

HB

90

HOUSE COMMITTEE REPORT

(11)

Date referred: 2/18/87

FURTHER REFERRALS:

DATE: 3-4-87

The Finance Committee has considered HB 90

"An Act relating to time periods to be used for administering the tax equalization program and the municipal assistance program; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published 1/30/87
- zero with analysis

SIGNING DO PASS:

Adams Al Adams

Bouchot Pat Bouchot

Larson Ronald L. Larson

Goll John Goll

Swack Mark Swack

Boyer Mark Boyer

Rieger Steve Rieger

Brown Fan Brown

Davis Mike Davis

Wallis F. Kay Wallis

SIGNING OTHER RECOMMENDATIONS:

Alberts L. L...
Chairman's signature

7-12 70
0038
11/30/87

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No. : _____
 Title : "An Act relating to time periods
 to be used for administering tax equal-
 ization & Municipal assistance programs
 Sponsor : Rules/Governor
 Requestor : Governor
 Date of Request : 11/21/86

FISCAL DETAIL

Agency Affected : Community & Regional Affairs
 BRU : Local Government Assistance

 Components : Grants Administration

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-		

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

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

FUNDING : (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-		
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Doug Griffin, Deputy Director
 Division : Municipal & Regional Assistance

Phone : 465-4750
 Date : 11/21/86

Approved by Commissioner : [Signature]
 Agency : Community & Regional Affairs

Date : 11/20/86

Distribution (by Agency preparing fiscal note) :

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

Introduced: 1/30/87
 Referred: Community & Regional
 Affairs and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
 REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 90

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to time periods to be used for
 7 administering the tax equalization program and the
 8 municipal assistance program; and providing for an
 9 effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 29.60.010 is amended to read:

12

Sec. 29.60.010. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICI-
 13 PAL SERVICES. (a) During each state fiscal year the department shall
 14 compute an equalization entitlement for municipal services provided by
 15 a taxing unit for payment the following state fiscal year.

16

(b) The equalization entitlement computed for a taxing unit is
 17 based on the population, relative ability to generate revenue, and
 18 local tax burden of the taxing unit and is determined by the applica-
 19 tion of the formula

20

Entitlement = P x R

21

where P = population, and

22

R = millage rate equivalent, determined by dividing the sum
 23 of the locally generated revenue of the taxing unit by one-tenth of
 24 one percent of the full and true value of assessed property of the
 25 taxing unit determined under AS 29.60.030(d); however, the per capita
 26 property value used under this subsection may not be less than 15
 27 percent of the statewide average per capita full and true assessed
 28 property value.

29

(c) For purposes of this section, locally generated revenue

- 1 (1) includes
- 2 (A) the actual revenue derived from the levy and col-
- 3 lection of local taxes in the taxing unit for municipal services
- 4 [DURING THE PRECEDING FISCAL YEAR OF THE TAXING UNIT];
- 5 (B) motor vehicle payments received by the municipal-
- 6 ity [DURING THE PRECEDING FISCAL YEAR] under AS 28.10.431;
- 7 (C) revenue from fees, rentals, leases, penalties,
- 8 licenses or permits received [DURING THE PRECEDING FISCAL YEAR]
- 9 by the municipality for a function or service over which it has
- 10 control, including revenues derived from parks and recreation
- 11 services, mass transit, offstreet parking, and garbage and solid
- 12 waste disposal services;
- 13 (D) special assessments received [DURING THE PRECEDING
- 14 FISCAL YEAR]; and
- 15 (E) payments received by a municipality from a utility
- 16 that are in place of taxes levied and collected by the municipal-
- 17 ity;
- 18 (2) excludes
- 19 (A) revenue derived from the levy and collection of
- 20 municipal taxes and appropriated for the operating expenses and
- 21 debt service of utilities;
- 22 (B) revenue from interest earned on investments and
- 23 from the sale and lease of land or equipment; and
- 24 (C) all other revenue from whatever service derived;
- 25 (3) is calculated on the basis of the actual revenue re-
- 26 ceived during the fiscal year of the taxing unit preceding the year in
- 27 which the department's determination of the millage rate equivalent is
- 28 made under AS 29.60.030.

29 * Sec. 2. AS 29.60.030(a) is amended to read:

1 (a) The department may require a municipality to return a certi-
2 fication, signed by the municipal treasurer or manager and the mayor,
3 that provides an estimate of the locally generated revenue received by
4 the municipality during its [THE PRECEDING] fiscal year preceding the
5 year in which the department's determination of the millage rate
6 equivalent is made under (c) of this section.

7 * Sec. 3. AS 29.60.030(c) is amended to read:

8 (c) As early as possible, but not later than January [DECEMBER]
9 15 of each year, the department shall make a [FINAL] determination of
10 the millage rate equivalent of each taxing unit to use to compute and
11 distribute equalization entitlements under AS 29.60.010 -- 29.60.080
12 for the following state fiscal year. The department shall base the
13 determination on audits, financial statements, and other financial
14 reports prepared and submitted by a municipality. The department
15 shall adjust the locally generated revenue reported by a municipality
16 to exclude the municipal revenue claimed that does not qualify for
17 inclusion in or recognition as locally generated revenue for municipal
18 purposes under AS 29.60.010(c)(1). The adjustment must [SHALL] be
19 made by deducting from total revenue claimed by the municipality the
20 amount of the department's estimate of revenue that is not recognized
21 for municipal purposes.

22 * Sec. 4. AS 29.60.040 is amended to read:

23 Sec. 29.60.040. REPORTS. A payment of an equalization entitle-
24 ment may not be made to a municipality under AS 29.60.010 -- 29.60.080
25 until the municipality has submitted its certificate of estimated
26 revenue and its financial report to the department for the municipal
27 fiscal year preceding the year in [FOR] which the department's deter-
28 mination of the millage rate equivalent is made under AS 29.60.030
29 [EQUALIZATION ENTITLEMENT IS SOUGHT], together with the municipality's

1 [A] budget for the [MUNICIPALITY'S CURRENT] fiscal year for which an
2 entitlement is sought. The financial report must [SHALL] include a
3 listing of general revenue collected from taxes levied and assessed
4 and any other revenue that, in the opinion of the municipal officials,
5 is eligible for inclusion in computations of the locally generated
6 revenue of the taxing unit.

7 * Sec. 5. AS 29.60.290(a) is amended to read:

8 (a) A municipality qualifying for an entitlement under AS 29.-
9 60.010 -- 29.60.080 or 29.60.100 -- 29.60.180 shall receive a minimum
10 payment of \$25,000 plus an area cost-of-living differential for each
11 fiscal year if

12 (1) the municipality has conducted a regular election
13 during the state fiscal year preceding the year in [FOR] which the
14 department's determination of the municipality's millage rate equiva-
15 lent is made under AS 29.60.030 [PAYMENT OF AN ENTITLEMENT IS AUTHOR-
16 IZED BY AS 29.60.010 -- 29.60.080 or 29.60.100 -- 29.60.180] and has
17 reported the results of the election to the commissioner;

18 (2) regular meetings of the governing body are held in the
19 municipality during the state fiscal year preceding the year in [FOR]
20 which the department's determination of the municipality's millage
21 rate equivalent is made under AS 29.60.030 [PAYMENT OF AN ENTITLEMENT
22 IS AUTHORIZED BY AS 29.60.010 -- 29.60.080 or 29.60.100 -- 29.60.180]
23 and a record of the proceedings is maintained;

24 (3) a municipal budget has been adopted for the fiscal year
25 during which payment of an entitlement is authorized by AS 29.60.-
26 010 -- 29.60.080 or 29.60.100 -- 29.60.180 and an audit or financial
27 statement for the [PRECEDING] fiscal year preceding the year in which
28 the department's determination of the municipality's millage rate
29 equivalent is made under AS 29.60.030 has been prepared and furnished

1 to the department in accordance with AS 29.20.640(a); and

2 (4) local ordinances adopted by the municipality have been
3 codified in accordance with AS 29.25.050.

4 * Sec. 6. AS 29.60 is amended by adding a new section to read:

5 Sec. 29.60.310. TIME OF PAYMENT. The department shall make pay-
6 ments under AS 29.60.010 -- 29.60.300 no later than July 31, based
7 upon the entitlement calculations made during the preceding fiscal
8 year.

9 * Sec. 7. AS 29.60.350(b) is amended to read:

10 (b) The department shall distribute money from the municipal
11 assistance fund to each municipality on an annual basis as provided in
12 AS 29.60.360 and 29.60.370. A municipality may not receive payment
13 until it submits to the department a resolution approved by the gov-
14 erning body of the municipality that requests the money. Distribution
15 of money from the municipal assistance fund to all municipalities must
16 [A MUNICIPALITY WITH A FISCAL YE/R BEGINNING ON JANUARY 1 SHALL] be
17 made on February 1 of the state fiscal year for which the appropria-
18 tion to the fund is made. [DISTRIBUTION OF MONEY FROM THE MUNICIPAL
19 ASSISTANCE FUND TO ALL OTHER MUNICIPALITIES SHALL BE MADE ON JUNE 1 OF
20 THE STATE FISCAL YEAR FOR WHICH THE APPROPRIATION TO THE FUND IS
21 MADE.] A municipality that incorporates after December 31 of a state
22 fiscal year is not eligible for a distribution under this section
23 until the following state fiscal year.

24 * Sec. 8. AS 29.60.030(b) is repealed.

25 * Sec. 9. Notwithstanding secs. 1 -- 8 of this Act, the Department of
26 Community and Regional Affairs and municipalities seeking payment under
27 AS 29.60.010 -- 29.60.375 for the state fiscal year ending June 30, 1988
28 shall follow the procedures set out in those sections before amendment by
29 this Act. The Department of Community and Regional Affairs shall follow

1 the deadlines and procedures established by this Act for the state fiscal
2 year ending June 30, 1989.

3 * Sec. 10. This Act takes effect July 1, 1987.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the time periods to be used in administering the tax equalization and municipal assistance programs. The bill amends sections of AS 29.60 to compute municipal revenue sharing entitlements, and to distribute revenue sharing and municipal assistance, on a new timetable.

Each year, the Alaska legislature appropriates money for municipal revenue sharing, known as "equalization entitlements," to be distributed in the following state fiscal year. Equalization entitlements are the product of multiplying a municipality's millage rate equivalent by the municipality's population. AS 29.60.010(b). Two factors used in determining the millage rate equivalent are the municipality's locally generated revenue and property values. AS 29.60.010(c). A municipality's locally generated revenue and full and true assessed property value in one year are the foundation for computing the municipality's equalization entitlement for the next state fiscal year. However, the current system for determining revenue sharing does not give municipalities sufficient opportunity to plan ahead; a municipality must plan its budget in advance without an accurate idea of its entitlement for the following fiscal year.

Two time periods underly the existing timetable for determining entitlements and distributing payments: (1) the municipal fiscal year from which the locally generated revenue and full and true assessed property value are derived, and (2) the succeeding state fiscal year in which both the computation and distribution of entitlements takes place. In its December 9, 1985 report, the Governor's Task Force on State Shared Revenues requested that the latter functions be separated into two years, so that computation of entitlement is done in the state fiscal year before the distribution of payments. This is informally described as the "prior year data" basis for handling revenue sharing entitlements.

To implement the prior-year system, this bill amends various sections of AS 29.60 to reflect three relevant time periods: the municipal fiscal year from which revenue and property value data is collected, the state fiscal year of entitlement computation, and the state fiscal year of entitlement payment. With the computation of entitlement occurring in the fiscal year before payment, the department will be able to distribute entitlements sooner each fiscal year.

Section 1 of the bill amends AS 29.60.010(a) to reflect that computation of an equalization entitlement occurs in the state fiscal year before the fiscal year of payment. AS 29.60.010(c) is amended to state that a municipality's locally generated revenue is calculated on the basis of revenue received during the municipal fiscal year preceding the year in which the department determines the millage rate equivalent. Section 2 makes a similar change to AS 29.60.030(a).

Because the prior-year system splits computation and distribution of revenue sharing into two state fiscal years, there is no longer a need for municipalities to submit preliminary data by October 15. As a result, sec. 8 of the bill repeals AS 29.60.030(b).

In sec. 3 of the bill, the deadline for the department's determination of each municipality's millage rate equivalent is changed from December 15 to January 15 of each year. AS 29.60.030(c). That statute is also amended to state that that determination is to be used for the distribution of equalization entitlements that will occur in the state fiscal year that begins after the January 15 computation.

AS 29.60.040 sets out the municipal reports required before payment of an equalization entitlement. Section 4 of the bill amends the statute to reflect that a municipality's financial reports should cover the fiscal year preceding the year in which the department computes the millage rate equivalent. The municipality must submit a budget for the fiscal year for which an entitlement is sought. AS 29.60.040.

Additional requirements are currently placed on a municipality in order to qualify for revenue sharing. AS 29.60.290. Section 5 of the bill amends AS 29.60.290(a) (1) and (2) to require that a regular election and regular meetings of the municipal governing body be held in the state fiscal year preceding the year in which the department computes the millage rate equivalent. As current law requires, the

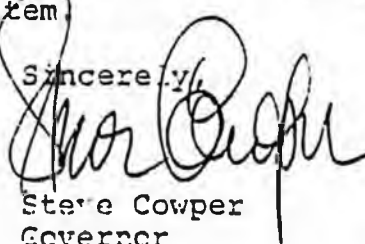
municipal budget must cover the year that the entitlement will be paid, but the requisite audit or financial statement from the municipality covers the fiscal year preceding the department's determination of the millage rate equivalent. AS 29.60.290(a)(3).

Section 6 of the bill adds a new AS 29.60.310 that specifies that the department is to make its tax equalization (or revenue sharing) payment no later than July 31, based upon the calculations made in the preceding fiscal year.

Section 7 of the bill amends the timetable for payment of municipal assistance under AS 29.60.350. AS 29.60.350(b) currently provides two different deadlines for payment of municipal assistance depending on a municipality's fiscal year. The statute is amended to set a single date, February 1, as the deadline, instead of February 1 or June 1.

Section 9 of the bill provides for a transition between the current system and the new prior-year system. The existing timetable for computation and distribution would be followed in FY 1988, but the bill's new timetable would apply to FY 1989. The switch to a prior-year system will require the use of the same locally generated revenue data in two consecutive fiscal years, which is unavoidable. Section 10 of the bill provides for a July 1, 1987 effective date, giving the Department the authority to prepare in FY 1988 for implementation of the new system.

Sincerely,



Steve Cowper
Governor

08-18-45-03-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 16:00 1/29/87

AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS
CATEGORY: DEVELOPMENTPROGRAM: MUNICIPAL REVENUE SHARING
SUB-PROGRAM: MUNICIPAL ASSISTANCE

LEO. FIN.

----- F I S C A L Y E A R 1 9 8 8 -----

EXPENDITURES & FUNDING	(01) FY86 ACT	(02) FY87 ATH	(24)	(03) FY87 REV	(04) TRANSFER	(05) DECRMTS	(06) INCRMTS	(23)	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDG													
07 GRANTS, CLMS	81248.0	73176.1		65858.5		-13171.7			52686.8				
08 MISC.													
MM TOTAL EXPEND	81248.0	73176.1		65858.5		-13171.7			52686.8				
09 I-A TRANSFER													
1004 GEN FUND	81248.0	73176.1		65858.5		-13171.7			52686.8				
15 FULL TIME													
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS													

Introduced: 1/30/87
 Referred: Community & Regional
 Affairs and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
 REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 90

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to time periods to be used for
 7 administering the tax equalization program and the
 8 municipal assistance program; and providing for an
 9 effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 29.60.010 is amended to read:

12 Sec. 29.60.010. STATE EQUALIZATION OF TAX RESOURCES FOR MUNICI-
 13 PAL SERVICES. (a) During each state fiscal year the department shall
 14 compute an equalization entitlement for municipal services provided by
 15 a taxing unit for payment the following state fiscal year.

16 (b) The equalization entitlement computed for a taxing unit is
 17 based on the population, relative ability to generate revenue, and
 18 local tax burden of the taxing unit and is determined by the applica-
 19 tion of the formula

20 Entitlement = P x R

21 where P = population, and

22 R = millage rate equivalent, determined by dividing the sum
 23 of the locally generated revenue of the taxing unit by one-tenth of
 24 one percent of the full and true value of assessed property of the
 25 taxing unit determined under AS 29.60.030(d); however, the per capita
 26 property value used under this subsection may not be less than 15
 27 percent of the statewide average per capita full and true assessed
 28 property value.

29 (c) For purposes of this section, locally generated revenue

1 (1) includes

2 (A) the actual revenue derived from the levy and col-
3 lection of local taxes in the taxing unit for municipal services
4 [DURING THE PRECEDING FISCAL YEAR OF THE TAXING UNIT];

5 (B) motor vehicle payments received by the municipal-
6 ity [DURING THE PRECEDING FISCAL YEAR] under AS 28.10.431;

7 (C) revenue from fees, rentals, leases, penalties,
8 licenses or permits received [DURING THE PRECEDING FISCAL YEAR]
9 by the municipality for a function or service over which it has
10 control, including revenues derived from parks and recreation
11 services, mass transit, offstreet parking, and garbage and solid
12 waste disposal services;

13 (D) special assessments received [DURING THE PRECEDING
14 FISCAL YEAR]; and

15 (E) payments received by a municipality from a utility
16 that are in place of taxes levied and collected by the municipal-
17 ity;

18 (2) excludes

19 (A) revenue derived from the levy and collection of
20 municipal taxes and appropriated for the operating expenses and
21 debt service of utilities;

22 (B) revenue from interest earned on investments and
23 from the sale and lease of land or equipment; and

24 (C) all other revenue from whatever service derived;

25 (3) is calculated on the basis of the actual revenue re-
26 ceived during the fiscal year of the taxing unit preceding the year in
27 which the department's determination of the millage rate equivalent is
28 made under AS 29.60.030.

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3 that provides an estimate of the locally generated revenue received by
4 the municipality during its [THE PRECEDING] fiscal year preceding the
5 year in which the department's determination of the millage rate
6 equivalent is made under (c) of this section.

7 * Sec. 3. AS 29.60.030(c) is amended to read:

8 (c) As early as possible, but not later than January [DECEMBER]
9 15 of each year, the department shall make a [FINAL] determination of
10 the millage rate equivalent of each taxing unit to use to compute and
11 distribute equalization entitlements under AS 29.60.010 -- 29.60.080
12 for the following state fiscal year. The department shall base the
13 determination on audits, financial statements, and other financial
14 reports prepared and submitted by a municipality. The department
15 shall adjust the locally generated revenue reported by a municipality
16 to exclude the municipal revenue claimed that does not qualify for
17 inclusion in or recognition as locally generated revenue for municipal
18 purposes under AS 29.60.010(c)(1). The adjustment must [SHALL] be
19 made by deducting from total revenue claimed by the municipality the
20 amount of the department's estimate of revenue that is not recognized
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23 Sec. 29.60.040. REPORTS. A payment of an equalization entitle-
24 ment may not be made to a municipality under AS 29.60.010 -- 29.60.080
25 until the municipality has submitted its certificate of estimated
26 revenue and its financial report to the department for the municipal
27 fiscal year preceding the year in [FOR] which the department's deter-
28 mination of the millage rate equivalent is made under AS 29.60.030
29 [EQUALIZATION ENTITLEMENT IS SOUGHT], together with the municipality's

1 [A] budget for the [MUNICIPALITY'S CURRENT] fiscal year for which an
2 entitlement is sought. The financial report must [SHALL] include a
3 listing of general revenue collected from taxes levied and assessed
4 and any other revenue that, in the opinion of the municipal officials,
5 is eligible for inclusion in computations of the locally generated
6 revenue of the taxing unit.

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10 payment of \$25,000 plus an area cost-of-living differential for each
11 fiscal year if

12 (1) the municipality has conducted a regular election
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14 department's determination of the municipality's millage rate equiva-
15 lent is made under AS 29.60.030 [PAYMENT OF AN ENTITLEMENT IS AUTHOR-
16 IZED BY AS 29.60.010 -- 29.60.080 or 29.60.100 -- 29.60.180] and has
17 reported the results of the election to the commissioner;

18 (2) regular meetings of the governing body are held in the
19 municipality during the state fiscal year preceding the year in [FOR]
20 which the department's determination of the municipality's millage
21 rate equivalent is made under AS 29.60.030 [PAYMENT OF AN ENTITLEMENT
22 IS AUTHORIZED BY AS 29.60.010 -- 29.60.080 or 29.60.100 -- 29.60.180]
23 and a record of the proceedings is maintained;

24 (3) a municipal budget has been adopted for the fiscal year
25 during which payment of an entitlement is authorized by AS 29.60.-
26 010 -- 29.60.080 or 29.60.100 -- 29.60.180 and an audit or financial
27 statement for the [PRECEDING] fiscal year preceding the year in which
28 the department's determination of the municipality's millage rate
29 equivalent is made under AS 29.60.030 has been prepared and furnished

1 to the department in accordance with AS 29.20.640(a); and

2 (4) local ordinances adopted by the municipality have been
3 codified in accordance with AS 29.25.050.

4 * Sec. 6. AS 29.60 is amended by adding a new section to read:

5 Sec. 29.60.310. TIME OF PAYMENT. The department shall make pay-
6 ments under AS 29.60.010 -- 29.60.300 no later than July 31, based
7 upon the entitlement calculations made during the preceding fiscal
8 year.

9 * Sec. 7. AS 29.60.350(b) is amended to read:

10 (b) The department shall distribute money from the municipal
11 assistance fund to each municipality on an annual basis as provided in
12 AS 29.60.360 and 29.60.370. A municipality may not receive payment
13 until it submits to the department a resolution approved by the gov-
14 erning body of the municipality that requests the money. Distribution
15 of money from the municipal assistance fund to all municipalities must
16 [A MUNICIPALITY WITH A FISCAL YEAR BEGINNING ON JANUARY 1 SHALL] be
17 made on February 1 of the state fiscal year for which the appropria-
18 tion to the fund is made. [DISTRIBUTION OF MONEY FROM THE MUNICIPAL
19 ASSISTANCE FUND TO ALL OTHER MUNICIPALITIES SHALL BE MADE ON JUNE 1 OF
20 THE STATE FISCAL YEAR FOR WHICH THE APPROPRIATION TO THE FUND IS
21 MADE.] A municipality that incorporates after December 31 of a state
22 fiscal year is not eligible for a distribution under this section
23 until the following state fiscal year.

24 * Sec. 8. AS 29.60.030(b) is repealed.

25 * Sec. 9. Notwithstanding secs. 1 -- 8 of this Act, the Department of
26 Community and Regional Affairs and municipalities seeking payment under
27 AS 29.60.010 -- 29.60.375 for the state fiscal year ending June 30, 1988
28 shall follow the procedures set out in those sections before amendment by
29 this Act. The Department of Community and Regional Affairs shall follow

1 the deadlines and procedures established by this Act for the state fiscal
2 year ending June 30, 1989.

3 * Sec. 10. This Act takes effect July 1, 1987.