

HB

875

118 815

	<u>Acres</u>	<u>%</u>	<u>\$</u>
Valley	256,000	55.54	4,985 4,990
Canyon	4,064	0.88 .09	79
Yukon	12,800	.28	252

Craig	6,080	.04	986
Heena	340	.002	49
Hydaburg	189	.001	25
Kake	640	.004	99
Klawock	100	.001	25
Pelican	113	.001	25
Vetersburg	32,000	0.20	4,930
Skagway	6,400	.04	986
Wrangell	32,000	.20	4,930
Total			<u>\$17,376</u>

Tongass National Forest

Acreage 15,997,447
 FY 1977 Receipts \$2,465,222

Chugach National Forest

Acreage 4,624,567
 FY 1977 Receipts \$90,066

TO; Lisa FROM: Annette
April 13, 1978

HB 875 Payments to 1st class and home rule municipalities
from National Forest revenues.

This bill adds a new section to extend to first class and home rule cities in the unorganized borough a portion of the revenues received from National Forest lands. The law presently shares these revenues with boroughs for support of schools and roads. Payments are based on national forest acreage within the municipalities.

The Federal law, 16 U.S.C. 500, as cited in the statute, gives a portion of the national forest stumpage revenues to states for distribution to "counties" for the support of schools and roads. When Alaska became a state, it was thought that boroughs were Alaska's answer to counties and so the revenue was shared with boroughs.

Obviously, boroughs are not the only municipalities which support schools and roads, but since the federal law specifies counties, and it is felt that the federal government will not accept cities in the unorganized borough as a special form of county, HB 875 is worded so as to get around the specifics of the federal law. In HB 875 the cities will receive a share of the national forest revenues from the general fund.

The general fund contains the remainder of the national forest shared revenues after some have been dispursed to boroughs. In other words, it is not going directly to the cities, but is appropriated at a later date to them from the general fund.

DC&RA handles the disbursement of funds (which they receive from the Forest Service) to boroughs. They will give us a fiscal note on the impact of this legislation. An estimate is about 8 cities.