

HB

583

(7)

COMMITTEE REPORT

HOUSE

1/21/80

FURTHER: FINANCE

Date: 22 Jan 80

Mr. Speaker:

COMMUNITY AND REGIONAL

The Committee on AFFAIRS has had HB 583

"An Act relating to state aid to local governments; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE:

HR 583 Minimum grant/Revenue Sharing

ORIGINAL SPONSOR:

House C&RA

OTHER SPONSORS: _____

RECEIVED FROM:

FURTHER REFERRALS: _____

HEARING DATE:

1/30/80

MEMBERS PRESENT:

Bill Parker
Margaret Branson
Pat O'Connell

Pat Carney
Charlie Parr
Fred Zharoff
Ray Metcalfe

Witnesses:

McCarter, Dept. of C&RA

COMMITTEE ACTION:

No action

TAPE # 1

SIDE

2

Footage 1195-1741

Alaska State Legislature



House of Representatives

Committee on

Community & Regional Affairs

COMMITTEE MINUTES

Pouch V
State Capitol
Juneau, Alaska 998

Official Business

DATE: 2/13/80-

BILL NUMBER AND TITLE: HB 583 State Aid to Local Governments

ORIGINAL SPONSOR : Joint House/Senate
C&RA

OTHER SPONSORS:

RECEIVED FROM:

FURTHER REFERRALS: Finance

MEMBERS PRESENT: Bill Parker X
Margaret Branson X
Pat O'Connell X

Pat Carney X
Charlie Parr X
Fred Zharoff X
Ray Metcalfe

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

The committee discussed the proposed CS which would establish a minimum base revenue sharing entitlement of \$25,000. CS to be drafted and signed out week of 2/18/80

COMMITTEE ACTION: See above

TAPE # 2 SIDE 2

Sections 580-600

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B

JUNEAU, ALASKA 99811

February 1, 1980

Ms. Theresa Peoples
Local Government Training Coordinator
A.V.C.P. Employment & Training
P. O. Box 848
Bethel, Alaska 99559

Dear Ms. Peoples:

RE: STATE REVENUE SHARING PROGRAM

The concerns expressed in your letter of January 22, 1980 are appreciated. The Department of Community & Regional Affairs recognizes the limited revenue sources available to most second class cities, including the amount of State shared revenue these cities can generate. To improve this situation, we support legislation that would provide for a minimum grant of \$25,000 under the State Revenue Sharing Program. This annual payment would not be dependent on municipal services provided by the applicant, and any city or borough could apply for this minimum grant in lieu of the per capita, per mile and per facility payments currently authorized. The grant would hopefully be used to pay the salary of a permanent, experienced city clerk or administrator.

Currently, there are several bills pending in the legislature that would establish the \$25,000 minimum grant. H. B. 300 introduced last year by Representative Nels Anderson provides for a minimum entitlement to the current municipal services revenue sharing program. H. B. 192 introduced last year by Representative Terry Gardiner would repeal the existing revenue sharing program and replace it with a formula based on a municipality's tax effort compared to its taxable wealth. A minimum grant of \$25,000 has been attached to this formula. This Department supports the concept proposed by both bills. Copies are enclosed for your information.

Another related bill, H. B. 583 introduced this year, would entitle every municipality to \$25,000 in addition to the amount it receives under the municipal services revenue sharing program. The Department is opposed to this approach as it would grant the additional \$25,000 to those cities and boroughs already receiving substantial revenue sharing funds.

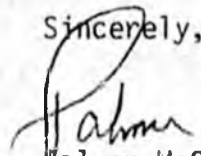
Ms. Theresa Peoples
February 1, 1980
Page 2

It is important to remember that insufficient funding would result in prorated entitlements. In other words, due to prorationing, a city could receive less than \$25,000 even if one of these bills were to become law.

It is suggested that the cities in the A.V.C.P. Region contact their legislators to voice their support for H. B. 300 which provides the \$25,000 minimum entitlement, and for H. B. 192 which generally provides more revenue sharing dollars to poorer rural communities. We envision this grant as a partial solution, at least, to the problems of a poor revenue/tax base and high administrator turnover in most second class cities.

The #3 concern in your letter addressing needs for improved judicial services is one well recognized by this Department. We hoped that improvements in this area can be made through further efforts by the Executive and Legislative branches of State government.

Sincerely,


Palmer McCarter
Director

Enclosures

cc: Senator Arliss Sturgulewski
Representative Terry Gardiner
✓ Representative Bill Parker
Representative Nels Anderson
w/Enclosure

A.V.C.P. Employment & Training

P.O. BOX 848

BETHEL, ALASKA 99559

Phone: 543-3243

January 22, 1980

Palmer McCarter, Director
Division of Local Government
& Assistance
Department of Community &
Regional Affairs
Pouch B
Juneau, Alaska 99811

RECEIVED
JAN 25 1980

DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Dear Mr. McCarter:

Thank you for your response to my letter.

At my last meeting with the City Administrators the questions/concerns were in the following areas:

- a. State Construction Aid
- b. Land Use Planning
- c. Transportation Facilities
- d. Health Facilities
- e. Preparing for a Census

In addition the following have been brought to my attention:

1. Second class cities, whose population is less than 200 are barely functioning with the existing State Revenue Sharing Formulas. In the A.V.C.P. Region, 98% of the Second Class Cities and their residents are economically disadvantaged, and therefore are not in any position to levy and collect local taxes.
2. The existing State Revenue Sharing has no provisions for City Administrators/Managers. As there are no local taxes, there are no funds to hire a City Administrator/Manager. For the last four years, Yupiktak Bista Manpower through CETA grants have employed City Administrators. A.V.C.P. Employment & Training finds that there are many disadvantages, for one, the present system lacks continuity. The Second Class Cities are involuntarily experiencing key staff turnovers. As the result of the turnovers/terminations we are constantly training new City Administrators.

3. The State of Alaska and the Alaska Statutes lacks and does not provide for any judicial system for Second Class Cities. The second Class Cities are finding themselves handicapped when ordinances are adopted for collection of fines and/or punishments.

We will be most happy for your time and assistance.

Thank you.

Sincerely,
AVCP Employment & Training

Theresa Peoples
Theresa Peoples
Local Government Training
Coordinator

cc: John Angaiak
Executive Director

TP/rmj

(7)

COMMITTEE REPORT

HOUSE

2/22

1/21/80

"Sick-pink Copy"

FURTHER: FINANCE

Date: 22 Feb 80

Mr. Speaker:

COMMUNITY AND REGIONAL

The Committee on AFFAIRS has had HB 583

"An Act relating to state aid to local governments; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 583 same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back with ~~one~~ ^{individual recommendations} ~~recommendation~~
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Bin Paul

Margaret Brennan

Frank W. Zaroff

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Falcoche Howell Do Not Pass

Charles Han Do Not Pass

Ray M. Staley Do Rec

Bin Paul
CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 583
 Title An Act relating to State Aid to Local Governments
 Requested by C&RA Committee Date 4-4-80

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Local Government Assistance - Grants
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1893.1	1893.1	1893.1	1893.1	1893.1
TOTAL		1893.1	1893.1	1893.1	1893.1	1893.1

FUNDING (Thousands of Dollars)

GENERAL FUND		1893.1	1893.1	1893.1	1893.1	1893.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

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

Under the FY 1980 program 74 municipalities received less than \$25,000. It is assumed that all other municipalities eligible for the program will also apply in FY 1981, which is an additional 18 applicants, for a total of 92 municipalities eligible for the minimum grant entitlement of \$25,000.

Minimum Entitlement	\$ 25,000
Average COLA	x 123.65%
Total Minimum Entitlement	\$ 30,912
Eligible Applicants	x 92
	\$2,843.904
Already Funded in FY 81 Budget	- 950,820
Additional Funding Required for FY 81 Budget	\$1,893,084

IV. DATE 4-4-80 PREPARED BY Netta Crago
 AGENCY Community & Regional Affairs
 PHONE 465-4733
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H. B. 583 and S. R. 351

Title An Act Relating to State Aid to Local Governments; and Providing for an Effective

Requested by House Community & Regional Affairs Committee Date 1-18-80 Date

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Community Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance - Grants

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	4,760.0	4,883.0	4,883.0	4,883.0	4,883.0
TOTAL	0	4,760.0	4,883.0	4,883.0	4,883.0	4,883.0

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	0	0	0	0	0	0

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

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

Assuming all municipalities are eligible plus the anticipated incorporation of three municipalities, for FY 81 and four for FY 82

FY 81

FY 82

see attached

IV. DATE 1-18-80

PREPARED BY Netta Crapo

AGENCY Community & Regional Affairs

PHONE 465-4733

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

CONTINUATION

FY 81

154 municipalities

x 25,000 additional entitlement

3,850,000

x 23.63% average of COLA's

909,755

3,850,000

4,759,755 FY 81 additional funding

FY 82

158 municipalities

x 25,000 additional entitlement

3,950,000

x 23.63% average COLA's assuming no changes

933,385

3,950,000

4,883,385 FY 82 additional funding

FY 83 through FY 84 is anticipated to remain at the same level