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STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

March 3, 1983

POSITION PAPER

RE: SB 37

SPONSOR: Senator Sackett

Program Effects

Presently Native Village Governments receive \$25,000 per community and municipalities are entitled to a minimum entitlement of \$25,000 plus a cost-of-living adjustment. This bill would increase the entitlement to both Native Village Governments and municipalities up to \$100,000 plus a cost-of-living adjustment. The bill also provides that each municipality and Native Village Government receive basic assistance which would hold them harmless at the level of State Revenue Sharing and Municipal Assistance they received for FY 82. The Municipal Assistance Program found in AS 43.20.016 is repealed.

Comments

The Department is very much in favor of ensuring the equal treatment of all Alaska communities in the areas of providing financial aid. We believe the basic purpose of SB37 is to achieve that end, and we support that intent.

Specifically however, we do wish to point out two areas within the language of the bill which are of some concern to us.

The suggested increase for Native Village Governments from the \$25,000 they now receive to \$100,000 plus an area cost-of-living differential would make their entitlement equal to the minimum entitlement nearly all second class cities would receive under this bill.

Second class cities are required under Title 29 to meet certain legal responsibilities, i.e. conducting annual elections, holding regular council meetings, preparing budgets and financial statements and passing and codifying ordinances under public scrutiny. Since state law requires those municipalities to expend local funds to pay for those activities, it would seem fair that additional state financial aid should be provided to offset those local costs.

A second, and minor concern of the Department is the use of the term "Native Village Government". Considering the Attorney General's opinion (File No. J-66-829-81) of 1981 and the controversy which has centered around that term in recent years, the Department suggests a term such as "Unincorporated Community", or similar language be substituted.

A handwritten signature in black ink, appearing to be "A. H. Lewis", is written in the center of the page. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 37 Date on Bill: January 18, 1983
 Title: "relating to State Aid to Municipalities and other recipients"
 Sponsor: Senator Sackett and Ferguson
 Requestor: Senate Community & Regional Affairs Committee

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

Sponsor DID NOT IDENTIFY source of funds for this 11.

3. Assumptions:

Present Revenue Sharing staff would be able to administer this program.
 Full funding of this program would cost \$154,228,500 for FY'84.

4. Disclaimer:

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

Prepared By: Terry L. Earley Phone: 465-4730
 Division: Local Government Assistance Date: 3/3/83
 Approved by Commissioner: [Signature] Date: 3/7/83
 Department: Community & Regional Affairs

5. Distribution:

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

2/15/83

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSSB # 37 (C & RA) Date on Bill: March 8, 1983
 Title: An Act relating to aid for municipalities and other recipients
 Sponsor: Senators Sackett and Ferguson
 Requestor: Senate C & RA Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating		27.5		
Total		27.5		

b. Revenues:

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

Sponsor did not indicate.

3. Assumptions:

4. Disclaimer:

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

Prepared By: Doug Griffin *Doug Griffin* Phone: 465-4707
 Division: Local Government Assistance Date: March 8, 1983

Approved by Commissioner: *W. Hallen* Date: 3/8/83
 Department: Community and Regional Affairs

5. Distribution:

- Original to Legislative Finance
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2/15/83

CSSB (C & RA)

Financial Analysis:

Travel	\$ 2,500.
<u>Contracted Services</u>	<u>25,000.</u>
TOTAL	\$ 27,500.

\$25,00 is requested for FY 84 to allow the Division of Local Government Assistance to place the combined State Revenue Sharing/Municipal Assistance on its computer system to allow rapid access to and manipulation of the information used to compute entitlements.

A small increase in travel is requested to allow State Revenue Sharing staff to attend meetings of local officials, conduct public hearings on regulations and other matters, and to provide better information and outreach.



FY 83 Provisional Run ~~to~~ to Compute 40% of entitlement
for request "provisional final payments"

FY 1983 MUNICIPAL REVENUE SHARING ENTITLEMENTS

L APPROPRIATION = \$55,721,000
 EP 88 APPROPRIATION = \$34,913,800
 EP 89 APPROPRIATION = \$14,061,200
 EP 90 APPROPRIATION = \$6,746,000

CHAPTER 88 PRORATION FACTOR = 7.63984314223600
 CHAPTER 89 PRORATION FACTOR = 0.80252687564717
 CHAPTER 90 PRORATION FACTOR = 1.00000000000000
 MINIMUM ENT. PRORATION FACTOR = 0.96292260550203
 HOLD HARMLESS PRORATION FACTOR = 0.99551114682202

NAME	POPULATION	RATE	ENTITLEMENT	MILL CHAPTER 88 AND 90 ENTITLEMENT	CHAPTER 89 ENTITLE	MINIMUM ENTITLEMENT ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1983 ENTITLE
GHS AND SERVICE AREAS								
ANCHORAGE A.W.	204,216	3.98	\$5,516,879	\$3,980,219	\$0	\$0	\$0	\$9,397,099
CITY S.A.	76,924	0.00	\$111	\$0	\$0	\$318,943	\$318,943	\$319,055
EAGLE RIVER	8,225	0.71	\$43,386	\$131,815	\$0	\$0	\$0	\$175,202
CHUGIAK	5,564	0.62	\$25,489	\$0	\$0	\$10,848	\$10,848	\$36,332
GIPWOOD	790	0.29	\$1,724	\$21,272	\$0	\$0	\$0	\$22,997
GLEN ALPS	271	2.13	\$4,242	\$21,373	\$0	\$0	\$0	\$25,616
FIRE S.A.	187,794	1.10	\$1,520,059	\$0	\$0	\$0	\$0	\$1,520,059
ROADS & DRAINAGE	166,269	1.32	\$1,615,655	\$0	\$0	\$0	\$0	\$1,615,655
LIMITED ROAD S.A.	10,908	0.01	\$1,342	\$0	\$0	\$0	\$0	\$1,342
POLICE S.A.	182,860	1.76	\$2,376,516	\$0	\$0	\$0	\$0	\$2,376,516
PARKS & REC	187,712	0.55	\$764,226	\$0	\$0	\$109,894	\$109,894	\$874,111
P & R/CHUGIAK	14,977	0.62	\$68,832	\$0	\$0	\$0	\$0	\$68,832
SOLID WASTE S.A.	189,444	0.25	\$354,326	\$0	\$0	\$0	\$0	\$354,326
CHUGIAK/SOLID WASTE	14,977	0.06	\$7,375	\$0	\$0	\$0	\$0	\$7,375
BUILDING SAFETY	187,654	0.37	\$19,854	\$0	\$0	\$0	\$0	\$19,854
CITY SA ROADS & DRAINAGE	76,924	0.00	\$2,384	\$0	\$0	\$25,300	\$25,300	\$28,125
SERVICE AREA 35	166,269	0.34	\$426,772	\$0	\$0	\$0	\$0	\$426,772
UPPER O'MALLEY	1	0.00	\$0	\$29,669	\$0	\$0	\$0	\$29,669
PORT OF ANCH.	204,216	0.45	\$682,992	\$0	\$0	\$0	\$0	\$682,992
ROADS	1	0.00	\$0	\$179,972	\$0	\$0	\$0	\$179,972
AIRPORT S. A.	204,216	0.01	\$27,339	\$0	\$0	\$0	\$0	\$27,339
PUBLIC TRANSIT	204,216	0.13	\$209,573	\$0	\$0	\$0	\$0	\$209,573
PARKING S.A.	204,216	0.15	\$237,213	\$0	\$0	\$0	\$0	\$237,213
TOTAL			\$14,406,808	\$4,286,323	2,227,620/87	2,036,497/10		\$19,136,109
BRISTOL BAY BOROUGH								
BRISTOL BAY BOROUGH	1,271	23.49	\$219,329	\$19,063	\$0	\$0	\$0	\$238,393
FAIRBANKS BOROUGH								
FAIRBANKS BOROUGH	58,721	5.59	\$2,295,350	\$294,267	\$0	\$0	\$0	\$2,589,617
ESTER F.P.								
ESTER F.P.	1	0.00	\$0	\$0	\$0	\$0	\$0	\$0
NORTH STAR F.P.								
NORTH STAR F.P.	1	0.00	\$0	\$0	\$0	\$56,062	\$56,062	\$56,062
UNIVERSITY F.P.								
UNIVERSITY F.P.	1	0.00	\$0	\$0	\$0	\$61,902	\$61,902	\$61,902

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NAME	POPULATION	RATE EQU	MILL		HOLD	TOTAL FY 1983
			CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT ADD ON		
GHS AND SERVICE AREAS						
TOTAL			\$2,295,350	\$294,267		\$2,707,581
HAINES SCROUGH FIRE DISTRICT	1,847 1	6.43 0.00	\$87,349 \$0	\$0 \$0	\$0 \$0	\$87,349 \$0
TOTAL			\$87,349	\$0		\$87,349
JUNEAU BOROUGH A.W.	22,023	9.22	\$1,488,150	\$388,704	\$0	\$1,876,854
S.A. 1	6,649	12.37	\$604,592	\$28,720	\$0	\$633,313
S.A. 2	1,960	6.99	\$100,730	\$10,253	\$0	\$110,983
S.A. 3	374	18.63	\$51,189	\$80,994	\$0	\$132,183
S.A. 4	2,510	0.60	\$11,141	\$0	\$791	\$11,933
S.A. 5	16,715	1.57	\$205,048	\$0	\$0	\$205,048
S.A. 6	1,078	0.37	\$6,893	\$0	\$0	\$6,893
S.A. 7	594	0.64	\$2,806	\$0	\$0	\$2,806
S.A. 8	704	0.25	\$1,322	\$0	\$2,974	\$4,297
TOTAL			\$2,471,876	\$508,572		\$2,980,448
				<i>468,732/29</i>		
				<i>39,940/70</i>		
KENAI PENINSULA BOROUGH	32,303	3.25	\$772,889	\$984,362	\$0	\$1,757,252
CENTRAL PENINSULA HOSPITAL	18,477	0.73	\$99,761	\$758,275	\$0	\$858,037
NIKISKI F.P.	3,618	1.72	\$45,802	\$0	\$0	\$45,802
SOUTH PENINSULA HOSPITAL	6,977	2.72	\$139,537	\$217,250	\$0	\$356,787
NORTH KENAI REC.	2,713	28.47	\$567,537	\$0	\$0	\$567,537
BEAR CREEK F.P.	774	3.28	\$18,700	\$0	\$0	\$18,700
TOTAL			\$1,644,228	\$1,959,889		\$3,604,117
				<i>1,415,841</i>		
				<i>544,025</i>		
KETCHIKAN BOROUGH	12,431	6.43	\$585,182	\$0	\$0	\$585,182
SHORELINE S.A.	560	0.66	\$2,725	\$0	\$2,547	\$5,273

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 HOLD HARMLESS PRORATION FACTOR = 0.99851114682202

NAME	POPULATION	RATE EQU	MILL		HOLD HARMLESS ENTITLEMENT	TOTAL FY 1983 ENTITLE
			CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT ADD ON		
GHS AND SERVICE AREAS						
TOTAL			\$587,908	\$0		\$590,455
KODIAK ISLAND BOROUGH	12,714	5.43	\$507,883	\$403,217	\$0	\$911,100
FIRE DISTRICT I	2,212	3.25	\$52,832	\$0	\$0	\$52,832
SERVICE DISTRICT	1	0.00	\$0	\$0	\$0	\$0
ROAD DISTRICT	546	3.00	\$12,053	\$32,587	\$0	\$44,640
TOTAL			\$572,768	\$435,804		\$1,008,573
MAT-SU BOROUGH	26,002	6.04	\$1,124,684	\$0	\$0	\$1,124,684
WASILLA F.P.	3,432	1.32	\$33,416	\$0	\$0	\$33,416
BUTTE F.P.	1,950	0.64	\$9,200	\$0	\$10,293	\$19,499
GREATER PALMER F.P.	2,288	0.48	\$8,070	\$0	\$19,747	\$27,812
SUTTON F.P.	623	2.62	\$12,031	\$0	\$0	\$12,031
NON AREA-WIDE	20,360	0.55	\$83,616	\$0	\$0	\$83,616
TALKEETNA FLOOD S.A.	181	0.12	\$165	\$0	\$0	\$165
TALKEETNA F.P.	415	1.36	\$4,165	\$0	\$0	\$4,165
GARDEN TERRACE	130	0.07	\$33	\$0	\$0	\$33
MIDWAY	1	0.00	\$0	\$1,399,269	\$0	\$1,399,269
LAKES F.P.	2,158	2.50	\$39,705	\$0	\$0	\$39,705
TOTAL			\$1,315,089	\$1,399,269		\$2,744,405
NORTH SLOPE BOROUGH	7,552	14.92	\$827,324	\$262,106	\$0	\$1,089,931
SITKA BOROUGH	8,221	11.35	\$715,866	\$297,263	\$0	\$1,013,129
T CLASS CITIES						
BARROW	2,582	4.05	\$5,763	\$0	\$0	\$5,763
CORDOVA	2,241	14.83	\$244,215	\$276,307	\$0	\$520,522
CRAIG	604	23.10	\$102,532	\$29,285	\$0	\$131,819

FY 1983 MUNICIPAL REVENUE SHARING ENTITLEMENTS
 CHAPTER 88 PRORATION FACTOR = 7.63924314222360C
 CHAPTER 89 PRORATION FACTOR = 0.80852637564717
 CHAPTER 90 PRORATION FACTOR = 1.00000000000000
 MINIMUM ENT. PRORATION FACTOR = 0.9629226055020C3
 HOLD HARMLESS PRORATION FACTOR = 0.9985111468220C2
 MILL CHAPTER 88 AND 90 ENTITLEMENT ADD ON ENTITLEMENT ENTITLE
 RATE ENTITLEMENT AND 90 ENTITLEMENT HARMLESS FY 1983
 POPLATION EQV ENTITLEMENT ENTITLE

NAME	POPLATION	EQV	RATE	ENTITLEMENT	ADD ON	ENTITLEMENT	ENTITLE	TOTAL
CLASS CITIES								
BILLINGHAM	1,941	19.07		\$258,011		\$29,979	\$0	\$287,991
FAIRBANKS	25,747	10.21		\$1,931,140		\$2,017,958	\$0	\$3,948,998
GALENA	944	17.07		\$105,831		\$26,930	\$0	\$132,761
HAINES	1,079	21.90		\$173,590		\$23,934	\$0	\$197,524
HOMER	2,897	10.17		\$216,433		\$40,082	\$0	\$256,521
HOONAH	363	6.11		\$38,320		\$8,702	\$17,554	\$65,077
HYDABURG	412	0.00		\$0		\$6,398	\$0	\$24,274
KAKE	631	4.17		\$19,331		\$13,610	\$0	\$32,942
KENAI	5,231	14.87		\$569,904		\$116,142	\$0	\$686,047
KETCHIKAN	7,777	19.99		\$1,142,351		\$501,892	\$0	\$1,644,244
KING COVE	523	36.10		\$133,707		\$16,452	\$0	\$155,159
KLAWOCK	433	11.58		\$36,859		\$3,410	\$0	\$40,270
KODIAK	5,873	20.08		\$866,625		\$31,892	\$0	\$898,518
NENANA	540	14.09		\$55,903		\$35,929	\$0	\$91,832
NOME	3,430	11.35		\$285,995		\$373,617	\$0	\$659,613
NORTH POLE	934	4.75		\$32,616		\$25,069	\$0	\$57,685
PALMER	2,524	6.96		\$129,106		\$251,174	\$0	\$380,281
PELICAN	185	23.18		\$31,509		\$9,341	\$0	\$40,851
PETERSBURG	3,040	22.47		\$501,953		\$249,352	\$0	\$751,306
SAND POINT	797	20.56		\$120,406		\$33,322	\$0	\$153,728
SAINTE MARY'S	442	37.87		\$122,965		\$30,293	\$0	\$153,258
SELDOVIA	510	11.15		\$41,774		\$20,443	\$0	\$62,218
SEWARD	1,828	46.52		\$624,765		\$389,204	\$0	\$1,013,970
SKAGWAY	790	11.00		\$63,873		\$27,590	\$0	\$91,463
SOLDOTNA	3,008	13.96		\$308,662		\$53,834	\$0	\$362,497
TANANA	485	1.23		\$4,394		\$39,083	\$0	\$43,477
UNALASKA	1,922	25.76		\$363,800		\$108,690	\$0	\$472,490
VALDEZ	3,694	6.33		\$171,876		\$297,938	\$0	\$469,814
WARANGELL	2,376	16.57		\$285,781		\$238,565	\$0	\$524,350
YAKUTAT	462	7.37		\$26,713		\$14,143	\$0	\$40,856
TOTAL CLASS CITIES	103	0.29		\$224		\$8,690	\$17,281	\$15,209

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NAME	POPULATION	RATE	ENTITLEMENT	CHAPTER 88 AND 90 ENTITLEMENT	CHAPTER 89 ENTITLE	MINIMUM ENTITLE ADD ON	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1983 ENTITLE
D CLASS CITIES								
AKIACHAK	451	0.00	\$0	\$30,636	\$2,817	\$8,184	\$41,638	
AKIAK	229	0.00	\$0	\$12,193	\$20,528	\$0	\$32,722	
AKOLMIUT	353	0.38	\$2,305	\$81,544	\$0	125,325	\$109,175	
AKUTAN	198	18.36	\$25,363	\$0	\$5,738	\$0	\$31,101	
ALAKANUK	546	2.21	\$8,897	\$32,563	\$0	\$3,332	\$44,793	
ALEKNAGIK	272	1.66	\$2,831	\$28,987	\$357	\$0	\$32,176	
ALLAKAKET	169	0.00	\$0	\$11,244	\$22,651	\$0	\$33,895	
AMBLER	202	1.96	\$2,916	\$23,669	\$7,770	\$0	\$34,356	
ANAKTUVUK PASS	250	0.00	\$0	\$0	\$0	\$0	\$0	
ANDERSON	521	1.49	\$5,724	\$16,810	\$11,567	\$0	\$34,102	
ANGOON	562	3.47	\$14,378	\$17,573	\$0	\$6,316	\$38,268	
ANIAK	351	0.00	\$0	\$81,943	\$0	\$0	\$81,943	
ANVIK	115	3.71	\$3,138	\$8,995	\$21,678	\$0	\$18,269	
ATMAUTLUAK	236	1.34	\$2,333	\$8,683	\$21,623	\$3,759	\$36,400	
BETHEL	3,621	21.40	\$578,872	\$232,563	\$0	\$0	\$811,435	
BPEVIG MISSION	134	0.00	\$0	\$8,995	\$24,817	\$0	\$33,812	
BUCKLAND	217	3.64	\$5,806	\$0	\$27,672	\$0	\$33,479	
CHEFORNAK	244	3.32	\$5,966	\$8,670	\$17,954	\$0	\$22,627	
CHEVAK	513	2.00	\$7,537	\$11,515	\$13,643	\$0	\$32,696	
CHUATHBALUK	124	10.16	\$9,262	\$30,359	\$0	\$0	\$39,622	
MARKS POINT	80	0.00	\$0	\$0	\$0	\$0	\$0	
COLD BAY	250	0.00	\$6	\$0	\$31,095	\$0	\$31,101	
DEERING	158	5.23	\$6,075	\$10,625	\$17,171	\$0	\$33,873	
DELTA JUNCTION	1,044	0.19	\$1,461	\$32,976	\$0	18,425	\$42,863	
DIOMEDE	134	3.99	\$3,932	\$0	\$27,169	\$0	\$31,101	
EAGLE	142	0.39	\$411	\$6,290	\$21,393	\$0	\$28,085	
EEL	235	2.43	\$4,210	\$8,670	\$19,710	\$0	\$32,591	
EKWOK	78	2.31	\$1,614	\$6,356	\$21,440	\$0	\$31,411	
ELIM	205	1.73	\$2,618	\$13,494	\$17,868	\$0	\$33,981	
EMMONAK	581	11.67	\$49,831	\$30,103	\$0	\$0	\$55,304	
FORT YUKON	624	4.64	\$21,319	\$47,015	\$0	\$5,145	\$73,480	

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NAME	POPULATION	MILL RATE	CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT	MINIMUM ENTITLE ADD CN	HOLD HARMLESS ENTITLEMENT	TOTAL
							FY 1983 ENTITLE
D CLASS CITIES							
FORTUNA LEDGE	260	0.00	\$0	\$23,844	\$9,309	\$0	\$33,154
GAMBELL	432	4.05	\$12,881	\$0	\$20,597	\$0	\$33,479
GOLOVIN	112	0.00	\$0	\$40,198	\$0	\$0	\$40,198
GOODNEWS BAY	173	0.00	\$0	\$10,702	\$21,963	\$0	\$32,666
GRAYLING	211	0.00	\$0	\$27,267	\$7,222	\$0	\$34,490
HOLY CROSS	243	0.00	\$0	\$20,239	\$13,989	\$0	\$34,229
HOOVER BAY	651	2.70	\$12,937	\$0	\$19,332	\$0	\$32,269
HOUSTON	819	0.00	\$0	\$66,840	\$0	\$0	\$66,840
HUGHES	74	0.00	\$0	\$0	\$0	\$0	\$0
HUSLIA	241	0.19	\$348	\$58,751	\$0	\$0	\$59,100
KACHEMAK	287	1.32	\$2,785	\$0	\$23,088	\$0	\$25,873
KAKTOVIK	214	0.15	\$242	\$0	\$33,236	\$0	\$33,479
KALTAG	245	0.00	\$0	\$14,617	\$19,403	\$0	\$33,334
KASAAN	70	0.14	\$73	\$6,458	\$17,744	\$0	\$24,276
KIANA	363	1.38	\$5,020	\$16,641	\$12,434	\$0	\$34,096
KIVALINA	253	1.09	\$2,030	\$0	\$31,448	\$0	\$33,479
KOBUK	64	0.00	\$0	\$8,995	\$24,817	\$0	\$33,812
KOTLIK	347	2.34	\$5,980	\$8,670	\$17,940	\$0	\$32,591
KOTZEBUE	2,464	7.81	\$141,502	\$52,764	\$0	\$0	\$194,266
KOYUK	183	1.15	\$1,555	\$14,027	\$18,416	\$0	\$28,217
KOYUKUK	99	0.00	\$0	\$0	\$0	\$0	\$0
KUPREANOF	54	0.00	\$0	\$0	\$24,938	\$0	\$24,938
KWEIHLUK	467	2.05	\$7,045	\$8,670	\$16,875	\$0	\$32,591
LARSEN BAY	180	1.00	\$1,330	\$0	\$24,542	\$0	\$25,873
LOWER KALSKAG	260	0.00	\$0	\$79,588	\$0	\$3,952	\$84,030
MANOKOTAK	299	0.00	\$0	\$0	\$0	\$0	\$0
MCGRATH	497	6.70	\$24,486	\$41,688	\$0	\$0	\$66,175
MEKORYUK	178	2.35	\$3,078	\$8,670	\$20,842	\$0	\$32,591
MOUNTAIN VILLAGE	601	6.28	\$27,759	\$66,926	\$0	\$0	\$94,685
NAPAKIAK	286	3.21	\$6,749	\$6,719	\$19,049	\$0	\$32,519
NAPASKIAK	251	0.32	\$602	\$8,670	\$23,318	\$0	\$32,591

FY 1983 MUNICIPAL REVENUE SHARING ENTITLEMENTS

L APPROPRIATION = \$55,721,000
 ER 88 APPROPRIATION = \$34,913,800
 ER 89 APPROPRIATION = \$14,061,200
 ER 90 APPROPRIATION = \$6,746,000

CHAPTER 88 PRORATION FACTOR = 7.63954314223600
 CHAPTER 89 PRORATION FACTOR = 0.80952687564717
 CHAPTER 90 PRORATION FACTOR = 1.00000000000000
 MINIMUM ENT. PRORATION FACTOR = 0.96292260550203
 HOLD HARMLESS PRORATION FACTOR = 0.99851114682202

NAME	POPULATION	RATE	MILL ENTITLEMENT	CHAPTER 88 AND 90 ENTITLEMENT	CHAPTER 89 ENTITLEMENT	MINIMUM ENTITLEMENT	HOLD HARMLESS ENTITLEMENT	TOTAL FY 1983 ENTITLE
D CLASS CITIES								
NEWHALEN	140	0.00	\$0	\$0	\$2,356	\$23,054	\$0	\$31,411
NEW STUYAHOK	337	0.00	\$0	\$0	\$0	\$0	\$0	\$0
NEWTOK	175	0.00	\$0	\$0	\$8,670	\$23,920	\$0	\$32,591
NIGHTMUTE	141	2.11	\$2,194	\$8,670	\$21,726	\$0	\$0	\$32,591
NIKOLAI	110	0.97	\$790	\$9,276	\$23,755	\$0	\$0	\$33,822
NONDALTON	176	0.00	\$0	\$12,273	\$19,282	\$0	\$0	\$31,556
NOORVIK	517	3.85	\$14,656	\$15,798	\$3,609	\$0	\$0	\$34,064
NULAJD	353	2.76	\$7,178	\$26,705	\$525	\$0	\$0	\$34,469
NUIQSUT	287	0.00	\$2	\$0	\$33,476	\$0	\$0	\$33,479
OLD HARBOR	355	0.00	\$0	\$9,667	\$16,564	\$0	\$0	\$26,232
OUZINKIE	233	0.00	\$0	\$6,734	\$19,398	\$0	\$0	\$26,123
PILOT STATION	337	3.74	\$9,282	\$5,419	\$17,768	\$0	\$0	\$32,470
PLATINUM	57	0.00	\$0	\$0	\$0	\$0	\$0	\$0
POINT HOPE	544	0.65	\$2,607	\$0	\$30,871	\$0	\$0	\$33,479
PORT ALEXANDER	98	1.83	\$1,324	\$0	\$23,614	\$0	\$0	\$24,938
PORT HEIDEN	94	0.00	\$0	\$77,822	\$0	\$0	\$0	\$77,822
PORT LIONS	291	7.18	\$15,369	\$7,364	\$3,412	\$0	\$0	\$26,146
QUINHAGAK	427	2.00	\$6,297	\$11,380	\$15,014	\$0	\$0	\$28,799
RUBY	214	0.20	\$319	\$0	\$33,159	\$0	\$0	\$33,479
RUSSIAN MISSION	175	0.00	\$0	\$0	\$0	\$0	\$0	\$0
SAINT MICHAEL	295	1.56	\$3,395	\$8,995	\$21,421	\$0	\$0	\$33,812
SAINT PAUL	595	6.40	\$27,992	\$97,930	\$0	\$0	\$0	\$125,923
SAVOONGA	477	2.02	\$7,089	\$0	\$26,389	\$0	\$0	\$33,479
SAXMAN	303	1.23	\$2,740	\$6,458	\$15,077	\$0	\$0	\$24,276
SCAMMON BAY	251	0.06	\$126	\$12,057	\$20,532	\$0	\$0	\$28,825
SELAWIK	601	0.00	\$0	\$0	\$0	\$0	\$0	\$0
SHAGELUK	136	0.00	\$0	\$15,854	\$18,212	\$0	\$0	\$34,066
SHAKTOOLIK	159	0.93	\$1,092	\$49,194	\$0	\$0	\$0	\$15,397
SHELDON POINT	107	0.00	\$0	\$0	\$0	\$0	\$0	\$0
SHISHMAREE	425	1.24	\$3,896	\$5,565	\$24,222	\$0	\$0	\$33,685
SHUNGNAK	214	1.16	\$1,325	\$13,212	\$18,931	\$0	\$0	\$33,968

FY 1983 MUNICIPAL REVENUE SHARING ENTITLEMENTS

L APPROPRIATION = \$55,721,000
 ER 88 APPROPRIATION = \$34,913,800
 ER 89 APPROPRIATION = \$14,061,200
 ER 90 APPROPRIATION = \$6,746,000

CHAPTER 88 PRORATION FACTOR = 7.63984314223600
 CHAPTER 89 PRORATION FACTOR = 0.80852687564717
 CHAPTER 90 PRORATION FACTOR = 1.00000000000000
 MINIMUM ENT. PRORATION FACTOR = 0.96292260550203
 HOLD HARMLESS PRORATION FACTOR = 0.99851114682202

NAME	POPULATION	RATE EQV	MILL		HOLD HARMLESS ENTITLEMENT	TOTAL FY 1983 ENTITLE
			CHAPTER 88 ENTITLEMENT	CHAPTER 89 AND 90 ENTITLEMENT ADD ON		
D CLASS CITIES						
STEBBINS	321	1.45	\$3,420	\$8,995	\$21,396	\$0 \$33,812
TELLER	206	19.10	\$28,915	\$16,557	\$0	\$0 \$45,472
TENAKEE SPRINGS	141	1.52	\$1,583	\$10,888	\$12,870	\$0 \$25,342
TOGIAK	545	0.00	\$0	\$21,414	\$10,481	\$0 \$31,895
TOKSOOK BAY	357	4.00	\$10,491	\$8,670	\$13,429	\$0 \$32,591
TULUKSAK	243	1.97	\$3,526	\$111,092	\$0	\$0 \$114,618
TUNUNAK	302	3.33	\$7,405	\$8,670	\$16,514	\$0 \$32,591
UNALAKLEET	604	4.73	\$20,993	\$35,757	\$0	\$0 \$56,750
UPPER KALSKAG	133	0.00	\$0	\$32,046	\$2,620	\$0 \$34,667
WAINWRIGHT	436	4.80	\$15,394	\$0	\$15,084	\$0 \$33,479
WALES	129	1.73	\$1,644	\$8,356	\$21,410	\$0 \$31,411
WASILLA	2,386	0.66	\$11,591	\$111,588	\$0	\$0 \$123,180
WHITE MOUNTAIN	121	5.56	\$4,950	\$15,538	\$11,189	\$0 \$31,677
WHITTIER	224	31.08	\$51,140	\$14,031	\$0	\$0 \$65,172
EXT FIRE AREAS	7,560	0.00	\$0	\$61,033	\$0	\$0 \$60,594
NATIVE VILLAGE GOVT	65	0.00	\$0	\$1,311,900	\$0	\$0 \$1,311,900
TOTAL			\$35,539,325	\$18,229,276	\$1,392,321	\$701,797 \$55,666,461

Effects of CS for SB 37:

It repeals the Municipal Assistance Program.

It establishes a minimum payment to municipalities of either \$100,000 plus COLA or an amount equivalent to that received under AS 29.88 and AS 29.95.020 (State Revenue Sharing) and AS 43.20.016 (Municipal Assistance) during the fiscal year ending June 30, 1982, whichever is larger. The qualifications for minimum payments for municipalities have been modified.

It repeals 29.89.050 (State Aid to Native Village Governments) and creates a new section 29.88.032 (State Aid to Unincorporated Communities). It establishes an entitlement of \$50,000 plus COLA per unincorporated community. The minimum payment section has been altered to include the unincorporated communities. If there is disagreement in the community over what organization should be the recipient of these funds, new language in this section would provide for an election.

In the event not enough money is appropriated to fully fund the minimum entitlements plus COLA, all municipalities and unincorporated communities would be prorated at the same level.

If funds above the level required to pay minimum entitlements are appropriated, the extra funds would be distributed to municipalities under AS 29.88 (Municipal Tax Resource Equalization).

Several small adjustments are made in the revenue sharing program at the suggestion of the Department of Community and Regional Affairs:

- 1) 29.88.010(c)(1)(C) - A list of examples has been deleted.
- 2) 29.88.010(c)(1)(D) - An (and) is deleted.
- 3) 29.88.010(c)(1) - A new paragraph F is added to allow municipalities to take credit in the formula for electric and telephone co-op taxes.
- 4) 29.89.030(a)(1) - The \$1,000 per bed allotment on state aid to municipalities and other eligible recipients for health facilities and hospitals is eliminated.
- 5) 29.89.030(a)(3) is amended to specify that money received under this section may be used only for health facilities and shall be apportioned among qualifying facilities by the municipality.
- 6) 29.89.070(a) places COLA on payments to volunteer fire departments.

If the miscellaneous services account or the hospital construction assistance account are overfunded, the excess funds are reallocated to the tax equalization account established in AS 29.88.035.

NORTH AND NORTHWEST
ALASKA 'MAYORS' CONFERENCE
KOTZEBUE, ALASKA
NOVEMBER 5 AND 6, 1982

RESOLUTION NO. 82-11

A RESOLUTION IN SUPPORT OF COMBINING REVENUE
SHARING AND MUNICIPAL ASSISTANCE PROGRAMS AND
RAISING THE MINIMUM ENTITLEMENT TO \$100,000
PLUS THE COST OF LIVING DIFFERENTIAL

WHEREAS, the paperwork and number of agencies to deal with for State Aid to municipalities is unnecessarily complicated, and

WHEREAS, the current minimum entitlement is too low to assure adequate basic government

NOW THEREFORE BE IT RESOLVED BY THE NORTHWEST MAYORS' CONFERENCE THAT: they go on record in support of combining the Revenue Sharing and Municipal Assistance programs and raising the minimum entitlement to \$100,000 plus the cost of living differential.

PASSED AND APPROVED BY THE 1st Session, 3rd Annual NORTHWEST MAYORS' CONFERENCE THIS 6th day of November, 1982.

tax return for household and dependent care services necessary for his gainful employment.

(c) The commissioner of revenue shall pay the amount of a tax credit allowed by this section to a resident individual who makes a return as provided in AS 43.20.012. A credit under this section shall be paid in the manner provided in AS 43.20.030(c) for the payment of refunds and payment may not be made without an appropriation for that purpose. (§ 2 ch 1 SSSLA 1980; am § 9 ch 1 SSSLA 1980; § 2 ch 2 SSSLA 1980)

Effect of amendments. — Section 9, ch 1, SSSLA 1980 substituted "\$100" for "\$50" in the introductory language of subsection (a).

Effective dates. — Section 12 of ch. 1 provides that this section is retroactive to January 1, 1980, and § 10 of ch. 2, pro-

vides that this section is retroactive to January 1, 1979.

Editor's notes. — For legislative findings and purpose of the enacting legislation, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 43.20.015. Individual tax credit.

Repealed by § 10 ch 1 SSSLA 1980 and § 9 ch 2 SSSLA 1980.

Editor's notes. — The repealed section, derived from § 1, ch. 144, SLA 1978. For legislative findings and purpose of

repealing acts, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980 Temporary and Special Acts and Resolves.

Sec. 43.20.016. Sharing of corporate income tax revenue with municipalities. (a) There is established within the Department of Revenue the municipal assistance fund. The legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 30 percent of the income tax revenue received by the state under AS 43.20.011(e) and AS 43.21 for the previous fiscal year. The Department of Revenue shall distribute money from the fund to each organized borough and each city of any class on an annual basis as provided in (b) and (c) of this section. A borough or city may not receive payment under (b) or (c) of this section until it submits to the Department of Revenue a resolution approved by the governing body of the municipality that requests the funds. Distribution of money from the fund to a city or organized borough with a fiscal year beginning on January 1 shall be made on February 1 of the state fiscal year for which the appropriation to the fund is made. Distribution of money from the fund to all other cities and organized boroughs shall be made on June 1 of the state fiscal year for which the appropriation to the fund is made. A borough or city that incorporates after December 31 of a state fiscal year is not eligible for a distribution under this section until the following state fiscal year.

(b) The base amount to be distributed from the fund to each borough and city for the fiscal year shall be the amount received by the borough or city during fiscal year 1978 under AS 43.70.080; however, if the amount appropriated to the fund by the legislature under (a) of this

section is insufficient for distribution of the full base amount, the Department of Revenue shall prorate the amount available for distribution on the basis of amounts received during fiscal year 1978 under AS 43.70.080. A city incorporated within an organized borough after June 30, 1977 shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total population in the borough. A city incorporated outside an organized borough after June 30, 1977 shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977 shall receive as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation.

(c) If the amount in the fund at the time of distribution exceeds the base amount to be distributed under (b) of this section, the excess amount shall be distributed to each borough and city on the basis of population. For the purpose of this subsection, the population of a city within an organized borough shall be deducted from the population of the borough. Population, for the purpose of this section, shall be as certified by the commissioner of community and regional affairs.

(d) The intent of (c) of this section is that local governments which levy property taxes reduce those levies in reasonable proportion to the amount of increased state aid received by a local government. The governing body of each local government shall furnish a notice with the tax statement describing its use of this increased state aid. (§ 2 ch 144 SLA 1978; am § 1 ch 51 SLA 1981; am § ch 86 SLA 1982)

Effect of amendments. — The 1981 amendment added the fourth through seventh sentences of subsection (a).

The 1982 amendment substituted "30 percent" for "10 percent" in the second sentence of subsection (a).

Editor's notes. — Section 6, ch. 144, SLA 1978, provides: "TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 (AS 43.70.020-43.70.120) which relates to the 1978 calendar year (including the \$25 license fee due March 1, 1978 and the fees on the total

gross receipts for 1978 which accompany returns filed in 1979 under AS 43.70.030(d) is the source of revenue to be shared in 1979 in accordance with AS 43.70.080. The increase in the corporate income tax which goes into effect in 1979 is the source of revenue to be shared with the municipalities under AS 43.20.016 in 1980 and subsequent years. This Act does not entitle any organized borough or any city of any class to revenue under both AS 43.70.080 and AS 43.20.016, for the same period of time."

Sec. 43.20.017. Individual tax exemptions.

Repealed by § 10 ch 1 SSSLA 1980 and § 9 ch 2 SSSLA 1980.

Editor's notes. — The repealed section derived from § 1, ch. 22, SLA 1980.

For legislative findings and purpose of repealing acts, see § 1, ch. 1, SSSLA 1980, and § 1, ch. 2, SSSLA 1980, in the 1980

Temporary and Special Acts and Resolves. In *Williams v. Zobel*, Sup. Ct. Order (File Nos. 5400-5421), P.2d (Sept. 4, 1980), the supreme court held the tax exemption (AS 43.20.017) enacted by ch.

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

March 1, 1983

The Honorable Don Gilman
State Senate
Pouch V
Juneau, Alaska 99811

Dear ~~Senator~~ *Don*

Pursuant to your request for information regarding the Municipal Assistance and State Revenue Sharing programs.

The staff of this Department has prepared the attached municipal breakdown based on information received from your staff.

I hope this information is satisfactory for your needs.

Sincerely,



Mark Lewis
Commissioner

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

ANALYSIS OF ONE REVENUE SHARING PROPOSAL

Senator Gilman has requested that this division analyze a proposed change to the State Revenue Sharing formula. This proposed change would combine Municipal Assistance and Revenue Sharing. This new program would hold municipalities harmless at their 1982 combined level or \$100,000 plus cost of living allowance (COLA) and entitle unincorporated communities to \$50,000 plus COLA.

The attached sheets contain 3 columns.

Column #I shows minimum entitlements of either the amount received from Municipal Assistance and Chapter 88 (Tax Equalization Account) of State Revenue Sharing or 100,000 plus COLA. It should be pointed out that the figures contained here do not include Chapter 89 (Miscellaneous Services) and Chapter 90 (Hospital Construction Aid). 100% funding for these two chapters for FY 83 would be \$20,953,000. These chapters have not been included in the attachments.

Column #II shows what a funding level of \$145,000,000 would do to individual entitlements if the excess above the minimums were distributed based on the Chapter 88 formula.

Column #III shows the distribution based on \$145,000 with the excess being distributed on a per capita basis.

The \$145,000,000 figure is based on the request from legislative staff and does not include any funding for Chapters 89 and 90.

TE/td-1029S

COLUMN WRITE

	I	II	III
Boroughs	\$132,401,873	145,000,000	145,000,000
1 Anchorage	52682458	57863972	58445433
2 Bristol Bay	445092	521509	480959
3 Fairbanks	8236718	9077548	9140886
4 Haines	211144	241577	232817
5 JUNEAU	7120632	7983274	7742122
6 Kenai	4124533	4697401	4641608
7 Ketchikan	1446776	1652497	1569561
8 Kodiak	940364	1139923	1100625
9 Mat-Su	3847367	4316024	4419471
10 North Slope	2223533	2511957	2303452
11 Sitka	2863153	2612570	2595150
12			
13 Borough Totals	83641771	92618252	92672094
14 Cities			
15			
16 Barrow	618781	648662	700111
17 Cordova	892562	977649	955803
18 Craig	223802	259525	240847
19 Dillingham	605746	695640	657699
20 Fairbanks	8577861	9250695	9304441
21 Galena	276063	312936	299881
22 Haines	372008	432489	402457
23 Homer	785554	860963	867307
24 Hoonah	191209	240714	215562
25 Hulahula	100000 -	100000	111626
26 Kake	178160	184895	195966
27 Kenai	1699672	1898234	1847291
28 Ketchikan	2894166	3292176	3113433
29 King Cove	170313	218640	185072
30 Klawock	100000 -	112842	112219
31 Kodiak	1602858	1904801	1768321
32 Nenana	209280	228757	224519
33 Nome	972376	1072020	1069171
34 North Pole	744198	755562	770555
35 Palmer	241893	236875	313120
36 Pelican	107640 -	118618	112861
37 Petersburg	1056994	1231331	1142783
38 Sand Point	237458	279409	259948
39 Sain-Marys	161903	204745	174376
40 Seldovia	152547	167101	166939
Seward	627267	344943	678953

COLUMN WRITE

	I	II	III	
1	SKAGWAY	245610	267864	267909
2	Soldotna	819367	926909	904253
3	Tanana	102345	103875	116032
4	Unalaska	830422	957174	884661
5	Valdez	1144414	1204298	1248658
6	Wrangell	836827	936397	903624
7	Yakutat	142651	151958	155688
8		27921947	31129247	30372181
9	Total 1 st Class city			
10	2 nd class			
11				
12	Akiak	107640 -	107218	110547
13	Akiachak	134250 -	134250	146877
14	AKIAK	134250 -	134250	140712
15	AKolmiut	155256	156658	165818
16	AKutan	182756	197592	194061
17	Alakanuk	157245	160940	173253
18	Aleknagik	129390 -	130376	135937
19	Allakaket	139280 -	139280	144049
20	AMBLER	139220 -	140296	144980
21	Ana-uvak Ferry	139280*	139280	139280
22	Ana-uvak	139280 -	141274	153893
23	Anigoni	103660	108662	119520
24	Aniak	129390 -	129390	139295
25	Aniak	139280 -	140373	142525
26	Atmautluak	139280 -	140091	145940
27	Atkasut	139280*	139280	142299
28	Bethel	1282270	1483956	1386148
29	Brevig Mission	139280 -	139280	143061
30	Buckland	139280 -	141303	145404
31	Cacina	134250 -	136328	141136
32	Cacina	134250 -	136876	148727
33	Chuathbaluk	139280 -	142507	142779
34	Clarks Point	129390 -*	129390	131647
35	Cold Bay	129390 -	129392	136445
36	Deering	139280 -	141396	143738
37	Delta Junction	215490	215998	244951
38	Dionido	129390 -	130760	133171
39	Eagle	115870 -	116013	119877
40	Eek	134250 -	135717	140882
	Ekwok	129390 -	129952	131591

COLUMN WRITE

2nd CLASS

CITIES

I

II

III

1	Elim	139280 -	140192	145065
2	Emmonak	138780	156141	155175
3	Fort Yukon	165206	172622	182815
4	Fortuna ledge	134250 -	134250	141587
5	Gambell	139280 -	143767	151471
6	Galouin	139280 -	139280	142440
7	Gardiner Bay	134250 -	134250	139132
8	Grayling	139280 -	139280	145234
9	Holy Cross	139280 -	139280	146137
10	Hope Bay	157542	162349	176213
11	Houston	116943	116945	140055
12	Hughes	134250 -	134250	136338
13	Huslia	139280 -	139401	146081
14	Kachemak	110232 -	111207	118331
15	Kaktouk	139280 -	139264	145319
16	Kaltoq	139280 -	139280	146194
17	Kasaan	100000 -	100025	101975
18	Kasigluk	139250 -	134250	143506
19	Krana	139280 -	141029	149523
20	Kwajina	139280 -	139927	146419
21	Kobuk	139280 -	139280	141086
22	Kotlik	134250 -	136333	149072
23	Kotzebue	682910	731711	751944
24	Koyuk	139280 -	139221	144444
25	Kuyatuk	139280 -	139280	142073
26	Kypreanof	103750 -	103750	105274
27	Kwethlak	134250 -	136704	147428
28	Larsen Bay	107640 -	108103	112720
29	Lower Kuskok	139280 -	139280	146617
30	Manakias	139280 -	139280	147717
31	McGrath	139280 -	147811	153305
32	Mekoryuk	134250 -	135322	139273
33	Mountain Village	166705	176376	183665
34	Napaklak	134250 -	136601	142330
35	Napaklak	134250 -	134459	141333
36	Newdale	129390 -	129390	133340
37	New Stuyahok	139280 -	139280	148790
38	Newtok	134250 -	134250	139188
39	Niangua	134250 -	135014	139229
40	Nikolai	139280 -	139555	142384
	Nondalton	129390 -	129390	130356

COLUMN WRITE

2nd CLASS

Cities

I

II

III

1	Noorvik	139280 -	144386	153870
2	Nuigssut	139280 -	139280	147379
3	Nulato	139280 -	141781	149242
4	Old Harbor	107640 -	107640	117658
5	Ouzinkie	107640 -	107640	114215
6	Pilot Station	134250 -	137484	143760
7	Platinum	134250 -	134250	135859
8	Point Hope	141725 -	142633	157076
9	Port Alexander	103750 -	104211	106515
10	Port Heiden	129390 -	129390	132043
11	Port Lions	107640 -	112994	115852
12	Quinhagak	134250 -	136444	146300
13	Ruby	139280 -	139391	145319
14	Russian Mission	139280 -	139280	141218
15	Saint Michael	139280 -	140463	147604
16	Saint Paul	148206 -	157759	164796
17	Savoonga	130416 -	132886	143887
18	Saxman	100000 -	100954	108550
19	Scammon Bay	134250 -	134294	141333
20	Selawik	139311	139311	156271
21	Shageluk	139280 -	139280	143118
22	Shaktolik +	139280 -	139660	143767
23	Sheldon Point	139280 -	139280	142299
24	Shishmaref	139280 -	140637	151273
25	Shungnak	139280 -	139916	145319
26	Stebbins	139280 -	140471	148338
27	Teller	139280 -	149354	145093
28	Tenakee Springs	103750 -	104301	107729
29	Thorne Bay	107640 -	107640	116557
30	Toqaris	129390 -	129390	144770
31	Toisak Bay	134250 -	137905	144324
32	Tuluksoak	139280 -	140508	146137
33	Tununak	134250 -	136830	142772
34	Umalakset	163112	170432	180163
35	Upper Kalskoo	139280 -	139280	143113
36	Wainwright	139280 -	144643	151583
37	Walrus	139280 -	139852	142920
38	Wasilla	438454	442492	505787
39	White Mountain	129390 -	131114	132804
40	Whitier	115970 -	133688	122191

COLUMN WRITE

UNINCORPORATED
Communities

I

1	Artic Village	69640			
2	Atka	64695			
3	Beaver	69640			
4	Birch Creek	57935			
5	Centwell	69640			
6	Chalkyitsik	69640			
7	Chignik	64695			
8	Chignik Lagoon	64695			
9	Chignik Lake	64695			
10	Chistochina	60105			
11	Chitina	60105			
12	Circle	57935			
13	Coffman Cove	50000			
14	Copper Center	60105			
15	Crooked Creek	69640			
16	Dot Lake	57935			
17	Egegik	64695			
18	ELFIN COVE	53220			
19	EVANSVILLE	69640			
20	False Pass	64695			
21	Copper Valley	60105			
22	Gustavus	51875			
23	Healy Lake	57935			
24	Hyder	50000			
25	Igigig	64695			
26	Kenny Lake	57935			
27	Klukwan	53220			
28	Kokhanak	64695			
29	Kaliganak	64695			
30	Kangiganak	69640			
31	Kwigillingok	67125			
32	Levalock	64695			
33	Line Village	69640			
34	McKinley Park	67125			
35	Mawley Hot Springs	69640			
36	Mentasta	57935			
37	Metlakatla	50000			
38	Minto	69640			
39	Myers Chuck	50000			
40	Nelson Lagoon	64695			

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH 8
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

March 3, 1983

POSITION PAPER

RE: SB 37

SPONSOR: Senator Sackett

Program Effects

Presently Native Village Governments receive \$25,000 per community and municipalities are entitled to a minimum entitlement of \$25,000 plus a cost-of-living adjustment. This bill would increase the entitlement to both Native Village Governments and municipalities up to \$100,000 plus a cost-of-living adjustment. The bill also provides that each municipality and Native Village Government receive basic assistance which would hold them harmless at the level of State Revenue Sharing and Municipal Assistance they received for FY 82. The Municipal Assistance Program found in AS 43.20.016 is repealed.

Comments

The Department is very much in favor of ensuring the equal treatment of all Alaska communities in the areas of providing financial aid. We believe the basic purpose of SB37 is to achieve that end, and we support that intent.

Specifically however, we do wish to point out two areas within the language of the bill which are of some concern to us.

The suggested increase for Native Village Governments from the \$25,000 they now receive to \$100,000 plus an area cost-of-living differential would make their entitlement equal to the minimum entitlement nearly all second class cities would receive under this bill.

Second class cities are required under Title 29 to meet certain legal responsibilities, i.e. conducting annual elections, holding regular council meetings, preparing budgets and financial statements and passing and codifying ordinances under public scrutiny. Since state law requires those municipalities to expend local funds to pay for those activities, it would seem fair that additional state financial aid should be provided to offset those local costs.

A second, and minor concern of the Department is the use of the term "Native Village Government". Considering the Attorney General's opinion (File No. J-66-829-81) of 1981 and the controversy which has centered around that term in recent years, the Department suggests a term such as "Unincorporated Community", or similar language be substituted.

A handwritten signature in black ink, appearing to be "A. H. Lewis", is written in a cursive style across the middle of the page.

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 37 Date on Bill: January 18, 1983
 Title: "relating to State Aid to Municipalities and other recipients"
 Sponsor: Senator Sackett and Ferguson
 Requestor: Senate Community & Regional Affairs Committee

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:

Sponsor DID NOT IDENTIFY source of funds for this bill.

3. Assumptions:

Present Revenue Sharing staff would be able to administer this program.
 Full funding of this program would cost \$154,228,500 for FY'84.

4. Disclaimer:

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

Prepared By: Terry L. Earley Phone: 465-4730
 Division: Local Government Assistance Date: 3/3/83
 Approved by Commissioner: [Signature] Date: 3/7/83
 Department: Community & Regional Affairs

5. Distribution:

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

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSSB # 37 (C & RA) Date on Bill: March 8, 1983
 Title: An Act relating to aid for municipalities and other recipients
 Sponsor: Senators Sackett and Ferguson
 Requestor: Senate C & RA Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating		27.5		
Total		27.5		

b. Revenues:

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

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

Sponsor did not indicate.

3. Assumptions:

4. Disclaimer:

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

Prepared By: Doug Griffin Phone: 465-4707
 Division: Local Government Assistance Date: March 8, 1983
 Approved by Commissioner: [Signature] Date: 3/8/83
 Department: Community and Regional Affairs

5. Distribution:

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

2/15/83

CSSB (C & RA)

Financial Analysis:

Travel	\$ 2,500.
<u>Contracted Services</u>	<u>25,000.</u>
TOTAL	\$ 27,500.

\$25,00 is requested for FY 84 to allow the Division of Local Government Assistance to place the combined State Revenue Sharing/Municipal Assistance on its computer system to allow rapid access to and manipulation of the information used to compute entitlements.

A small increase in travel is requested to allow State Revenue Sharing staff to attend meetings of local officials, conduct public hearings on regulations and other matters, and to provide better information and outreach.

A handwritten signature in cursive script, appearing to read "M. J. Lee".

Effects of CS for SB 37:

It repeals the Municipal Assistance Program.

It establishes a minimum payment to municipalities of either \$100,000 plus COLA or an amount equivalent to that received under AS 29.88 and AS 29.95.020 (State Revenue Sharing) and AS 43.20.016 (Municipal Assistance) during the fiscal year ending June 30, 1982, whichever is larger. The qualifications for minimum payments for municipalities have been modified.

It repeals 29.89.050 (State Aid to Native Village Governments) and creates a new section 29.88.032 (State Aid to Unincorporated Communities). It establishes an entitlement of \$50,000 plus COLA per unincorporated community. The minimum payment section has been altered to include the unincorporated communities. If there is disagreement in the community over what organization should be the recipient of these funds, new language in this section would provide for an election.

In the event not enough money is appropriated to fully fund the minimum entitlements plus COLA, all municipalities and unincorporated communities would be prorated at the same level.

If funds above the level required to pay minimum entitlements are appropriated, the extra funds would be distributed to municipalities under AS 29.88 (Municipal Tax Resource Equalization).

Several small adjustments are made in the revenue sharing program at the suggestion of the Department of Community and Regional Affairs:

- 1) 29.88.010(c)(1)(C) - A list of examples has been deleted.
- 2) 29.88.010(c)(1)(D) - An (and) is deleted.
- 3) 29.88.010(c)(1) - A new paragraph F is added to allow municipalities to take credit in the formula for electric and telephone co-op taxes.
- 4) 29.89.030(a)(1) - The \$1,000 per bed allotment on state aid to municipalities and other eligible recipients for health facilities and hospitals is eliminated.
- 5) 29.89.030(a)(3) is amended to specify that money received under this section may be used only for health facilities and shall be apportioned among qualifying facilities by the municipality.
- 6) 29.89.070(a) - COLA on payments to volunteer fire departments.

If the miscellaneous services account or the hospital construction assistance account are overfunded, the excess funds are reallocated to the tax equalization account established in AS 29.88.035.

NORTH AND NORTHWEST
ALASKA MAYORS' CONFERENCE
KOTZEBUE, ALASKA
NOVEMBER 5 AND 6, 1982

RESOLUTION NO. 82-11

A RESOLUTION IN SUPPORT OF COMBINING REVENUE
SHARING AND MUNICIPAL ASSISTANCE PROGRAMS AND
RAISING THE MINIMUM ENTITLEMENT TO \$100,000
PLUS THE COST OF LIVING DIFFERENTIAL

WHEREAS, the paperwork and number of agencies to deal with for State Aid to municipalities is unnecessarily complicated, and

WHEREAS, the current minimum entitlement is too low to assure adequate basic government

NOW THEREFORE BE IT RESOLVED BY THE NORTHWEST MAYORS' CONFERENCE THAT: they go on record in support of combining the Revenue Sharing and Municipal Assistance programs and raising the minimum entitlement to \$100,000 plus the cost of living differential.

PASSED AND APPROVED BY THE 1st Session, 3rd Annual NORTHWEST MAYORS' CONFERENCE THIS 6th day of November, 1982.

LAW OFFICES OF
SMITH & GRUENING, INC.
805 WEST SECOND AVENUE
ANCHORAGE, ALASKA 99501
(907) 278-4691

JOHN ANTHONY (TONY) SMITH
CLARK S. GRUENING*
CHARLES G. EVANS
ROBERT S. SPITZFADEN

JAMES E. HUTCHINS
DEBORAH L. WILLIAMS
*JUNEAU

JUNEAU OFFICE:
9309 GLACIER HIGHWAY
SUITE A-205
JUNEAU, ALASKA 99803
(907) 780-2115

PRELIMINARY DRAFT

M E M O R A N D U M

TO: Mark Lewis, Commissioner
Department of Community & Regional Affairs

Norman Gorsuch, Esquire
Attorney General

FROM: James E. Hutchins
Smith & Gruening, Inc.
on behalf of
PORT GRAHAM VILLAGE COUNCIL

DATE: March 18, 1983

RE: AS 29.89.050

This firm has been retained by the Port Graham Village Council to present the Department of Community and Regional Affairs with a memorandum regarding the eligibility of unincorporated communities within organized boroughs to receive revenue sharing funds pursuant to AS 29.89.050. This memorandum was prepared at the request of former Commissioner Lee McAnerney (see attachment A) and funded by Community Legal Assistance Grant No. 82-26-11.

FACTS

In 1980, the Alaska legislature enacted ch. 155 SLA 1980 to provide for the distribution of State revenue among the local communities within the State. Among the different schemes contained within this statute is the directive that \$25,000.00 be paid to Native village governments for villages which are not incorporated as cities. §3 ch. 155 SLA 1980, codified as AS 29.89.050.

Port Graham is a village of approximately 165 Aleuts and about a half dozen non-Natives living near the southwestern tip of the Kenai Peninsula. Port Graham is not connected by road to any other community, although a four-mile trail over the mountains links it with its sister village English Bay. This village is not incorporated as a city, but it has long been governed by its traditional village council. Both the village and its council are recognized by the federal government as a tribal entity. See, 43 U.S.C. §1610(b) (1). Port Graham is located within the boundaries of the Kenai Peninsula Borough.

During the first year in which AS 29.89.050 was effective, the Department of Community and Regional Affairs recognized Port Graham as a recipient eligible under this section. The funds were paid to the village council and used by it for library services, fire protection, health services, road maintenance, day care and water system maintenance.

In the following year, the Department refused to distribute revenue sharing funds to Port Graham. The Commissioner had been advised by the Attorney General's office that AS 29.89.050 should be

read to preclude payment of such funds to villages located within the boundaries of organized boroughs. Port Graham contests the propriety of this advice.

QUESTIONS PRESENTED

1. Does AS 29.89.050 direct that revenue sharing funds be paid only to unincorporated communities located outside the boundaries of organized boroughs?

2. Must AS 29.89.050 be construed to require that revenue sharing funds be paid only to unincorporated communities located outside the boundaries of organized boroughs?

ANSWER

The language of AS 29.89.050 does not restrict the payment of revenue sharing monies to unincorporated communities located outside organized boroughs. The general legislative intent of ch. 155 SLA 1980 and the language of other sections of this Act make it clear that the legislature intended revenue sharing monies to be paid to all Native village governments for villages not incorporated as cities. This intended payment to all such communities presents no constitutional problems.

DISCUSSION

I. Legislative Intent. The following reproduction of the language of AS 29.89.050 makes it clear that the legislature made no explicit prohibition of revenue sharing payments to Native village governments for unincorporated villages within the organized boroughs:

The state shall pay \$25,000 to a Native village government for a village which is not incorporated as a city under AS 29.03.010-29.95.030. In this section, "Native village government" means

(1) a local governing body organized by authority of the Act of Congress of June 18, 1934 (25 U.S.C. §476); or

(2) a traditional village council or, if there is no traditional village council, the paramount chief or other governing body of a Native village which meets the requirements of the Alaska Native Claims Settlement Act (43 U.S.C. §§1601-1628).

AS 29.89.050.

None of the memoranda prepared by the Attorney General's office (April 27, 1981, File No. J-66-335-81; September 2, 1981, File No. J-66-829-81; November 18, 1981, File No. J-66-261-82) show that the legislature intended, either explicitly or implicitly, to restrict revenue sharing payments to unincorporated communities outside the borders of organized boroughs. Rather, the Attorney General's office advised the Department to read this restriction into the statute in order to avoid purported constitutional problems and to promote certain policy considerations.

That the Attorney General's revision of the statute is contrary to the legislature's intention can be readily shown. First, a major policy motivating the enactment of ch. 155 SLA 1980 was the need to provide for an even distribution of State revenues among all the communities of the State without regard for their several abilities to generate governmental income. See, §§1 and 12(c) ch. 155 SLA 1980. While the primary emphasis was given to the needs of incorporated municipalities, the legislature was not unmindful of the

fact that numerous communities within the State are only organized under federal law. See, AS 29.89.050.

The legislature provided for the distribution of funds for both general and specific governmental purposes. AS 29.88 and AS 29.89. The distributional scheme also provided for the payment of funds directly and indirectly to nonprofit hospitals and volunteer fire departments. AS 29.89.030; AS 29.89.040. Thus, it is clear that State created governmental entities were not the only intended recipients. See also, AS 29.89.010.

It is just as clear that villages within organized boroughs were intended to be recipients of revenue sharing funds. First, it should be noted that villages and towns incorporated as cities were unquestionably intended to receive revenue sharing funds, whether or not they are located within the boundaries of organized boroughs. AS 29.88.035, 29.88.045, 29.89.010. This is because cities provide services which boroughs do not.

The same can be said of villages organized under federal law. The village council of Port Graham provides road, water and sewer maintenance, fire protection, health services and a library without the assistance of the Kenai Peninsula Borough. Inasmuch as villages like Port Graham are integral parts of the State of Alaska, it is to be presumed that, by failing to place an explicit restriction on the distribution of funds to villages located outside organized boroughs, the legislature did not intend such a restriction to exist. This conclusion is confirmed by the fact that the legislature did place such an explicit restriction on the distribution of

State aid to volunteer fire departments. AS 29.89.040(a). In short, if the legislature had intended to deny revenue sharing funds to villages within the organized boroughs, it would have said so.

II. Constitutional Questions. With the exception of the discussion of Art. X, §2 of the Alaska Constitution; the panoply of potential constitutional problems raised by the three memoranda from the Attorney General's office has nothing to do with the eligibility of unincorporated communities within organized boroughs to receive funds pursuant to AS 29.89.050. If the Department may properly make these payments to communities located outside the organized borough, the Department may disburse these funds to communities within the boroughs.

A. Equal protection; public purpose. It may be worthwhile, however, to offer a brief discussion of these supposed constitutional infirmities in order to demonstrate that none of them are real problems. First, the Attorney General raises the spectre of discriminatory use of the State funds by Native village governments. However, he must and does admit that this is not a question of the unconstitutionality of the statute on its face. Attorney General's Memorandum, File No. J-66-335-81, at 3-4 (April 27, 1981). The village council of Port Graham provides services to all residents of the village without discrimination.

Second, it was suggested that the use of revenue sharing funds by a Native government would not be for a public purpose, as required by Art. IX, §6 of the Alaska Constitution. This assertion

is negated by the numerous cases which recognize a public purpose in the use of State funds which benefit private, and even religious, entities. Wright v. City of Palmer, 468 P.2d 326, 331 (Alaska 1970); Walker v. Alaska State Mortgage Association, 416 P.2d 245, 251 (Alaska 1966); Suber v. Alaska State Bond Commission, 414 P.2d 546, 552 (Alaska 1966); Lien v. City of Ketchikan, 383 P.2d 721, 722 (Alaska 1963); DeArmond v. Alaska State Development Corporation, 376 P.2d 717, 721-722 (Alaska 1962). The uses to which revenue sharing funds are applied by the Port Graham village council are undeniably public purposes (see attachment B). The Commissioner was in apparent agreement (see attachment C).

Third, it was suggested that the disbursement of revenue sharing funds to Native village governments but not to non-Native unincorporated communities might violate the equal protection clause of the Alaska Constitution. This contention, too, lacks substance. It is highly doubtful that unincorporated communities are "persons" under Alaska-Cons. Art. I, §1. Further, the courts have consistently accorded great deference to legislatures on the structuring of remedial statutes. It is well settled that the grant of a public benefit need not extend as far as it might; instead, the extent to which a problem is remedied by an expenditure of public funds is left to the reasonable discretion of the legislature. E.g., Suber v. Alaska State Bond Committee, 414 P.2d 546, 552 (Alaska 1966); Schweiker v. Wilson, 450 U.S. 221, 230, 238 (1981). It is certainly reasonable for the legislature to distinguish between communities which have some form of government and those which have none.

B. Local government provisions. To support its advice that AS 29.89.050 revenue sharing ought only to be disbursed among unincorporated communities outside the borders of organized boroughs, the Attorney General's office offered three arguments:

1. There is no need for the State to provide services through another organization where a municipality exists.

2. To do so would contravene Art. X, §2 of the Alaska Constitution.

3. The proposed amendments to AS 29.89.050 confirm the Attorney General's restrictive reading of the present language of AS 29.89.050.

Attorney General's Memorandum J-66-261-82 (November 18, 1981).

The first argument is, in effect, the substitution of the Attorney General's resolution of a policy question in place of the legislature's determination. As such, it is violation of the doctrine of separation of powers. See, Bradner v. Hammond, 553 P.2d 1, 7 (Alaska 1976). It is the legislature's province to make laws. Alaska Cons., Art. II, §1. It is the executive's duty to enforce them as made by the legislature. Alaska Cons., Art. III, §16. Thus, not only is the Attorney General's determination of the appropriate entities to receive revenue sharing funds outside the scope of his authority, but the advice to the Department to rewrite AS 29.89.050 to avoid the purported constitutional problems is also a violation of the doctrine of separation of powers. Validly enacted laws are presumptively constitutional unless declared otherwise by a

court of competent jurisdiction; the executive has no power to suspend, to abridge or to enlarge the enforcement of such laws. 16 Am.Jur.2d "Constitutional Law" §153 at 526-527, §305 at 821-822 (1979).

This executive determination of need is not only legally improper, it also ignores the allocation of local and area-wide functions within our State's system of local governments. The Attorney General's memorandum states, "There is no need for the state to provide services through another organization where a municipality exists." Attorney General's Memorandum J-66-261-82 at 1 (November 18, 1981). If this were true, the question arises whether cities ought to receive revenue sharing funds if they are located within the boundaries of a borough. The answer, of course, is yes. This is not because cities are municipalities, too. Rather, the legislature has chosen to extend revenue sharing funds to cities as well as to boroughs because these two entities have complementary functions. See, AS 29.33.010 et seq.; AS 29.38.010-.020; AS 29.40.020; AS 29.48.030. The borough is more suited to address area-side concerns, while both incorporated cities and Native village governments better address local concerns. See, City of Douglas v. City and Borough of Juneau, 484 P.2d 1040, 1043 (Alaska 1971).

The Kenai Peninsula Borough covers the entire Peninsula plus most of the western bank of the Cook Inlet drainage. It has been beyond the practice and presumably beyond the ability of the Borough

to provide for all the public services necessary in the various isolated villages contained within the Borough. These are local concerns and they are most effectively addressed by local governments. This is especially true in communities, such as Port Graham, which have no road connection with the main concentration of borough population. This allocation of prime responsibility to local community governments is in keeping with the basic constitutional tenet that the State local government system provide for the maximum local self-government. Alaska Cons., Art. X, §1; see also, 4 Alaska Const. Conv. Proceed. 2648-49.

The Attorney General's second rationale for withholding payments to village governments within boroughs is based upon an overly restrictive and unwarranted reading of Art. X, §2 of the Alaska Constitution. It also ignores the clear pronouncements of the Supreme Court of Alaska and the dictates of federal law.

The Attorney General argued that Art. X §2 of the Alaska Constitution limits the exercise of local government powers to boroughs and to cities. Attorney General's Memoranda J-66-261-82 at 1 (November 18, 1981) and J-66-335-81 at 3 (April 27, 1981). Neither the language of this section nor the records of the constitutional convention proceedings support this interpretation. Article X §2 reads as follows:

All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only.

This section does three things. First, it gives names to State created units of local government. Second, it, together with Art. X, §1, grants to those units the full panoply of local governmental powers. Third, it restricts the taxing power to organized boroughs and cities.

This section does not limit the exercise of all governmental functions to boroughs and cities. See, Art. X, §5. The State legislature is empowered to exercise some local government powers. See, Art. X, §§6 and 13; see also, 4 Alaska Const. Conv. Proceed. 2741. Nor does it prohibit municipalities from entering into agreements with other local governmental units, the State or the Federal Government regarding the exercise of governmental functions. See, Art. X, §13. A Native village government is a local governmental unit which may be recognized under these constitutional provisions.

Further, it was the intention of the Framers of the Alaska Constitution that unincorporated villages be able to exercise some governmental functions. 4 Alaska Const. Conv. Proceed. 2649, 2651-52. Throughout the discussions of the local government article, it was emphasized that a flexible framework for local government was intended; the details were to be left up to the State and to the local communities. E.g., 4 Alaska Const. Conv. Proceed. 2647, 2648, 2654, 2665, 2690, 2743. The legislature is authorized to set the standards for the recognition of cities and boroughs and it is authorized to prescribe their powers and functions. Art X, §§3 and 7. It is clear from the foregoing that the legislature is authorized to recognize the existence of Native village governments.

This recognition has already been approved by the Alaska Supreme Court. Traditional village councils are recognized as possessing some governmental powers when no incorporated municipality exists over the same community. State v. Aleut Corporation, 541 P.2d 730, 735 (Alaska 1975). In this case, the Court held that traditional councils must be consulted prior to the conveyance of State land adjacent to their communities. Id. at 737. This requirement arose from AS 38.05.305, which pertained to conveyances adjacent to an incorporated municipality or "other organized community." The Court rejected the argument that "other organized community" referred only to boroughs. Rather, the Court included Native villages in this definition with the following analysis:

In our view, the state's reading of AS 38.05.305 is too constricted. Common sense leads to the conclusion that if the legislature had intended to limit the provision's applicability to incorporated municipalities and boroughs, it would have used the word "boroughs." We think the legislature employed the broader term "other organized community" for the purpose of importing flexibility into the statute. Since the forms and powers of local governments in Alaska are not immutable, the broader term serves the purpose of imposing the duty in regard to the intended class of communities regardless of how the form of local government changes over the years. And we further believe that the legislature intended AS 38.05.305 to apply to communities, like the villages in this case, which have permanent populations and an organized civil government, even though that government is a product of cultured tradition rather than incorporation under state laws. (Emphasis added.)

Id. Here, then, is controlling precedent which holds that Native village governments may exercise local governmental powers within the ambit of State law.

This conclusion is bolstered by the holding of Atkinson v. Haldane, 569 P.2d 151 (Alaska 1977). In this case, the Supreme Court held that it was required to recognize the sovereign immunity of tribal governments by the Supremacy Clause of the United States Constitution. Id. at 163. The governmental status of recognized Native village councils cannot be ignored by the State government. There is, of course, no requirement that State funds be expended to support these governmental entities. But it should be clear that the legislature has the power to do so. Alaska Cons., Art., X §13.

That the legislature should do so is simply a recognition of the fact that Native village communities are an integral part of this State. That they may have organized under federally recognized forms of government does not deprive them of this status any more than federally chartered banks are disenfranchised by their federal affiliation. Further, federal law has granted the State an extension of jurisdiction over certain matters within Indian country. 18 U.S.C. §1162(a) and 28 U.S.C. §1360(a). This grant carries with it the obligation that the State enforce tribal laws which are not inconsistent with State laws. 28 U.S.C. §1360(c). This intermingling of law and of enforcement envisions a cooperative arrangement between the State and tribal village governments. The State legislature, in AS 29.89.050, has chosen to interact in just such a cooperative manner. There is nothing in the Alaska Constitution which prohibits this form of cooperation.

Finally, the Attorney General argued that a subsequent bill to restrict payments to communities outside the organized boroughs was evidence of a similar legislative intent behind the existing AS 29.89.050. This contention may be shown to be erroneous by two observations. First, the subsequent bill was never enacted into law; thus, it can serve as no authority for any purpose. Second, an amendment to an unambiguous statute is generally presumed to indicate a change in the law, not an explanation of it. City of Anchorage v. Thomas, 624 P.2d 271, 273 (Alaska 1981). The legislature in AS 29.89.050 has unambiguously commanded that revenue sharing funds be paid to Native village governments in villages which are not incorporated as cities. The traditional council of the village of Port Graham unambiguously fits this description.

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

September 28, 1982

Mr. Walter Maganack, Sr.
President, Port Graham Village Council
General Delivery
Port Graham, Alaska 99603

Dear Mr. Maganack:

RE: Port Graham CLAG Appeal

After carefully reviewing your letter of August 26 appealing the denial of Community Legal Assistance Grant funding for Port Graham, I have decided that Port Graham should pursue the issue of revenue sharing for unincorporated communities within organized boroughs.

While the Division of Local Government Assistance (LGAD) has raised some excellent arguments supporting their decision, there continue to be some outstanding questions concerning legislative intent and the most recent Attorney General's opinion that need to be reexamined for the potential benefit of all communities in the same situation as Port Graham.

However, after a review of available funding and consideration of the time involved in legal proceedings of this nature, it is my decision that this issue should be pursued administratively rather than through litigation. Therefore, the Department is prepared to award \$2,500 to Port Graham to contract for legal research that will result in a legal memo to be submitted to the Attorney General seeking reevaluation of the decisions reached in earlier opinions. This memo should be provided to the Department of Community and Regional Affairs for transmittal to the Attorney General.



ATTACHMENT "A"

Mr. Maganack
September 28, 1982
Page 2

While I realize that this grant award does not meet all of your expectations, it is my feeling that the issue can be addressed in a timely manner by pursuing this course. If you wish to accept the grant award, please let me know as soon as possible.

Sincerely,

Lee McAnerney
Lee McAnerney
Commissioner

cc: Senator Don Gilman
Representative Hugh Malone
Ellen Schmidt, North Pacific Rim
Vincent Kvasnikoff, English Bay
Local Government Assistance Division

Walter R. Meganack Sr.
Port Graham Village Council
Port Graham, Alaska 99603

RECEIVED OCT 20 1981

October 8, 1981

Mr. Lee McCarnery
Commissioner
Dept. Of Community & Regional Affairs
Local Government Assistance Division
Pouch BH
Juneau, Alaska 99811

Dear Mr. McCarnery:

I was very happy to receive directly \$25,000.00 in State Revenue Sharing monies from the Department of Community & Regional Affairs. With these monies our community is able to provide maintenance and services such as follows:

1. Librarian part time one person
2. Fire Chief " " " "
3. Fire Chief Assistant part time one person
4. Road Maintenance one person
5. Road Maintenance Assistant one person
6. Health Aide Assistant one person
7. Water & Sewer Maintenance Occasionally two people
8. Fire Truck & Fire House Repair & Maintenance
9. Day Care
10. Fire Drill for six people once a month.

Also in early January the Legislature increased the above Revenue to \$38,000.00. A certain number of villages were named to receive the aid and Port Graham was one of those villages, that was good news.

Then again the legislature passed Senate Bill/68, the Municipal Aide Bill which provides \$750.00 per head. This was another joy for the villages and communities.

Now comes the bad sad story. When the decision was made on law to channel or distribute these municipal aide monies to the villages or communities, Port Graham was left out in the cold. Port Graham happens to fall under the Kenai Peninsula Borough, so it was decided that our per capita entitlement monies would go to the Kenai Peninsula Borough. Since the Kenai Peninsula Borough has very limited powers to administer and spend funds, our share of the municipal aid monies will be lost in the Kenai Peninsula Borough red tape.

If that wasn't bad enough, a decision is now being considered which would give our State Revenue Sharing Funds to the Borough also. This would really leave our village in the red. This decision would not only jeopardize Port Graham, but English Bay as well.

ATTACHMENT "B"

In other words, all the programs that the village of Port Graham is now providing to our village from the FY80 grant would be wiped out. We were hoping that these monies would continue to be channelled directly to the village through the department of Community & Regional Affairs. If not then the following list of services which are budgeted under the program will have to be discontinued:(see attached list)

Now comes our special request that their decision be amended so that the Village of Port Graham will be able to continue to provide these programs through the State Revenue Sharing Funds. I would like to see our State Revenue Sharing monies continue to be distributed directly to the village through the Department of Community & Regional Affairs.

This is a very serious situation because if the decision is not reversed, 10 people will be laid off from their part-time jobs, and harm will come to the maintenance of the Fire House, roads and water & sewer systems. And it would leave us with no funds to continue our on going programs.

I would also like to see our State Municipal Aide Revenue, which is \$750.00 per head, granted directly to the village. As it is now, Port Graham gets almost nothing from this program. I have included a copy of Port Grahams proposals which were submitted to the Kenai Peninsula Borough Assembly targeted for FY82.

As I mentioned earlier I have also enclosed copies of the budget of programs administered locally from State Revenue Sharing. Please look into the matter immediately.

Thank You.

Sincerely,

Walter R. Meganack Sr.
Walter R. Meganack Sr.
Village Council President

enclosures

1. Librarian part time one person
2. Fire Chief part time one person
3. Fire Chief Ass't part time one person
4. Road Maintenance Foreman part time one person
5. Road Maintenance Ass't part time one person
6. Health Aide Assistant full time one person
7. Water, Sewer Maintenance occassionally two people
8. Fire House & Fire Truck repair & maintenance
9. Day Care
10. Fire Drill once a month for six volunteer firemen

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

December 2, 1981

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

RECEIVED DEC 7 1981

Ms. Sharon Zandman-Zeman
Community Planner
The North Pacific Rim
903 W. Northern Lights Blvd., Suite 203
Anchorage, Alaska 99503

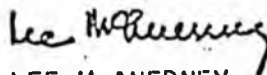
Dear Ms. Zandman-Zeman:

RE: STATE REVENUE SHARING TO UNINCORPORATED COMMUNITIES

This letter responds to your letter which urged this Department to work with your organization to help IRA Councils, traditional or tribal councils which are located within a borough. Your concern is understandable and it appears as if the communities of English Bay and Port Graham have used their State funding to provide worthwhile services for village residents.

Enclosed please find a copy of the Attorney General's opinion, dated November 18, 1981, which clarifies the rationale behind the State of Alaska's decision to not pay State Revenue Sharing to unincorporated communities. The opinion references two earlier opinions from the Department of Law, so these have also been included.

Sincerely,



LEE McANERNEY
COMMISSIONER

Enclosures

ATTACHMENT "C"