an amount which, combined with state matching money
7 for construction of the facility approved under AS 18, equals 25 per
8 cent of the total project cost. No funds received for construction
9 shall be used for any other purpose.

10 (c) In this section

11 (1) "hospital" means a licensed hospital determined by the
12 Department of Health and Social Services to be a general hospital; the
13 term excludes facilities operated or wholly supported by the state or
14 the federal government;

15 (2) "health facility" means public health centers, maternity
16 homes and community mental health centers, facilities for the mentally
17 or physically handicapped, nursing homes and convalescent centers which
18 are licensed, when required, by the state under AS 18.20.010 - 18.20.130
19 and are owned or operated or both by a local government or by a non-
20 profit corporation or other nonprofit sponsor; the term excludes facili-
21 ties operated or wholly supported by the state or the federal government;

22 (3) "other facility sponsor" means a public or nonprofit
23 corporation located outside a municipality which owns or operates, or
24 both, a hospital or health facility.

25 Sec. 43.17.050. VOLUNTEER FIRE DEPARTMENTS OUTSIDE MUNICIPALITIES.
26 The state shall pay to a volunteer fire department registered with the
27 state fire marshal and serving an area not in an organized borough or a
28 city a sum for protection purposes equal to \$7.50 per capita for the
29 population served by the department, as determined by the state fire

1 marshal using the latest figures of the United States Bureau of the
2 Census or other reliable data. Grants shall be made on the same basis
3 to facilitate the organization of volunteer fire departments in an area
4 not in an organized borough or a city, upon application of the proposed
5 fire protection group to the department and approval of applications
6 according to standards of organization and service prescribed by regu-
7 lations promulgated by the department.

8 Sec. 43.17.060. AREA COST-OF-LIVING DIFFERENTIAL. (a) State
9 payments to a municipality or to a hospital or volunteer fire department
10 located outside a municipality under this chapter shall reflect area
11 cost-of-living differential. Amounts distributed shall be based upon
12 the sum of the grants due each municipality or each hospital or volun-
13 teer fire department located outside a municipality multiplied by the
14 appropriate area cost-of-living differential. The area cost-of-living
15 differential for each municipality or each hospital or volunteer fire
16 department located outside a municipality shall be determined annually
17 by election district under the provisions of AS 39.27.030; however, the
18 area cost-of-living differential to be applied shall not result in an
19 amount to be distributed less than the base allocation.

20 (b) The election districts used in (a) of this section are those
21 designated by the proclamation of reapportionment and redistricting of
22 December 7, 1961, and retained for the house of representatives by
23 proclamation of the governor September 3, 1965.

24 Sec. 43.17.070. FINANCIAL REPORTS. No money may be distributed to
25 a municipality under this chapter unless the municipality has first
26 submitted a financial report to the department for each of the two fis-
27 cal years immediately preceding the fiscal year in which funds are to be
28 distributed and a budget for the municipality's fiscal year in which
29 funds are to be distributed. The department may, by regulation, pre-

1 scribe procedures and filing dates for submitting financial reports and
2 for obtaining all information required to determine the municipality's
3 tax effort.

4 Sec. 43.17.080. POPULATION DETERMINATION. For purposes of this
5 chapter, population shall be determined by the latest figures of the
6 United States Bureau of the Census, Department of Labor estimates or
7 other population data which, in the judgment of the department, is
8 reliable. However, a municipality may not receive state shared revenue
9 based on the population residing on that portion of a military reser-
10 vation annexed to a city or borough after January 1, 1973, except as
11 provided in this section. If a military reservation is located within a
12 city or borough, the city or borough is limited in its entitlement to
13 state shared revenue, based on the population residing on the reserva-
14 tion, as follows: 50 per cent of the amount paid per capita for police
15 protection under this chapter; 25 per cent of the amount paid per capita
16 for parks and recreation under this chapter; 50 per cent of the amount
17 paid per capita for mass transit under this chapter; 50 per cent of the
18 amount paid per capita for water pollution under this chapter; and 50
19 per cent of the amount paid per capita for air pollution under this
20 chapter.

21 Sec. 43.17.090. ADDITIONAL LIMIT. In addition to the limitations
22 on expenditure of funds contained in sec. 40 of this chapter:

23 (1) if a borough exercises the powers in sec. 30(a)(1) of
24 this chapter in the borough area outside cities only, or in a service
25 area only, the grants authorized under this section shall be based on
26 the population of the borough area outside cities or the service area
27 respectively;

28 (2) if a city within an organized borough provides police
29 protection services, the borough may not qualify for aid under sec.

1 30(a)(1)(A) of this chapter unless

2 (A) police protection services are provided in the
3 borough area outside cities, or if limited to a service area, in
4 the service area, through borough contract with a city or with the
5 state or

6 (B) the borough assumes and exercises power to provide
7 police protection services on an areawide basis in the manner
8 provided by law.

9 Sec. 43.17.100. ROAD MAINTENANCE. During each fiscal year the
10 state shall pay to a city or organized borough of any class which has
11 power to provide for road maintenance and exercises the power a sum
12 equal to \$1,500 a mile for each mile of road, street or highway main-
13 tained by the local government, excluding the official state highway
14 system, roads, streets, or highways not dedicated to public use, any
15 roads, streets or highways maintained under the local service road pro-
16 gram (AS 19.30.111 - 19.30.251), and alleyways, in accordance with regu-
17 lations adopted by the Department of Highways. No payments may be made
18 for maintenance of roads not used by automotive equipment. Frozen
19 waterways and connections from inhabited areas to the waterways which
20 may be safely used for public transportation by automotive equipment and
21 are so used during a portion of a year are eligible for payments of \$900
22 per mile if the waterways and connections are maintained during the
23 period of use by a municipality or combination of municipalities. The
24 Department of Community and Regional Affairs, after consultation with
25 the Department of Highways, shall determine which waterways and connec-
26 tions qualify and, where the waterways or connections lie outside the
27 corporate limits of a municipality, which municipality is eligible for
28 the shared revenue unless the municipalities involved have agreed in
29 writing to a particular distribution.

1 Sec. 43.17.110. REGULATIONS. The department shall adopt regula-
2 tions necessary to carry out the purposes of this chapter. The regula-
3 tions shall include minimum standards of service required to qualify a
4 municipality for service unit credit for each service and provisions for
5 a performance report adequate to demonstrate to the department that each
6 service for which credit was allowed was actually performed by the
7 municipality at least at the prescribed minimum level.

8 Sec. 43.17.120. EXPENDITURE OF FUNDS. Funds received by a munici-
9 pality under this chapter may be expended for any public purpose for
10 which the municipality has power to expend funds except as provided in
11 sec. 40 of this chapter.

12 Sec. 43.17.130. DEFINITIONS. In this chapter

13 (1) "department" means the Department of Community and
14 Regional Affairs;

15 (2) "municipality" for revenue sharing purposes means a city,
16 borough or unified municipality incorporated under the laws of the State
17 of Alaska except a second class city incorporated after the effective
18 date of this Act and lying within an organized borough.

19 * Sec. 2. AS 43.18.010 - 43.18.050 are repealed.

20 * Sec. 3. Other provisions of this Act notwithstanding, a municipality
21 which would receive less money under the provisions of this Act than it was
22 entitled to receive in 1975 under the provisions of AS 43.18 repealed by this
23 Act shall continue to receive an amount equal to that authorized for 1975
24 under the former provisions of AS 43.18, in accordance with those provisions.

25 * Sec. 4. AS 29.18.020 is amended to read:

26 Sec. 29.18.020. SECOND CLASS CITIES. A community outside an
27 organized borough having 25 or more permanent residents may incorporate
28 as a second class city. A community located within an organized borough
29 having 125 or more permanent residents may incorporate as a second class

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city.

* Sec. 5. This Act takes effect July 1, 1976.

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BY THE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE BY REQUEST OF THE LEGISLA-
TIVE COUNCIL INTERIM COMMITTEE ON
SHARED REVENUE WITH MUNICIPALITIES

1 IN THE HOUSE

2 HOUSE BILL NO. 539

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal revenue sharing; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 17. MUNICIPAL REVENUE SHARING.

11 Sec. 43.17.010. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a)

12 This chapter may not be construed so as to create a debt of the state.

13 (b) The special municipal services account is established. Funds
14 to carry out the provisions of this chapter may be appropriated
15 annually by the legislature to the account. If amounts in the account
16 are insufficient for the purpose of each local government's share
17 authorized under this chapter, such funds as are available shall be
18 distributed pro rata among eligible local governments.

19 (c) Money in the special municipal services account which, at the
20 end of the fiscal year for which the money is appropriated, exceeds
21 the amount required for the allocations authorized in this chapter re-
22 verts to the general fund.

23 Sec. 43.17.020. MINIMUM GRANTS TO MUNICIPALITIES. (a) A
24 municipality may, in lieu of obtaining revenue sharing money as pro-
25 vided in this chapter, obtain instead a minimum grant of \$25,000.

26 (b) In addition to the minimum grant, a municipality which assumes
27 a new service listed below and has elected to receive the minimum
28 grant provided for in (a) of this section shall receive a grant as set
29 out in (1) - (8) of this subsection for the first year it provides the

1 new service and for the next four years receive respectively 80 per
2 cent, 60 per cent, 40 per cent and 20 per cent of that amount. A grant
3 received under this subsection must be expended on the service which gave
4 rise to the grant entitlement. The services and the amount per capita
5 grant are:

- 6 (1) police protection, \$75
- 7 (2) fire protection, \$25
- 8 (3) air or water pollution control, \$10
- 9 (4) land use planning, \$10
- 10 (5) parks and recreation, \$25
- 11 (6) small boat harbor or port, \$25
- 12 (7) airport, \$25
- 13 (8) mass transit system, \$25.

14 (c) For purposes of computing the grant under this section, the
15 population figure for a municipality having less than 250 people shall
16 be 250; the population figure for a municipality having 250 - 500 shall
17 be 500; and the population figure for a municipality having more than
18 500 people shall be the actual population recorded to the next highest
19 even hundred.

20 (d) The department shall issue regulations regarding procedures
21 and time limits for making an election under this section.

22 Sec. 43.17.030. BASIC GRANTS TO MUNICIPALITIES. (a) The amount
23 of revenue sharing for which each municipality which does not elect to
24 receive instead of the grant as provided for under sec. 20 of this
25 chapter shall be calculated: as a result of $B \times P$ where

26 (1) B is the base revenue sharing amount of \$1 times the
27 service units for each service performed by the municipality established
28 as follows:

29 (A) police protection 12 units

1	(B) fire protection	7.5 units
2	(C) air or water pollution control	2 units
3	(D) land use planning	2 units
4	(E) parks and recreation	5 units
5	(F) small boat harbor or port	5 units
6	(G) mass transit	5 units
7	(H) airport	5 units
8	(I) solid waste disposal	2 units

9 (2) P is the population of the municipality rounded up to the
10 nearest 500.

11 (b) If a municipality contains areas having differential rates of
12 taxation, the entitlement shall be calculated for areawide services and
13 for each area separately and totaled to reach the entitlement of the
14 municipality. Revenue sharing money for which the entitlement is based
15 upon areawide services may be used for areawide purposes only, and
16 revenue sharing money for which the entitlement is based upon service
17 area services may be used for that service area only.

18 Sec. 43.17.040. HEALTH FACILITIES AND HOSPITALS. (a) During
19 each fiscal year the state shall make payments as follows:

20 (1) \$1,000 per hospital bed to organized boroughs having
21 health powers for each hospital bed actually used for patient care,
22 limited to the number of beds provided for in the construction design
23 of the hospital, or \$50,000 per hospital for those hospitals with 10
24 or more beds or \$20,000 per hospital for those hospitals with less
25 than 10 beds as the local government may determine;

26 (2) \$1,000 per hospital bed to each hospital located outside
27 an organized borough having health powers for each hospital bed
28 actually used for patient care, limited to the number of beds provided
29 for in the construction design of the hospital, or \$50,000 for those

1 hospitals with 10 or more beds or \$20,000 per hospital for those
2 hospitals with less than 10 beds, as the hospital may determine;

3 (3) \$1,000 per bed to an organized borough or city outside
4 an organized borough in which a health facility is operated for each
5 bed actually used for patient care, limited to the number of beds
6 provided for in the construction design of the health facility, or
7 \$4,000 per health facility as the local government may determine;

8 (4) funds received by a local government under (1), (2) or
9 (3) of this subsection shall be used for expenses of operation, main-
10 tenance, or health services or facilities, as the local government
11 or hospital outside a municipality determines;

12 (5) before funds may be distributed under this subsection,
13 the commissioner of health and social services shall certify to the
14 distributing agency that any accumulation of assets by nonprofit
15 corporations or other recipients under this subsection are dedicated
16 irrevocably to a public purpose.

17 (b) If construction of a facility began after January 1, 1968,
18 a bond issued by a surety company licensed to do business in the state
19 in a form and amount determined by the department to be adequate to
20 assure completion of the project has been furnished the department,
21 and state matching aid for construction approved for payment to the
22 local government or other facility sponsor constitutes less than 25
23 per cent of the total project cost, the state shall pay to the local
24 government or other facility sponsor each fiscal year a sum equal to
25 \$2,500 a bed for the maximum number of beds provided for in the
26 construction design of the facility. State aid provided for in this
27 subsection shall continue until the local government or other facility
28 sponsor has received an amount which, combined with state matching
29 money for construction of the facility, equals 25 per cent of the

1 total project cost. No funds received for construction shall be used
2 for any other purpose.

3 (c) In this section

4 (1) "hospital" means a licensed hospital determined by the
5 Department of Health and Social Services to be a general hospital;
6 the term excludes facilities operated or wholly supported by the state
7 or the federal government;

8 (2) "health facility" means public health centers, maternity
9 homes and community mental health centers, facilities for the mentally
10 or physically handicapped, nursing homes and convalescent centers which
11 are licensed, when required, by the state under AS 18.20.010 - 18.20.-
12 130 and are owned or operated or both by a local government or by a
13 nonprofit corporation or other nonprofit sponsor; the term excludes
14 facilities operated or wholly supported by the state or the federal
15 government.

16 (d) This section shall be administered by the Department of Health
17 and Social Services.

18 (e) A municipality may expend funds received under this section
19 only for the specific facilities and services which gave rise to the
20 grant entitlement.

21 (f) No hospital or health facility is eligible for revenue
22 sharing under this section unless the hospital or health facility has
23 received a certificate of need from the municipality in which it is
24 located or from a state agency authorized to issue certificates of
25 need.

26 Sec. 43.17.050. VOLUNTEER FIRE DEPARTMENTS OUTSIDE MUNICIPALITIES.
27 The state shall pay to a volunteer fire department registered with the
28 state fire marshal and serving an area not in an organized borough or a
29 city a sum for protection purposes equal to \$7.50 per capita for the popu-

1 lation served by the department, as determined by the state fire marshal
2 using the latest figures of the United States Bureau of the Census or
3 other reliable data. Grants shall be made on the same basis to facili-
4 tate the organization of volunteer fire departments in an area not in an
5 organized borough or a city, upon application of the proposed fire pro-
6 tection group to the state fire marshal and approval of applications
7 according to standards of organization and service prescribed by regula-
8 tions promulgated by the state fire marshal.

9 Sec 43.17.060. AREA COST-OF-LIVING DIFFERENTIAL. (a) State
10 payments to a city or an organized borough under this chapter shall
11 reflect area cost-of-living differential. Amounts distributed shall be
12 based upon the sum of the grants due each city or organized borough
13 multiplied by the appropriate area cost-of-living differential. The
14 area cost-of-living differential for each city and organized borough
15 shall be determined annually by election district under the provisions
16 of AS 39.27.030; however, the area cost-of-living differential to be
17 applied shall not result in an amount to be distributed less than the
18 base allocation.

19 (b) The election districts used in (a) of this section are those
20 designated by the proclamation of reapportionment and redistricting
21 of December 7, 1961, and retained for the house of representatives by
22 proclamation of the governor September 3, 1955.

23 Sec. 43.17.070. FINANCIAL REPORTS. No money may be distributed
24 to a municipality under this chapter unless the municipality has first
25 submitted a financial report to the department for each of the two fis-
26 cal years immediately preceding the fiscal year in which funds are to be
27 distributed and a budget for the municipality's fiscal year in which funds
28 are to be distributed. The department may, by regulation, prescribe
29 procedures and filing dates for submitting financial reports and for

1 obtaining all information required to determine the municipality's tax
2 effort.

3 Sec. 43.17.080. POPULATION DETERMINATION. For purposes of this
4 chapter, population shall be determined by the latest figures of the
5 United States Bureau of the Census, Department of Labor estimates or
6 other population data which, in the judgment of the department, is
7 reliable.

8 Sec. 43.17.090. ADDITIONAL LIMIT ON EXPENDITURE OF FUND. In
9 addition to the limitations on expenditure of funds contained in sec.
10 40 of this chapter:

11 (1) if a borough exercises the powers in sec. 30(a)(1) of
12 this chapter in the borough area outside cities only, or in a service
13 area only, the grants authorized under this section shall be based on
14 the population of the borough area outside cities or the service area
15 respectively;

16 (2) if a city within an organized borough provides police
17 protection services, the borough may not qualify for aid under (a)(1) of
18 this section unless

19 (A) police protection services are provided in the
20 borough area outside cities, or if limited to a service area, in
21 the service area, through borough contract with a city or in the
22 state or

23 (B) the borough assumes and exercises power to provide
24 police protection services on an areawide basis in the manner
25 provided by law.

26 Sec. 43.17.100. ROAD MAINTENANCE. During each fiscal year the
27 state shall pay to a city or organized borough of any class which has
28 power to provide for road maintenance and exercises the power a sum
29 equal to \$1,500 a mile for each mile of road, street or highway main-

1 tained by the local government, excluding the official state highway
2 system, roads, streets, or highways not dedicated to public use, any
3 roads, streets or highways maintained under the local service road pro-
4 gram (AS 19.30.111 - 19.30.251), and alleyways, in accordance with regu-
5 lations adopted by the Department of Highways. No payments may be made
6 for maintenance of roads not used by automotive equipment. Frozen
7 waterways and connections from inhabited areas to the waterways which
8 may be safely used for public transportation by automotive equipment
9 and are so used during a portion of a year are eligible for payments of
10 \$900 per mile if the waterways and connections are maintained during
11 the period of use by a municipality or combination of municipalities.
12 The Department of Community and Regional Affairs, after consultation
13 with the Department of Highways, shall determine which waterways and
14 connections qualify and, where the waterways or connections lie outside
15 the corporate limits of a municipality, which municipality is eligible
16 for the shared revenue unless the municipalities involved have agreed
17 in writing to a particular distribution.

18 Sec. 43.17.110. REGULATIONS. The department shall adopt regula-
19 tions necessary to carry out the purposes of this chapter. The regula-
20 tions shall include minimum standards of service required to qualify
21 a municipality for service unit credit for each service and provisions
22 for a performance audit adequate to demonstrate to the department that
23 each service for which credit was allowed was actually performed by the
24 municipality at least at the prescribed minimum level.

25 Sec. 43.17.120. EXPENDITURE OF FUNDS. Funds received by a munici-
26 pality under this chapter may be expended for any public purpose for
27 which the municipality has power to expend funds except as provided in
28 secs 20(b) and 40 of this chapter.

29 Sec. 49.17.130. DEFINITIONS. In this chapter

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7 (1) "department" means the Department of Community and
8 Regional Affairs;

9 (2) "municipality" for revenue sharing purposes means a
10 city, borough or unified municipality incorporated under the laws of the
11 State of Alaska except a second class city incorporated after the effec-
12 tive date of this Act and lying within an organized borough.

13 * Sec. 2. AS 43.18.010 - 43.18.050 are repealed.

14 * Sec. 3. Other provisions of this Act notwithstanding, a municipality
15 which would receive less money under the provisions of this Act than it was
16 entitled to receive in 1975 under the provisions of AS 43.18 repealed by this
17 Act shall continue to receive an amount equal to that authorized for 1975
18 under the former provisions of AS 43.18, in accordance with those provisions.

19 * Sec. 4. AS 29.18.020 is amended to read:

20 Sec. 29.18.020. SECOND CLASS CITIES. A community outside an
21 organized borough having 25 or more permanent residents may incorporate
22 as a second class city. A community located within an organized borough
23 having 125 or more permanent residents may incorporate as a second class
24 city.

25 * Sec. 5. This Act takes effect July 1, 1976.
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"An Act relating to municipal revenue sharing; and providing for an effective date."

COMMITTEE REPORT

1/13/76

HOUSE

FINANCE

Mr. Speaker:

Date 3-4-76

The Committee on C&RA has had HB 539

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR HB 539 (new title) AND THAT

CS FOR 1/15539 DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

<u>Samuel R. Carter</u>	<u>Do pass</u>
<u>[Signature]</u>	<u>[Signature]</u>
<u>TITINE HERSHBERGER</u>	<u>Do Pass</u>
<u>Allen Backus</u>	<u>DO PASS</u>

<u>Kathryn [Signature] Dolan</u>
<u>Lucinda [Signature] Dolan</u>
<u>Eric Ridd " "</u>

Members NOT concurring in the Majority report

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Samuel R. Carter Chairman

COMMITTEE REPORT

3/3/76

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had HB 539

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

Chairman

Original sponsor: Community and Regional
Affairs Committee by request of the
Legislative Council Interim Committee on
Shared Revenue with Municipalities

Offered: 3/3/76
Referred: Finance

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 539

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipalities and municipal re-
7 venue sharing; and providing for an effective date."

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

9 * Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 17. MUNICIPAL REVENUE SHARING

11 Sec. 43.17.010. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a)

12 This chapter may not be construed so as to create a debt of the state.

13 (b) The special municipal services account is established. Funds
14 to carry out the provisions of this chapter may be appropriated annually
15 by the legislature to the account. If amounts in the account are
16 insufficient for the purpose of each local government's share authorized
17 under this chapter, such funds as are available shall be distributed pro
18 rata among eligible local governments.

19 (c) Money in the special municipal services account which, at the
20 end of the fiscal year for which the money is appropriated, exceeds the
21 amount required for the allocations authorized in this chapter reverts
22 to the general fund.

23 Sec. 43.17.020. MINIMUM GRANTS TO MUNICIPALITIES. (a) A munici-
24 pality proposing to provide administrative services or a service pro-
25 vided for in sec. 30(a)(1) of this chapter may, in lieu of obtaining
26 revenue sharing money as provided in this chapter, obtain instead a
27 minimum grant of \$25,000.

28 (b) The department shall issue regulations regarding procedures
29 and time limits for making an election under this section.

COMMITTEE COPY

1 Sec. 43.17.030. BASIC GRANTS TO MUNICIPALITIES. (a) If a municipi-
2 pality elects not to receive the grant provided for under sec. 20 of
3 this chapter, the amount of revenue sharing for which it is eligible
4 shall be calculated: as a result of B X P where

5 (1) B is the base revenue sharing amount of \$1 times the
6 service units for each service performed by the municipality established
7 as follows:

8	(A) police protection	12 units
9	(B) fire protection	7.5 units
10	(C) water pollution control	2 units
11	(D) land use planning	2 units
12	(E) parks and recreation	5 units
13	(F) small boat harbor or port	5 units
14	(G) mass transit	5 units
15	(H) airport	5 units
16	(I) solid waste disposal	2 units
17	(J) ambulance	2 units
18	(K) air pollution	2 units

19 (2) P is the population of the municipality rounded up to the
20 nearest 100.

21 (b) If a municipality contains areas having differential rates of
22 taxation, the entitlement shall be calculated for areawide services and
23 for each area separately and totaled to reach the entitlement of the
24 municipality. Revenue sharing money for which the entitlement is based
25 upon areawide services may be used for areawide purposes only, and
26 revenue sharing money for which the entitlement is based upon service
27 area services may be used for that service area only.

28 Sec. 43.17.040. HEALTH FACILITIES AND HOSPITALS. (a) During each
29 fiscal year the state shall make payments as follows:

1 (1) \$1,000 per hospital bed to municipalities having health
2 powers for each hospital bed actually used for patient care, limited to
3 the number of beds provided for in the construction design of the
4 hospital, or \$50,000 per hospital for those hospitals with 10 or more
5 beds or \$20,000 per hospital for those hospitals with less than 10 beds
6 as the local government may determine;

7 (2) \$1,000 per hospital bed to each hospital located outside
8 a municipality having health powers for each hospital bed actually used
9 for patient care, limited to the number of beds provided for in the
10 construction design of the hospital, or \$50,000 for those hospitals with
11 10 or more beds or \$20,000 per hospital for those hospitals with less
12 than 10 beds, as the hospital may determine;

13 (3) \$1,000 per bed to a municipality in which a health
14 facility is operated for each bed actually used for patient care,
15 limited to the number of beds provided for in the construction design of
16 the health facility, or \$4,000 per health facility as the local govern-
17 ment may determine;

18 (4) funds received under this section shall be used for ex-
19 pense of operation or maintenance of health services or health facilities
20 or hospitals as the municipality or hospital outside a municipality de-
21 termines;

22 (5) before funds may be distributed under this subsection,
23 the commissioner of health and social services shall certify to the
24 distributing agency that any accumulation of assets by nonprofit cor-
25 porations or other recipients under this subsection is dedicated irre-
26 vocably to a public health purpose.

27 (b) If construction of a hospital or health facility began before
28 January 1, 1976, and state matching aid for construction approved under
29 AS 18 for payment to a municipality or other facility sponsor

1 constitutes less than 25 per cent of the total project cost, the state
2 shall pay to the municipality or other facility sponsor each fiscal year
3 a sum equal to \$2,500 a bed for the maximum number of beds provided for
4 in the construction design of the facility. State aid provided for in
5 this subsection shall continue until the municipality or other facility
6 sponsor has received an amount which, combined with state matching money
7 for construction of the facility approved under AS 18, equals 25 per
8 cent of the total project cost. No funds received for construction
9 shall be used for any other purpose.

10 (c) In this section

11 (1) "hospital" means a licensed hospital determined by the
12 Department of Health and Social Services to be a general hospital; the
13 term excludes facilities operated or wholly supported by the state or
14 the federal government;

15 (2) "health facility" means public health centers, maternity
16 homes and community mental health centers, facilities for the mentally
17 or physically handicapped, nursing homes and convalescent centers which
18 are licensed, when required, by the state under AS 18.20.010 - 18.20.130
19 and are owned or operated or both by a local government or by a non-
20 profit corporation or other nonprofit sponsor; the term excludes facili-
21 ties operated or wholly supported by the state or the federal government;

22 (3) "other facility sponsor" means a public or nonprofit
23 corporation located outside a municipality which owns or operates, or
24 both, a hospital or health facility.

25 Sec. 43.17.050. VOLUNTEER FIRE DEPARTMENTS OUTSIDE MUNICIPALITIES.
26 The state shall pay to a volunteer fire department registered with the
27 state fire marshal and serving an area not in an organized borough or a
28 city a sum for protection purposes equal to \$7.50 per capita for the
29 population served by the department, as determined by the state fire

1 marshal using the latest figures of the United States Bureau of the
2 Census or other reliable data. Grants shall be made on the same basis
3 to facilitate the organization of volunteer fire departments in an area
4 not in an organized borough or a city, upon application of the proposed
5 fire protection group to the department and approval of applications
6 according to standards of organization and service prescribed by regu-
7 lations promulgated by the department.

8 Sec. 43.17.060. AREA COST-OF-LIVING DIFFERENTIAL. (a) State
9 payments to a municipality or to a hospital or volunteer fire department
10 located outside a municipality under this chapter shall reflect area
11 cost-of-living differential. Amounts distributed shall be based upon
12 the sum of the grants due each municipality or each hospital or volun-
13 teer fire department located outside a municipality multiplied by the
14 appropriate area cost-of-living differential. The area cost-of-living
15 differential for each municipality or each hospital or volunteer fire
16 department located outside a municipality shall be determined annually
17 by election district under the provisions of AS 39.27.030; however, the
18 area cost-of-living differential to be applied shall not result in an
19 amount to be distributed less than the base allocation.

20 (b) The election districts used in (a) of this section are those
21 designated by the proclamation of reapportionment and redistricting of
22 December 7, 1961, and retained for the house of representatives by
23 proclamation of the governor September 3, 1965.

24 Sec. 43.17.070. FINANCIAL REPORTS. No money may be distributed to
25 a municipality under this chapter unless the municipality has first
26 submitted a financial report to the department for each of the two fis-
27 cal years immediately preceding the fiscal year in which funds are to be
28 distributed and a budget for the municipality's fiscal year in which
29 funds are to be distributed. The department may, by regulation, pre-

1 scribe procedures and filing dates for submitting financial reports and
2 for obtaining all information required to determine the municipality's
3 tax effort.

4 Sec. 43.17.080. POPULATION DETERMINATION. For purposes of this
5 chapter, population shall be determined by the latest figures of the
6 United States Bureau of the Census, Department of Labor estimates or
7 other population data which, in the judgment of the department, is
8 reliable. However, a municipality may not receive state shared revenue
9 based on the population residing on that portion of a military reser-
10 vation annexed to a city or borough after January 1, 1973, except as
11 provided in this section. If a military reservation is located within a
12 city or borough, the city or borough is limited in its entitlement to
13 state shared revenue, based on the population residing on the reserva-
14 tion, as follows: 50 per cent of the amount paid per capita for police
15 protection under this chapter; 25 per cent of the amount paid per capita
16 for parks and recreation under this chapter; 50 per cent of the amount
17 paid per capita for mass transit under this chapter; 50 per cent of the
18 amount paid per capita for water pollution under this chapter; and 50
19 per cent of the amount paid per capita for air pollution under this
20 chapter.

21 Sec. 43.17.090. ADDITIONAL LIMIT. In addition to the limitations
22 on expenditure of funds contained in sec. 40 of this chapter:

23 (1) if a borough exercises the powers in sec. 30(a)(1) of
24 this chapter in the borough area outside cities only, or in a service
25 area only, the grants authorized under this section shall be based on
26 the population of the borough area outside cities or the service area
27 respectively;

28 (2) if a city within an organized borough provides police
29 protection services, the borough may not qualify for aid under sec.

1 30(a)(1)(A) of this chapter unless

2 (A) police protection services are provided in the
3 borough area outside cities, or if limited to a service area, in
4 the service area, through borough contract with a city or with the
5 state or

6 (B) the borough assumes and exercises power to provide
7 police protection services on an areawide basis in the manner
8 provided by law.

9 Sec. 43.17.100. ROAD MAINTENANCE. During each fiscal year the
10 state shall pay to a city or organized borough of any class which has
11 power to provide for road maintenance and exercises the power a sum
12 equal to \$1,500 a mile for each mile of road, street or highway main-
13 tained by the local government, excluding the official state highway
14 system, roads, streets, or highways not dedicated to public use, any
15 roads, streets or highways maintained under the local service road pro-
16 gram (AS 19.30.111 - 19.30.251), and alleyways, in accordance with regu-
17 lations adopted by the Department of Highways. No payments may be made
18 for maintenance of roads not used by automotive equipment. Frozen
19 waterways and connections from inhabited areas to the waterways which
20 may be safely used for public transportation by automotive equipment and
21 are so used during a portion of a year are eligible for payments of \$900
22 per mile if the waterways and connections are maintained during the
23 period of use by a municipality or combination of municipalities. The
24 Department of Community and Regional Affairs, after consultation with
25 the Department of Highways, shall determine which waterways and connec-
26 tions qualify and, where the waterways or connections lie outside the
27 corporate limits of a municipality, which municipality is eligible for
28 the shared revenue unless the municipalities involved have agreed in
29 writing to a particular distribution.

1 Sec. 43.17.110. REGULATIONS. The department shall adopt regula-
2 tions necessary to carry out the purposes of this chapter. The regula-
3 tions shall include minimum standards of service required to qualify a
4 municipality for service unit credit for each service and provisions for
5 a performance report adequate to demonstrate to the department that each
6 service for which credit was allowed was actually performed by the
7 municipality at least at the prescribed minimum level.

8 Sec. 43.17.120. EXPENDITURE OF FUNDS. Funds received by a munici-
9 pality under this chapter may be expended for any public purpose for
10 which the municipality has power to expend funds except as provided in
11 sec. 40 of this chapter.

12 Sec. 43.17.130. DEFINITIONS. In this chapter

13 (1) "department" means the Department of Community and
14 Regional Affairs;

15 (2) "municipality" for revenue sharing purposes means a city,
16 borough or unified municipality incorporated under the laws of the State
17 of Alaska except a second class city incorporated after the effective
18 date of this Act and lying within an organized borough.

19 * Sec. 2. AS 43.18.010 - 43.18.050 are repealed.

20 * Sec. 3. Other provisions of this Act notwithstanding, a municipality
21 which would receive less money under the provisions of this Act than it was
22 entitled to receive in 1975 under the provisions of AS 43.18 repealed by this
23 Act shall continue to receive an amount equal to that authorized for 1975
24 under the former provisions of AS 43.18, in accordance with those provisions.

25 * Sec. 4. AS 29.18.020 is amended to read:

26 Sec. 29.18.020. SECOND CLASS CITIES. A community outside an
27 organized borough having 25 or more permanent residents may incorporate
28 as a second class city. A community located within an organized borough
29 having 125 or more permanent residents may incorporate as a second class

1 city.

2 * Sec. 5. This Act takes effect July 1, 1976.

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COMMITTEE COPY.

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Berrier

Introduced: 1/13/76
Referred: Community & Regional
Affairs and Finance

BY THE COMMUNITY AND REGIONAL AFFAIRS
COMMITTEE BY REQUEST OF THE LEGISLA-
TIVE COUNCIL INTERIM COMMITTEE ON
SHARED REVENUE WITH MUNICIPALITIES

1 IN THE HOUSE

2 HOUSE BILL NO. 539

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to municipal revenue sharing; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 17. MUNICIPAL REVENUE SHARING.

11 Sec. 43.17.010. CONSTRUCTION AND IMPLEMENTATION OF CHAPTER. (a)

12 This chapter may not be construed so as to create a debt of the state.

13 (b) The special municipal services account is established. Funds
14 to carry out the provisions of this chapter may be appropriated
15 annually by the legislature to the account. If amounts in the account
16 are insufficient for the purpose of each local government's share
17 authorized under this chapter, such funds as are available shall be
18 distributed pro rata among eligible local governments.

19 (c) Money in the special municipal services account which, at the
20 end of the fiscal year for which the money is appropriated, exceeds
21 the amount required for the allocations authorized in this chapter re-
22 verts to the general fund.

23 Sec. 43.17.020. MINIMUM GRANTS TO MUNICIPALITIES. (a) A
24 municipality may, in lieu of obtaining revenue sharing money as pro-
25 vided in this chapter, obtain instead a minimum grant of \$25,000.

26 (b) In addition to the minimum grant, a municipality which assumes
27 a new service listed below and has elected to receive the minimum
28 grant provided for in (a) of this section shall receive a grant as set
29 out in (1) - (8) of this subsection for the first year it provides the

1 new service and for the next four years receive respectively 80 per
2 cent, 60 per cent, 40 per cent and 20 per cent of that amount. A grant
3 received under this subsection must be expended on the service which gave
4 rise to the grant entitlement. The services and the amount per capita
5 grant are:

- 6 (1) police protection, \$75
- 7 (2) fire protection, \$25
- 8 (3) air or water pollution control \$10
- 9 (4) land use planning, \$10
- 10 (5) parks and recreation, \$25
- 11 (6) small boat harbor or port, \$25
- 12 (7) airport, \$25
- 13 (8) mass transit system, \$25.

14 (c) For purposes of computing the grant under this section, the
15 population figure for a municipality having less than 250 people shall
16 be 250; the population figure for a municipality having 250 - 500 shall
17 be 500; and the population figure for a municipality having more than
18 500 people shall be the actual population recorded to the next highest
19 even hundred.

20 (d) The department shall issue regulations regarding procedures
21 and time limits for making an election under this section.

22 Sec. 43.17.030. BASIC GRANTS TO MUNICIPALITIES. (a) The amount
23 of revenue sharing for which each municipality which does not elect to
24 receive instead of the grant as provided for under sec. 20 of this
25 chapter shall be calculated: as a result of $B \times P$ where

26 (1) B is the base revenue sharing amount of \$1 times the
27 service units for each service performed by the municipality established
28 as follows:

29 (A) police protection 12 units

1	(B) fire protection	7.5 units
2	(C) air or water pollution control	2 units
3	(D) land use planning	2 units
4	(E) parks and recreation	5 units
5	(F) small boat harbor or port	5 units
6	(G) mass transit	5 units
7	(H) airport	5 units
8	(I) solid waste disposal	2 units

9 (2) P is the population of the municipality rounded up to the
10 nearest 500.

11 (b) If a municipality contains areas having differential rates of
12 taxation, the entitlement shall be calculated for areawide services and
13 for each area separately and totaled to reach the entitlement of the
14 municipality. Revenue sharing money for which the entitlement is based
15 upon areawide services may be used for areawide purposes only, and
16 revenue sharing money for which the entitlement is based upon service
17 area services may be used for that service area only.

18 Sec. 43.17.040. HEALTH FACILITIES AND HOSPITALS. (a) During
19 each fiscal year the state shall make payments as follows:

20 (1) \$1,000 per hospital bed to organized boroughs having
21 health powers for each hospital bed actually used for patient care,
22 limited to the number of beds provided for in the construction design
23 of the hospital, or \$50,000 per hospital for those hospitals with 10
24 or more beds or \$20,000 per hospital for those hospitals with less
25 than 10 beds as the local government may determine;

26 (2) \$1,000 per hospital bed to each hospital located outside
27 an organized borough having health powers for each hospital bed
28 actually used for patient care, limited to the number of beds provided
29 for in the construction design of the hospital, or \$50,000 for those

1 hospitals with 10 or more beds or \$20,000 per hospital for those
2 hospitals with less than 10 beds, as the hospital may determine;

3 (3) \$1,000 per bed to an organized borough or city outside
4 an organized borough in which a health facility is operated for each
5 bed actually used for patient care, limited to the number of beds
6 provided for in the construction design of the health facility, or
7 \$4,000 per health facility as the local government may determine;

8 (4) funds received by a local government under (1), (2) or
9 (3) of this subsection shall be used for expenses of operation, main-
10 tenance, or health services or facilities, as the local government
11 or hospital outside a municipality determines;

12 (5) before funds may be distributed under this subsection,
13 the commissioner of health and social services shall certify to the
14 distributing agency that any accumulation of assets by nonprofit
15 corporations or other recipients under this subsection are dedicated
16 irrevocably to a public purpose.

17 (b) If construction of a facility began after January 1, 1968,
18 a bond issued by a surety company licensed to do business in the state
19 in a form and amount determined by the department to be adequate to
20 assure completion of the project has been furnished the department,
21 and state matching aid for construction approved for payment to the
22 local government or other facility sponsor constitutes less than 25
23 per cent of the total project cost, the state shall pay to the local
24 government or other facility sponsor each fiscal year a sum equal to
25 \$2,500 a bed for the maximum number of beds provided for in the
26 construction design of the facility. State aid provided for in this
27 subsection shall continue until the local government or other facility
28 sponsor has received an amount which, combined with state matching
29 money for construction of the facility, equals 25 per cent of the

1 total project cost. No funds received for construction shall be used
2 for any other purpose.

3 (c) In this section

4 (1) "hospital" means a licensed hospital determined by the
5 Department of Health and Social Services to be a general hospital;
6 the term excludes facilities operated or wholly supported by the state
7 or the federal government;

8 (2) "health facility" means public health centers, maternity
9 homes and community mental health centers, facilities for the mentally
10 or physically handicapped, nursing homes and convalescent centers which
11 are licensed, when required, by the state under AS 18.20.010 - 18.20.-
12 130 and are owned or operated or both by a local government or by a
13 nonprofit corporation or other nonprofit sponsor; the term excludes
14 facilities operated or wholly supported by the state or the federal
15 government.

16 (d) This section shall be administered by the Department of Health
17 and Social Services.

18 (e) A municipality may expend funds received under this section
19 only for the specific facilities and services which gave rise to the
20 grant entitlement.

21 (f) No hospital or health facility is eligible for revenue
22 sharing under this section unless the hospital or health facility has
23 received a certificate of need from the municipality in which it is
24 located or from a state agency authorized to issue certificates of
25 need.

26 Sec. 43.17.050. VOLUNTEER FIRE DEPARTMENTS OUTSIDE MUNICIPALITIES.
27 The state shall pay to a volunteer fire department registered with the
28 state fire marshal and serving an area not in an organized borough or a
29 city a sum for protection purposes equal to \$7.50 per capita for the popu-

1 lation served by the department, as determined by the state fire marshal
2 using the latest figures of the United States Bureau of the Census or
3 other reliable data. Grants shall be made on the same basis to facili-
4 tate the organization of volunteer fire departments in an area not in an
5 organized borough or a city, upon application of the proposed fire pro-
6 tection group to the state fire marshal and approval of applications
7 according to standards of organization and service prescribed by regula-
8 tions promulgated by the state fire marshal.

9 Sec. 43.17.060. AREA COST-OF-LIVING DIFFERENTIAL. (a) State
10 payments to a city or an organized borough under this chapter shall
11 reflect area cost-of-living differential. Amounts distributed shall be
12 based upon the sum of the grants due each city or organized borough
13 multiplied by the appropriate area cost-of-living differential. The
14 area cost-of-living differential for each city and organized borough
15 shall be determined annually by election district under the provisions
16 of AS 39.27.030; however, the area cost-of-living differential to be
17 applied shall not result in an amount to be distributed less than the
18 base allocation.

19 (b) The election districts used in (a) of this section are those
20 designated by the proclamation of reapportionment and redistricting
21 of December 7, 1961, and retained for the house of representatives by
22 proclamation of the governor September 3, 1955.

23 Sec. 43.17.070. FINANCIAL REPORTS. No money may be distributed
24 to a municipality under this chapter unless the municipality has first
25 submitted a financial report to the department for each of the two fis-
26 cal years immediately preceding the fiscal year in which funds are to be
27 distributed and a budget for the municipality's fiscal year in which funds
28 are to be distributed. The department may, by regulation, prescribe
29 procedures and filing dates for submitting financial reports and for

1 obtaining all information required to determine the municipality's tax
2 effort.

3 Sec. 43.17.080. POPULATION DETERMINATION. For purposes of this
4 chapter, population shall be determined by the latest figures of the
5 United States Bureau of the Census, Department of Labor estimates or
6 other population data which, in the judgment of the department, is
7 reliable.

8 Sec. 43.17.090. ADDITIONAL LIMIT ON EXPENDITURE OF FUND. In
9 addition to the limitations on expenditure of funds contained in sec.
10 40 of this chapter:

11 (1) if a borough exercises the powers in sec. 30(a)(1) of
12 this chapter in the borough area outside cities only, or in a service
13 area only, the grants authorized under this section shall be based on
14 the population of the borough area outside cities or the service area
15 respectively;

16 (2) if a city within an organized borough provides police
17 protection services, the borough may not qualify for aid under (a)(1) of
18 this section unless

19 (A) police protection services are provided in the
20 borough area outside cities, or if limited to a service area, in
21 the service area, through borough contract with a city or in the
22 state or

23 (B) the borough assumes and exercises power to provide
24 police protection services on an areawide basis in the manner
25 provided by law.

26 Sec. 43.17.100. ROAD MAINTENANCE. During each fiscal year the
27 state shall pay to a city or organized borough of any class which has
28 power to provide for road maintenance and exercises the power a sum
29 equal to \$1,500 a mile for each mile of road, street or highway main-

1 tained by the local government, excluding the official state highway
2 system, roads, streets, or highways not dedicated to public use, any
3 roads, streets or highways maintained under the local service road pro-
4 gram (AS 19.30.111 - 19.30.251), and alleyways, in accordance with regu-
5 lations adopted by the Department of Highways. No payments may be made
6 for maintenance of roads not used by automotive equipment. Frozen
7 waterways and connections from inhabited areas to the waterways which
8 may be safely used for public transportation by automotive equipment
9 and are so used during a portion of a year are eligible for payments of
10 \$900 per mile if the waterways and connections are maintained during
11 the period of use by a municipality or combination of municipalities.
12 The Department of Community and Regional Affairs, after consultation
13 with the Department of Highways, shall determine which waterways and
14 connections qualify and, where the waterways or connections lie outside
15 the corporate limits of a municipality, which municipality is eligible
16 for the shared revenue unless the municipalities involved have agreed
17 in writing to a particular distribution.

18 Sec. 43.17.110. REGULATIONS. The department shall adopt regula-
19 tions necessary to carry out the purposes of this chapter. The regula-
20 tions shall include minimum standards of service required to qualify
21 a municipality for service unit credit for each service and provisions
22 for a performance audit adequate to demonstrate to the department that
23 each service for which credit was allowed was actually performed by the
24 municipality at least at the prescribed minimum level.

25 Sec. 43.17.120. EXPENDITURE OF FUNDS. Funds received by a munici-
26 pality under this chapter may be expended for any public purpose for
27 which the municipality has power to expend funds except as provided in
28 secs 20(b) and 40 of this chapter.

29 Sec. 49.17.130. DEFINITIONS. In this chapter

1 (1) "department" means the Department of Community and
2 Regional Affairs;

3 (2) "municipality" for revenue sharing purposes means a
4 city, borough or unified municipality incorporated under the laws of the
5 State of Alaska except a second class city incorporated after the effec-
6 tive date of this Act and lying within an organized borough.

7 * Sec. 2. AS 43.18.010 - 43.18.050 are repealed.

8 * Sec. 3. Other provisions of this Act notwithstanding, a municipality
9 which would receive less money under the provisions of this Act than it was
10 entitled to receive in 1975 under the provisions of AS 43.18 repealed by this
11 Act shall continue to receive an amount equal to that authorized for 1975
12 under the former provisions of AS 43.18, in accordance with those provisions.

13 * Sec. 4. AS 29.18.020 is amended to read:

14 Sec. 29.18.020. SECOND CLASS CITIES. A community outside an
15 organized borough having 25 or more permanent residents may incorporate
16 as a second class city. A community located within an organized borough
17 having 125 or more permanent residents may incorporate as a second class
18 city.

19 * Sec. 5. This Act takes effect July 1, 1976.
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ALASKA STATE LEGISLATURE

NINTH Legislature SECOND Session

HOUSE BILL NO. 539

By THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL INTERIM COMMITTEE ON SHARED REVENUE WITH MUNICIPALITIES

"An Act relating to municipal revenue sharing; and providing for an effective date."

Municipal revenue sharing

Introduced in the House 1/13/76

HISTORY IN THE HOUSE

19 76
Jan 13 Read first time and referred to Committee on C&RA and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19 Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No.