

HB

152

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

2/2/83

Date: 2/16/83

Mr. Speaker:

The Committee on C & RA has had HB 152

An Act making a supplemental appropriation to the miscellaneous services account; and providing for an effective date.

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 152 same title
- and recommends Do Pass new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

[Signature]

JACK W. BRIDE

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

[Signature]

[Signature]

CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

REQUEST

Bill/Resolution No.: HB 152 CS(C&RA)
Title: Supp Approp/MISC SVS Acct/
Effect Date
Sponsor: C&RA Committee
Requestor: Jay Hogan
Date of Request: 12/16/83

FISCAL DETAIL

Agency Affected: Community & Regional Affairs
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	2938.0 (FY 83)					
900 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	2938.0 (FY 83)					
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

No source indicated by sponsor other than general fund.

ANALYSIS: Attach a separate page for analysis

Prepared By: Mar Winegar Phone: 465-4750
Division: Municipal and Regional Assistance Date: 12/29/83
Approved by Commissioner: [Signature] Date: 12/29/83
Agency: Community and Regional Affairs

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/29/83

Bill/Resolution No.: HB 152 CS
Title: Supp Approp/MISC SVS Acct/Effective
Date

ANALYSIS:

Assumptions:

As this supplemental appropriation would be administered through an existing Community and Regional Affairs program, there would be no fiscal impact other than the increased amount of grant money made available to municipalities. However, as this applies to the fiscal year ending June 30, 1983, it is probably moot.

Positions:

Other Expenditures:

Funding:

Section Cost Analysis:

Computations:

Economic Impact:

Impact on Local Government:

Attachments

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

February 15, 1983

POSITION PAPER

RE: CSHB 152

SPONSOR: House Community & Regional Affairs Committee

Program Effects of Bill

The bill makes a \$2.938 million supplemental appropriation to fully fund Chapter 89 State Revenue Sharing. This chapter funds roads, ice roads, health facility and hospital operations, unincorporated communities and volunteer fire departments serving unincorporated areas in the unorganized borough.

Comments

The Department believes it is important to fully fund programs that allow municipalities and unincorporated communities to provide vital services to their residents. The current funding level for Chapter 89 requires that local allocations be prorated at about 81% of their fully funded level. The funding for this program must be weighed against other State needs to determine if its priority warrants full funding. The Department does not have funds available from within its FY'83 budget to reduce or offset this supplemental appropriation.

McLean
2/16/83

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSHB 152 Date on Bill: Undated
 Title: Supplemental appropriation to miscellaneous services account
 Sponsor: House Community & Regional Affairs
 Requestor: House Community & Regional Affairs

1. Estimated fiscal impacts on: Department of Community & Regional Affairs

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								
---------	--	--	--	--	--	--	--	--

2. Source of funds to offset fiscal impact of bill:

The sponsor has not indicated the source of offset for the supplemental appropriation of \$2,938,000.

3. Assumptions:

This supplemental appropriation would be administered through an existing Department program. No fiscal impact

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Richard Rainery Phone: 465-4703
 Division: Commissioner's Office Date: 2/15/83

Approved by Commissioner: *M. Mat Lewis* Date: 2/16/83
 Department: Community & Regional Affairs

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/8/83

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

FEB 15 1983

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

MEMORANDUM

February 15, 1983

SUBJECT: Constitutional spending limit

TO: Representative Barbara Lacher
Chairman, House Community and Regional
Affairs Committee

FROM: Billy G. Berrier *BGB*
Director
Division of Legal Services

You have asked whether supplemental appropriations for fiscal year 1983 reduce the amount available for appropriation in fiscal year 1984 under section 16, Article IX, Constitution of the State of Alaska (the spending limit amendment).

In my opinion they do not.

First and conclusive is the provision in section 28 of Article XV of the Constitution which reads:

APPLICATION OF AMENDMENT. The 1982 amendment limiting appropriation increases (art. IX, sec. 16) applies to appropriations made for fiscal year 1984 and thereafter.

This section excludes earlier appropriations, that is in practical effect fiscal year 1983 appropriations, from the spending limit.

Even if the spending limit applied supplemental appropriations would be counted against the limit in the year the appropriations were available. The relevant part of section 16, Article IX reads:

. . . appropriations from the treasury for a fiscal year shall not exceed . . . (Emphasis added)

Representative Barbara Lacher
Page 2
February 15, 1983

A supplemental appropriation is for the current fiscal year. Therefore, they would be counted against the limit for the fiscal year in which they were made. For example a fiscal year 1984 supplemental must be within the available appropriation limit for fiscal year 1984. A fiscal year 1983 appropriation is for fiscal year 1983 spending authority and is not part of the fiscal year 1984.

BGB:ljb

February 4, 1983

TO: HB 152 files

FROM: Paula

Spoke with Terry Early re: rev. sharing shortfall FY 83.

Ch. 101 SCSHB 148 fin. Pg. 15 Session laws, v. 2

\$55,721,000 appropriated to Ch 88-95

Breakdown

Ch. 88 \$34,913,800

Ch. 89 14,061,200 - miscellaneous.

Ch. 90 6,746,300 Hosp. + Health Fac. Construction

Appropriated almost identical for previous year except for some extra funds added for health care. The road mileage came in higher and unexpected in two areas primarily - Kenai and Mat-Su

Proration factor approaches 83%



Official Business

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

REVENUE SHARING

Entitlements to municipalities established in AS 29.89 are for roads, hospitals and health facilities, volunteer fire departments in the unorganized borough, unincorporated communities, and area cost of living differentials.

The FY 83 allocation for these entitlements failed to cover the large increase in eligible road maintenance funding and an 80 percent proration of the funding occurred.

81-83 3/6

Shortfall of entitlement - \$3.5 million.

Intervues 52 and 153 on same day

- Know action on Companion SB as of Intubation det.

FR request of C & R 3 Feb,
PSN statement

get psn from Muni League

Witnesses - get OMNI on 15/95
Esp Ketchum, Anthony, Kincaid, F.B.K's, MATT SA
Jensen, NOME, Bethel
(Gravy can probably help get them)

- provide copy of AS 29.89, 29.95

- Get Dept CRA Very Early } testify
Muni League
Jensen City - Borough
Pat Anderson

- Check w/ Mark Campbell for other backup.

Commit files

- FR
- Dept psn
- Muni psn
- breakout of receipt by City
- Bill
- Municipal messages

COLUMBIA WHITE

		¹⁴ 255,721,000	² 258,721,000	³ Difference	⁴ 259,221,000	⁵ Difference
		C.H. 89	C.H. 89		C.H. 89	
		Currently	+ 3 million		+ 3.5 million	
1	Anchorage	2241457	2722271	480844	2756085	514656
2	Bristol Bay	19181	23296	4115	2386	4405
3	FBKS Boro.	296090	359609	63519	364076	67986
4	Haines Boro	-	-	-	-	-
5	Juneau	471635	572814	101179	57928	10822
6	Kenai Peninsula	1427655	173322	306267	1755458	327805
7	Ketchikan Boro	-	-	-	-	-
8	Kodiak Island	438504	532575	94071	537190	100686
9	Mat-Su	1407939	1709977	302038	1731216	323277
10	North Star	263730	320307	56577	324286	60556
11	Sitka	273821	332563	58742	336693	62872
12						
13	Barrow	-	-	-	-	-
14	Cordova	278019	337661	59642	341355	63336
15	Chitina	29467	35788	6321	36233	6766
16	Dillingham	30165	36636	6471	37091	6926
17	Fairbanks	600562	729337	128775	738375	137813
18	Galena	24234	30161	5927	30536	5702
19	Haines	24133	29310	5177	29674	5541
20	Homer	40231	48983	8752	49591	9260
21	Hoonah	8763	10632	1869	10764	2001
22	Hydaburg	6437	7818	1381	7975	1478
23	Kake	1365	16633	15268	16839	3144
24	Kenai	116861	141931	25070	143694	26833
25	Ketchikan	274302	333147	58845	337084	62782
26	King Cove	16554	20125	3571	20355	3801
27	Klawock	3432	4168	736	4220	788
28	Kodiak	32087	38974	6887	39458	7369
29	Nenana	36151	43907	7756	44452	8301
30	Nome	325332	456579	131247	462250	86918
31	North Pole	25225	30636	5411	31077	5752
32	Palmer	252730	306947	54217	310766	58030
33	Reliance	9379	11416	2037	11557	2158
34	Petersburg	250817	324221	73404	308506	57689
35	Port Point	25120	30509	5389	30888	5768
36	Port Nevers	30420	37019	6599	37479	6999
37	Seldovia	20569	24982	4413	25393	4724
38	Seward	39125	475627	446502	481534	85909
39	Stacumy	27761	33717	5956	34136	6375
40	Soldotna	54168	65788	11620	66605	12437

WRITE
COLUMN

	1	2	3	4	5	
1	Tanana	89635	108864	119229	110216	20581
2	Unalaska	109363	132824	23461	134474	25111
3	Valdez	299784	364095	64311	368617	68833
4	Wrangell	240046	291542	51496	295164	65118
5	Ukuk	14231	17282	3053	17492	3268
6						
7	Akiuk	3743	10619	1876	10751	2008
8	Akiachuk	30248	37430	6582	37992	7644
9	Akiak	12268	14900	2632	15085	2917
10	Akolmiut	82107	99625	17518	100855	18748
11	Akutun	—	—	—	—	—
12	Akarnuk	32188	39234	6946	40228	7410
13	Aknagik	29167	35424	6257	35264	6697
14	Allakut	11314	13741	2427	13911	2597
15	Ambler	23216	28225	5109	29284	5468
16	MARK TUNNE PASS Anderson	16914	20543	3629	20728	3881
17	Angoon	17695	21420	3775	21235	4040
18	Aniak	82451	100139	17688	101322	18731
19	Anvik	9451	110992	1941	11129	2078
20	Armanthuk	8742	10609	1866	10740	1997
21	Bethel	234003	284203	50900	287233	53730
22	Brevia Mission	7051	10992	1941	11129	2078
23	Buckland	—	—	—	—	—
24	Cheternak	8724	10595	1871	10227	2003
25	Chenak	11587	14022	2485	14247	2610
26	Chwathookuk	30547	37101	6554	37562	7015
27	York's Point	—	—	—	—	—
28	Cold Bay	—	—	—	—	—
29	Deerha	10691	12985	2294	13146	2455
30	Delta Station	33204	40288	7084	40786	7582
31	Diomedes	—	—	—	—	—
32	Eagle	6329	7687	1358	7785	1454
33	Eek	824	10395	1871	10227	2003
34	Ekwok	8468	10312	1804	10339	1931
35	Elin	13577	11490	2913	10698	3118
36	Ermonak	30529	36787	6499	37244	7055
37	Fort Yukon	58269	46433	3164	47007	8738
38	Fortna ledge	23992	29132	5146	29500	5582
39	Gambell	—	—	—	—	—
40	Golovin	40447	49124	8677	49934	9287

COL. 1. WRITE

	1	2	3	4	5	
1	Gardner's Bay	10769	13079	2310	1324	2472
2	Graveling	27436	33322	5886	33736	6300
3	Holy Cross	20365	24734	4369	25041	4676
4	Hopper Bay	5	5	5	5	5
5	Houston	67254	81682	14428	82696	15442
6	Huakas	5	5	5	5	5
7	Huklaia	59115	71797	12682	72689	13574
8	Kachernak	5	5	5	5	5
9	Kastorik	5	5	5	5	5
10	Kaltan	14708	17863	3555	18085	3377
11	Kasach	6498	7392	1394	7990	1492
12	Kiana	16744	20336	3592	20589	3845
13	Kuialina	5	5	5	5	5
14	Kobuk	9051	10992	1741	11129	2078
15	Kotlek	8724	10595	1871	10727	2003
16	Kotzebue	53091	64480	11389	65281	12190
17	Koyuk	14114	17142	3028	17355	3241
18	Koyukuk	5	5	5	5	5
19	Kupcarok	5	5	5	5	5
20	Kurothuk	8724	10595	1871	10727	2003
21	Lassen Bay	5	5	5	5	5
22	Lower Lake Bay	80138	97116	16978	98322	18184
23	Manokotok	5	5	5	5	5
24	McAnath	41946	50945	8999	51578	9622
25	Mokanuk	8724	10595	1871	10727	2003
26	Mountain Valley	8743	10609	1866	10740	1797
27	Napakak	5	5	5	5	5
28	Napakak	8724	10595	1871	10727	2003
29	Nenkalen	8408	10212	1804	10339	1731
30	New Struvalok	5	5	5	5	5
31	Newtok	8724	10595	1871	10727	2003
32	Nightmute	8724	10595	1871	10727	2003
33	Nikalai	9374	11336	2002	11477	2143
34	Nonakton	12350	14999	2649	15185	2835
35	Noonuk	15896	19356	3460	19546	3650
36	Nulatt	21870	30635	5765	33040	6170
37	Nuigut	5	5	5	5	5
38	Old Harbor	9727	11814	2087	11961	2234
39	Ousindie	6776	8230	1454	8332	1556
40	Pilot Station	5452	6622	1170	6704	1250

COLUMN WRITE

	1	2	3	4	5
1	Platinum	0	0	0	0
2	Point Hope	0	0	0	0
3	Point Alexander	0	0	0	0
4	Point Heiden	78304	95102	126798	96284
5	Point Loring	7410	9000	1590	7111
6	Quinhagak	11450	13907	2457	14079
7	Ruker	0	0	0	0
8	Russian Mission	0	0	0	0
9	St. Michael	9051	10992	1941	11129
10	St. Paul	98537	119676	21139	121162
11	Savonga	0	0	0	0
12	Saxman	6198	7892	1394	7990
13	Scammon Bay	12132	14735	2203	14918
14	Selawik	0	0	0	0
15	Shageluk	15952	19375	3423	19615
16	Shaktolik	49499	60117	10618	60864
17	Sheldon Point	0	0	0	0
18	Shishmaref	5600	10801	1201	6226
19	Shungnak	13294	16145	2851	16346
20	Stebbins	9051	10992	1941	11129
21	Teller	16659	20233	3574	20485
22	Tenake Springs	10956	13306	2350	13471
23	Togiak	21546	26169	4623	26494
24	Tokeok Bay	2724	10595	1871	10727
25	Tulkoak	111780	135760	23980	137447
26	Tununak	2724	10595	1871	10727
27	Umanaleet	35978	43697	7719	44239
28	Upper Kalskog	0	0	0	0
29	Upernivik	0	0	0	0
30	Wales	8408	10812	1804	10339
31	Wainilla	112880	136367	24087	138061
32	White Mountain	15634	18980	3354	19224
33	Whittier	14118	17147	3029	17360
34					
35	VED'S (APR 82 capacity)	6141	7452	1317	7551
36	UNINCORP'S (ad 308.11 22 st)	1599719	1578542	278223	1598418
37					
38			215,000 capita		29,990 capita
39			224,144.72		224,771.06
40					
		12031132	17046443	3009441	17252083
					3221091

file for [unclear]

Introduced by: Mayor
Date: Feb. 1, 1983
Vote: Unanimous
Action: Adopted

KENAI PENINSULA BOROUGH

RESOLUTION 83-32

FEB 7 1983

A RESOLUTION SUPPORTING FULL FUNDING OF FISCAL YEAR 1983 MUNICIPAL ASSISTANCE REVENUES AND STATE REVENUE SHARING.

WHEREAS, the continuation of adequate levels of state financial aid is essential for Alaskan local governments to continue to provide important, needed services to their citizens while holding down local taxes; and

WHEREAS, Municipal Assistance revenues are a sharing of corporate income tax revenues by the state with local governments; and

WHEREAS, Alaskan local governments were assured that they would suffer no financial harm when during the 1981 legislative session SB 524 was approved which changed the method of taxation of the petroleum industry by transferring much of the corporate income taxes previously paid by that industry to severance taxes; and

WHEREAS, the FY 1983 Municipal Assistance appropriation of \$71.3 million represents a \$25.1 million shortfall from the \$96.4 million minimum funding level which would have existed had not SB 524 been approved.

WHEREAS, the Section 89 State Revenue Sharing entitlement provides state aid to local governments for categorical services such as road maintenance and health facilities and hospitals; and

WHEREAS, the FY 1983 Section 89 State Revenue Sharing entitlement for roads, health facilities-hospitals, and volunteer fire departments was funded at only approximately 80% of the amount authorized by state statutes;

NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That the Kenai Peninsula Borough Assembly supports and endorses the supplemental appropriation of \$25.1 million FY 1983 Municipal Assistance revenues to fully fund the entitlement at the amount which would have existed had not the method of taxation of petroleum industry been changed.

Section 2. That the Kenai Peninsula Borough Assembly supports and endorses the supplemental appropriation of \$3.5 million of FY 1983 Section 89 State Revenue Sharing for roads, health facilities-hospitals, and volunteer fire departments to fully fund the entitlement at the level authorized by state statutes.

Section 3. That the State Legislature appropriate and the Governor approve the aforementioned supplemental appropriation by April 15, 1983, so that local governments can use the additional funding in setting their 1983 mill levies.

Section 4. That copies this resolution be delivered to Governor William J. Sheffield, and to all members of the Thirteenth Alaska Legislature.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 1st DAY OF February, 1983.

Donald L. McCloud
Donald L. McCloud, Assembly President

ATTEST:

Frances Beymer
Borough Clerk

Alaska
MUNICIPAL
League

TELEPHONES
(907) 586-1325
586-6526

204 N FRANKLIN ST.
JUNEAU, ALASKA 99801

January 27, 1983

To: Senate CRA Committee

From: Ginny Chitwood, AML Executive Director *Ginny*

Re: SB 17 - Municipal Assistance Supplemental

Apologies for the confusion over numbers at Tuesday's committee meeting. Mr. Donohue from the Department of Revenue, was reading from a table of estimates prepared by the Department in January of 1982, a copy of which is printed on the back of this memo. At that time, the Department estimated that corporate income tax receipts would have been \$1.08 billion if the oil and gas tax had not been changed (SB 524), making the 10% sharing to municipalities in 1983 \$108 million. Two months later, the Department lowered their revenue projections, decreasing the estimate under the current law from \$744 million to \$713 million and the estimate of the amount that would have been generated under the old law from \$1.08 billion to \$964 million.

P24

Revenue Sharing Impact
(Millions of Current Dollars)

FY	Corporation Taxes (Previous Statutes)		TOTAL Corp. Taxes (TCT)	10% TCT	Corporation Taxes (Current Statutes)		TOTAL Corp. Taxes (TCT)	10% TCT	30% TCT	FY
	43.20 Non Petroleum	43.21 Petroleum			43.20 amended Non Petroleum	43.20 amended Petroleum				
82	\$35	\$1047	\$1082	\$108	\$31	\$713	\$744	\$74	\$223	82
83	42	1101	1143	114	31	304	335	34	101	83
84	49	1233	1282	128	37	360	397	40	119	84
85	56	1436	1492	149	42	373	415	42	125	85

The comparisons, for illustrative purposes only, reveal what would have been shared if previous statutes had been in effect versus what will in fact be shared, assuming this proposal is implemented in conjunction with current statutes. The aforementioned general fund numbers represent total amounts of revenue to be shared under this proposal.

MUNICIPAL SUPPLEMENTAL - \$28.6 MILLION

"The Alaska Municipal League supports the supplemental appropriation of \$28.6 million: \$25.1 million FY 83 Municipal Assistance Revenues to fully fund the entitlement at the amount had not the method of taxation of the petroleum industry been changed during the 1981 State legislative Session and \$3.5 million FY 83 Chapter 89 State Revenue Sharing for roads, health facilities and hospitals, volunteer fire departments in the unorganized borough, and unincorporated communities to fully fund the entitlement at the level authorized by state statutes. The League further encourages the Legislature to appropriate and the Governor to approve the supplemental appropriation by April 15, 1983 so that local governments can use the additional funding in setting mill levies."

Municipal Assistance Fund - \$25.1 Million

FY 82	\$87.4 million appropriated
FY 83	\$71.3 million appropriated
FY 83	\$96.4 million if the legislature had not changed the Oil and Gas Corporate Income Tax

When the Legislature repealed the Gross Business License Tax, a portion of which was automatically distributed to municipalities, it created the Municipal Assistance Fund as a revenue replacement for local governments. The law provided that an amount "equal to or greater than 10%" of the proceeds of the previous year's corporate income tax, both special oil and gas and also general, could be appropriated to the fund. When the Legislature repealed the special oil and gas corporate income tax and increased the severance tax in the closing days of the 1981 session, it did not make any changes to the Municipal Assistance Fund. Following the session, however, legislative leaders publicly stated that they did not intend to adversely impact local government funding and would make corrections during the next session. In the 1982 session, the Legislature amended the law, increasing the level from 10% to 30%, which is estimated to provide almost as much as the previous system, but the Legislature did not adjust the FY 83 appropriation to reflect that intent.

Revenue Sharing, Chapter 89 - \$3.5 Million

Although most of the revenue sharing funds are distributed by the general formula established in AS 29.88, there are also entitlements established in AS 29.89 - State Aid for Miscellaneous Purposes, including roads, hospitals and health facilities, volunteer fire departments in the unorganized borough, unincorporated communities, and area cost of living differentials. The allocation for this chapter was not increased to cover the large increases in eligible roads, with the result being a projected \$3.5 million shortfall and an 80% proration of funding in these categories.