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COMMITTEE REPORT

3/1

HOUSE

FINANCE

(7)

FURTHER:

1/9/84

Date: 1-29-84

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 461

"An Act relating to distributions from the municipal assistance fund; 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 _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation *X 3/20/84*
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

M.W. Miller

M.W. Miller

CHAIRMAN

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
(907) 586-6526

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

To: House CRA Committee

From: Scott A. Burgess, Executive Director



Date: February 29, 1984

Re: HB 461 - Municipal Assistance Distributions

The League endorses HB 461 and urges its passage. The bill would change the existing Municipal Assistance Program to provide for the disbursement of municipal assistance funds to all municipalities on February 1 of each year.

Currently municipalities whose fiscal years do not coincide with the calendar year are penalized by having to wait for four months. Municipalities depend on municipal assistance funds to provide needed services while holding down taxes. In addition to waiting longer for the money unnecessarily because of a local budget decision, these municipalities lose the potential interest on that money during the four month period.

The League supports HB 461.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

- POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700
- 225 CORDOVA STREET - BLDG B
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2294

January 17, 1984

POSITION PAPER

RE: HB 461
SPONSOR: Representative Grussendorf

PROGRAM EFFECTS:

The bill would provide for all municipalities to receive Municipal Assistance distribution on February 1 each year. Only municipalities with calendar fiscal years presently receive this early payment. The Municipal Assistance Program is administered by the Department of Revenue; however, because this Department works closely with municipalities throughout the State, it has been asked to comment on this bill.

COMMENTS:

The timing of the distribution of State aid to municipalities is an important consideration, particularly in this era of stagnant or declining State revenues. The date when funding is made available affects municipal cash flow management and can allow municipalities to get more use out of the limited State dollars shared with them.

Many municipalities believed they were unfairly and arbitrarily penalized under the dual payment formula that was enacted in 1981 (Chapter 51, SLA 1981). This statute change allowed municipalities that were on a calendar fiscal year to receive their Municipal Assistance funding February 1, four months earlier than all other municipal recipients. This gave these selected municipalities the use of their money for 120 days before the other municipalities saw any of their funding. The basis for this dual payment plan, the attempt to increase predictability and provide the funds at the most optimum time, have not justified the basic inequity of the formula.

House Bill 461 will correct this dual payment plan and allow for all municipalities to have their Municipal Assistance funding distributed on February 1. This is more equitable and, therefore, this Department supports this legislation as introduced by Representative Grussendorf.

APPROVED:

Emil Notti
Emil Notti, Commissioner

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 461
 Title: Distributions from the
Municipal Assistance Fund
 Sponsor: Grussendorf
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

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

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						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-					

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-					
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Doug Griffin Phone: 465-4735
 Division: Municipal & Regional Assistance Date: 1/17/84

Approved by Commissioner: Annal Witt Date: 1/20/84
 Agency: Community & Regional Affairs

Distribution (by Agency preparing fiscal note):

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

12/1/83

Alaska State Legislature

REPRESENTATIVE
BEN GRUSSENDORF
P.O. BOX 928
SITKA, ALASKA 99835
(907) 747-8458

HOUSE FINANCE COMMITTEE
SPECIAL COMMITTEE ON FISHERIES

DISTRICT 3
ELFIN COVE
PELICAN
PORT ALEXANDER
SITKA
HOONAH
TENAKEE



House of Representatives

January 10, 1984

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 465-3824
(907) 465-4965

Ms. Shirley Minnish
Department of Revenue
Accountant Technician II Shared Revenue
MS 0400
Juneau, Alaska 99811

Dear Ms. Minnish:

Enclosed you will find a copy of House Bill 461 by Representative Grussendorf relating to distributions from the municipal assistance fund. The effect of this legislation is to treat all boroughs and cities equitably concerning the distributions of municipal assistance money. It would allow all boroughs and cities to receive their municipal assistance funds at the same time, February 1 of the state fiscal year for which the appropriation to the fund is made.

Representative Grussendorf would like you, or someone else in the Department who is familiar with the municipal assistance fund, to comment on HB 461. He would also like a list of the cities and organized boroughs who are eligible for municipal assistance monies and when they have been receiving them.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Kate Tesar".

Kate Tesar
Administrative Assistant

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

January 18, 1984

The Honorable Ben Grussendorf
Attn: Kate Tesar
Alaska State Legislature
Pouch V
Juneau, AK 99811

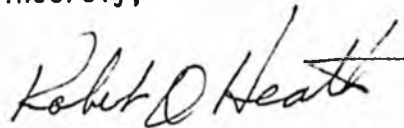
Dear Ms. Tesar:

Attached is a list of the cities and boroughs receiving Municipal Assistance funds. This list indicates when the cities would receive their sharing as required by AS 43.20.016.

We have not received a resolution stating operating year for these cities and boroughs with a check mark. The sharing date for them will be based on their FY 83 resolution.

A fiscal note is being prepared and will be forwarded.

Sincerely,



Robert D. Heath
Commissioner of Revenue

RDH:BJ:jas

Enclosure

cc: Pushpinder Dhillon
Fiscal Analyst

Municipal Assistance
Resolution Log
FY 84

	<u>Share Date</u>
✓ Anchorage Municipality	February
✓ Juneau	June
Sitka	June
Bristol Bay Borough	June
North Star Borough	June
Haines Borough	June
Kenai Peninsula Borough	June
Ketchikan Gateway Borough	June
Kodiak Island Borough	June
Matanuska-Susitna Borough	June
✓ North Slope Borough	June
✓ Akhiok	June
✓ Akiachak	June
Akiak	June
Akutan	June
✓ Alakanuk	June
Aleknagik	February
Allakaket	June
Ambler	June
Anaktuvok Pass	June
Anderson	June
Angoon	June
Aniak	June
Anvik	June
Atgasuk	June
Atmautluak	June
Barrow	June
Bethel	June
Brevig Mission	June
Buckland	June
Chauthbaluk	June
Chefornak	June
Chevak	June
Chignik	June
Clark's Point	February
Cold Bay	June
Cordova	June
✓ Craig	June
Deering	June
✓ Delta Junction	June
✓ Dillingham	June
Diomedes	June
Eagle	June
Eek	June
Ekwok	June
Elim	June
Emmonak	June

Municipal Assistance
 Resolution Log
 FY 84

	<u>Share Date</u>
Fairbanks	February
Fort Yukon	June
Fortuna Ledge	June
Galena	June
Gambell	June
Golovin	June
Goodnews Bay	June
✓ Grayling	June
Haines	June
Holy Cross	June
Homer	June
Hoonah	June
Hooper Bay	June
Houston	June
Hughes	June
Huslia	June
Hydaburg	February
✓ Rachevak	June
Kake	June
✓ Kaktovik	June
Kaltag	June
✓ Kasaan	June
Kasigluk	June
Kenai	June
Ketchikan	February
Kiana	June
King Cove	June
Kivalina	June
Klawock	June
Kobuk	June
Kodiak	June
Kotlik	June
Kotzebue	June
Koyuk	June
✓ Koyukuk	June
Kupreanof	June
Kwethluk	June
Larsen Bay	February
Lower Kalskag	June
Makoktak	June
McGrath	June
Mekoryuk	June
Mountain Village	February
✓ Napaiskak	June
Napaklak	June
Nenana	June
New Stuyahok	June
Newhalen	June

Municipal Assistance
 Resolution Log
 FY 84

	<u>Share Date</u>
Newtok	June
Nightmute	June
Nikolai	June
Nome	June
Nondalton	June
Noorvik	June
North Pole	February
Nunapitchuk (Akolmiut)	June
Nuiqsut	June
Nulato	June
Old Harbor	June
Ouzinkie	June
Palmer	February
Pelican	June
Petersburg	June
Pilot Station	February
Platinum	June
Point Hope	June
✓ Port Alexander	June
Port Heiden	June
Port Lions	June
Quinhagak	June
Ruby	June
Russian Mission	June
Saint Marys	June
Saint Michael	June
Saint Paul	June
Sand Point	June
Savoonga	June
Saxman	June
Scammon Bay	June
Selawik	June
Seldovia	June
Seward	June
Shageluk	June
Shaktoolik	June
Sheldon Point	June
Shishmaref	June
Shungnak	June
Skagway	June
Soldotna	June
Stebbins	June
Tanana	June
Teller	June
Tenakee Springs	June
Thorne Bay	February
Togiak	June
Toksook Bay	June

Municipal Assistance
Resolution Log
FY 84

	<u>Share Date</u>
Tuluksak	June
✓ Tununak	June
Unalakleet	June
Unalaska	June
Upper Kalskag	June
✓ Valdez	February
Wainwright	June
Wales	June
Wasilla	June
White Mountain	June
✓ Whittier	June
Wrangell	June
✓ Yakutat	June

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date

REQUEST
Bill/Resolution No: HB 461
Title: Relating to distributions from the Municipal Assistance Fund.
Sponsor: Grussendorf
Requestor: House C&RA Committee
Date of Request: January 12, 1984

FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected:
BRU, Program of 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 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-0-	-0-	-0-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	(1,159.0)	(1,293.0)	(1,396.0)	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Robert W. Elliott
 Division: Research Section

Phone: 465-2173
 Date: 01/19/84

Approved by Commissioner: [Signature]
 Agency: DOR

Date: 1/30/84

Distribution (by Agency preparing fiscal note):

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

Analysis for HB 461

HB 461 proposes three changes to AS 43.20.016, the statute which establishes the Municipal Assistance Fund and provides for distributions from that fund to qualifying cities and boroughs:

- 1) Reference to "revenues received under AS 43.21" is removed. Since AS 43.21 has been repealed, this would appear to be a house-cleaning amendment only, and in no way affects future appropriations, since the Legislature is free to appropriate any amount.
- 2) The change on line 18 and 19 is a technical wording change only, and does not affect the program.
- 3) The most significant change is to the date(s) of distribution. HB 461 provides for all distribution to be done on February 1 each year. This change will have no administrative effect on the Department of Revenue. Currently the total effort is roughly several days, and most of that takes place just before the February 1 distribution.

The estimates reflect the loss of General Fund interest earnings which the state would forego to municipalities if the municipal assistance distribution of June 1 was changed to February 1. The estimates were computed using the following assumptions: a 9 percent annual interest rate was applied, the full 30 percent was appropriated per formula, and population figures were held constant.



City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

September 29, 1983

Department of Community
& Regional Affairs
Local Government Construction Division
Pouch BH
Juneau, Alaska 99811

Dear Sirs:

Enclosed is our Resolution No. 83-239 requesting municipal assistance funding.

I appreciate this funding, but must again mention my objection to the discriminating law that allows some governments to receive this funding four months earlier than other governments simply because of varying fiscal years start dates. Makes no sense.

Sincerely yours,

Richard Anderson
Finance Director

Enclosure

cc: ✓ Ben F. Grussendorf
Richard I. Eliason

C I T Y A N D B O R O U G H O F S I T K A

RESOLUTION NO. 83-239

A. RESOLUTION OF THE ASSEMBLY OF THE CITY
AND BOROUGH OF SITKA REQUESTING MUNICIPAL
ASSISTANCE FUNDING FROM THE STATE OF
ALASKA

WHEREAS, A.S. 43.20.016(a) requires the governing body
of a municipality to approve a resolution requesting municipal
assistance funding; and

WHEREAS, this resolution must be submitted to the
Department of Revenue or the Department of Community and
Regional Affairs; and

WHEREAS, the City and Borough of Sitka has a fiscal
year beginning July 1 and ending on June 30; and

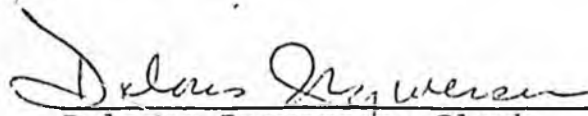
WHEREAS, the City and Borough of Sitka is desirous of
receiving municipal assistance funding;

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the
City and Borough of Sitka by this resolution hereby requests
distribution of funding from the municipal assistance fund to
the City and Borough of Sitka by the Department of Revenue
on the date required by law.

PASSED, APPROVED, AND ADOPTED by the Assembly of the
City and Borough of Sitka, Alaska on this 27th day of
SEPTEMBER, 1983.


John E. Dapcevich Mayor

A T T E S T:


Dolores Ingwersen, Clerk



TELEPHONES
(907) 586-1325
(907) 586-6526

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

1984 POLICY STATEMENT

The Alaska Municipal League is a voluntary, non-profit nonpartisan organization whose member cities, boroughs, and unified municipalities represent approximately 95% of Alaska's population. The League provides a forum through which local government officials may assist each other in the solution of municipal problems and may express their common concerns to state and federal officials. A major objective of the League is to advance the interests and well-being of the people residing within the state by promoting the betterment of every aspect of local government in Alaska.

This 1984 municipal statement was adopted November 5, 1983 by the delegates attending the Alaska Municipal League 33rd Annual Local Government Conference in Juneau. It represents the collective philosophy, goals, responsibilities, and ideals of Alaska's local government officials. Items included in the statement have been reviewed and debated for several months by municipal officials who are concerned on a day-to-day basis with the many complex problems facing local governments in Alaska. The statement is a guide to the priority concerns of AML member municipalities.



GINNY CHITWOOD
EXECUTIVE DIRECTOR

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

(907) 586-1325

school foundation, and school construction programs and that the legislature begin setting aside funds in FY85 so that the program may be fully implemented at the earliest possible date.

6. Criteria Based Budgeting: The League supports criteria based budgeting systems and encourages the administration to notify the public and local governments of the proposed criteria and to consistently follow this system once finalized through executive, legislative, and local government cooperation.

C. MUNICIPAL ASSISTANCE/REVENUE SHARING PROGRAMS

1. Consolidation of Municipal Assistance and State Revenue Sharing Programs: The League endorses the consolidation of the current Municipal Assistance and State Revenue Sharing Programs together with the funding of the consolidated program at a level of at least 8% of the prior year's state operating budget so that municipalities can continue to provide important, needed services while holding down taxes.

2. State Revenue Sharing: (a) If the Legislature does not consolidate the current State Revenue Sharing and Municipal Assistance programs, the League supports annual increases in the State Revenue Sharing Program. The annual appropriation by the Legislature to the State Revenue Sharing Program should include an increase of the FY 84 legislative appropriation based on such criteria as state population, inflation, cost of local government services, and other timely considerations.

(b) In those cases where legislation is approved increasing the state revenue sharing entitlement for specific recipients or for a specific purpose, the League advocates that the total funding for state revenue sharing be increased accordingly in order to preclude the dilution of funding to other recipients.

(c) The League supports an increase in the state revenue sharing minimum allocation to \$100,000 for each municipality and \$50,000 for each eligible unincorporated community.

(d) The League supports continued full state funding for road maintenance at levels determined by the First Session of the 11th State Legislature and adjusted annually to reflect increased cost of maintenance.

3. Municipal Assistance: (a) If the Legislature does not consolidate the current State Revenue Sharing and Municipal Assistance Programs, the League supports the funding of the FY 85 entitlement at the statutory level of at least 30% of the FY 84 corporate income tax proceeds.

(b) The League further endorses a change to the existing Municipal Assistance Program that would provide for the disbursement of municipal assistance funds to all municipalities on February 1 of each year.

4. FY 84 Supplemental Appropriation: The League supports the supplemental appropriation of \$9.4 million FY 84 Municipal Assistance revenues to fully fund the entitlement at the level authorized by state statutes. The

Presidential
Party Primary
Election
(repeal of
provisions)

HOUSE BILL NO. 459, by Reps. Ward and Martin. Would repeal the provisions of law that relate to the presidential party primary election: AS 15.13.011 (State Election Campaigns. Inapplicability to Presidential Primary), AS 15.25.220 - 15.-25.280 (Presidential Party Primary Election), and section 4, chapter 20, SLA 1980 which repeals the law creating the presidential primary on July 1, 1985. The bill also states that if this law becomes effective before March 13, 1984, the presidential party primary election scheduled for March 13, 1984 be cancelled and not be held in 1984. Provides Act takes effect immediately.

Introduced January 9 and referred to State Affairs, Finance.

Presidential
Party Primary
Election

HOUSE BILL NO. 460, by Rep. Lacher. See HB 459, above, identical.

Introduced January 9 and referred to State Affairs, Finance.

Revenue
Sharing
(fiscal/
calendar
year)

HOUSE BILL NO. 461, by Rep. Grussendorf. Amends AS 43.20.-016(a) (Sharing of Corporate Income Tax Revenue with Municipalities) by deleting reference to distribution based on fiscal or calendar years. Under this bill distribution of money from the fund would be made on February 1 of the state fiscal year for which the appropriation to the fund is made (currently cities or organized boroughs with a fiscal year beginning January 1 would receive money on February 1, and all other cities and organized boroughs receive funds on June 1 of the state fiscal year for which the appropriation to the fund is made). Provides Act takes effect July 1, 1984.

Introduced January 9 and referred to Community & Regional Affairs, Finance.

Dental
Hygienists
(temporary
licenses)

HOUSE BILL NO. 462, by Rep. Grussendorf. Adds a new section to AS 08.32 (Dental Hygienists) allowing the Board of Dental Examiners to issue without examination a temporary license to a qualified applicant who is licensed to practice in another state. The temporary license would terminate at the time notice is given of the results of the applicant's exam. The hygienist practicing under a temporary license would be subject to all other provisions regulating hygienists. Time in active clinical dental hygiene practice under a temporary license could not be credited toward licensure by credentials. Does not provide for an effective date (becomes effective 90 days following Governor's signature).

Introduced January 9 and referred to Labor & Commerce, Health, Education & Social Services.

Appropriation
(special)
(Whittier
prison)

HOUSE BILL NO. 463, by Reps. Furnace and Cowdery. Makes a special appropriation in the amount of \$25 million to the Department of Health & Social Services to construct a prison in Whittier. Provides appropriation is for a capital project and is subject to competitive bidding requirements. Provides Act takes effect immediately.