

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. Draft SCS CSHB 687
 Title: State Aid to Unified Municipalities
 Requested by: Senator Rodey Date: May 5, 1976
 Return Date Requested: May 6, 1976
 Agency: Community & Regional Affairs Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Municipal Service Revenue Sharing

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	-0-	387,500	391,250	395,000	398,750	402,500
TOTAL	-0-	387,500	391,250	395,000	398,750	402,500

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	387,500	391,250	395,000	398,750	402,500
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Population was established after talking with Municipality of Anchorage Planning Department

MUNICIPAL SERVICES	RATE		POPULATION	=	ENTITLEMENT
Transportation	\$5.00	X	68,500	=	\$ 342,500
Military Trans.	\$2.50	X	18,000	=	45,000
					\$ 387,500

Program Summary: The value of the bill would be \$387,500 required to pay the Municipality of Anchorage based upon the transportation services provided by the City of Anchorage and the Greater Anchorage Area Borough prior to unification.

IV. ATTACHMENTS

Attached you will find a draft of SCS CSHB 687 relating to State Aid for a unified municipality.

V. DATE: May 5 1976 PREPARED BY: Earl J. Simpson

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Fiscal Estimate to accompany SCS CSHB 627, relating to
state aid to unified municipalities...

The additional money required to meet the cost of the amendment for FY 77 is \$ 385,000, representing the sum which the State would have been required to pay to the former City of Anchorage for certain transportation services provided by it (i.e. operation of the Port of Anchorage and Merrill Field) prior to unification.

The transportation category is the only one in which entitlements are payable, under the current revenue sharing program, in which municipalities could lose support in the event of unification, merger or consolidation. The category includes four separate services -- mass transit, airports, small boat harbors, and port operations; under current administrative interpretation by the Department of Community and Regional Affairs, payment is made to support the first of the four services undertaken by a municipality, but no additional support is extended for subsequent services provided by the local government.

During FY 76, the two major municipalities within metropolitan Anchorage each received assistance in the general category of transportation: the former City, for its port and airport operations, the Borough for the mass transit services. The City's entitlement was protected against proration by the administering agency by the Opinion of the Attorney General of February 18, 1976 (copy attached), though that document cautioned that the conclusion reached applied only to the factual situation described for the year of unification.

For FY 77, the administration's submission recognizes only the first five dollars per capita due and payable to the Municipality of Anchorage for its areawide mass transit service. Support previously payable for the port operation and Merrill Field is not otherwise protected. The estimate herein is based on a city service area population of 68,000 (at \$ 5. per capita) and an additional military population of 18,000 (at \$ 2.50 per capita).