

SB

328



ALASKA STATE LEGISLATURE

SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

Senator Bert K. Stedman, Chair

Official Business

Senator Tom Wagoner, Vice-Chair
Senator Kim Elton
Senator Georgianna Lincoln
Senator Gary Stevens

State Capitol, Room 30
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-3922

*February 25, 2004
1:30 – 3:30 PM
Fahrenkamp 203*

AGENDA

I. Call To Order

II. New Business

SJR 25 Federal Flooding & Erosion Control Assistance

Sponsor Testimony:

Senator Donny Olson, Dist T (D-Nome)

Invited Testimony:

Tony Weyiouanna

Public Testimony:

SB 328 National Forest Income Program

Sponsor Testimony:

Dick Coose, Staff Senator Stedman

Invited Testimony:

*Bill Rolfzen, Div of Community Advocacy, Dept of
Community & Economic Development*

Public Testimony:

III. Adjourn



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TO: Senate Secretary
FROM: Senator Bert Stedman *BS*
DATE: February 18, 2004
SUBJECT: C&RA Committee Schedule Week of February 23rd, 2004

The following is the schedule for the Senate Committee on Community & Regional Affairs for the week of February 23rd, 2004:

Feb 23 rd	Monday	Fahrenkamp 203	1:30 PM
		NO MEETING SCHEDULED	
Feb 25 th	Wednesday	Fahrenkamp 203	1:30 PM
+*		SB 328 NATIONAL FORESTRY INCOME PROGRAM	
+*		SJR 25 FLOODING AND EROSION CONTROL ASSISTANCE	
Feb 27 th	Friday	Fahrenkamp 203	1:30 PM
		NO MEETING SCHEDULED	

+ Teleconferenced
* First Hearing
= Previously Heard

SB 328

Contact – Dick Coose – 465-3873

People to Testify

Bill Rolfzen – Dept. of Community and Economic Development

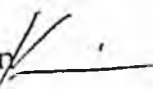


SENATOR KIM ELTON

MEMORANDUM

March 5, 2004

To: The Honorable Bert Stedman, Chair
Senate Community & Regional Affairs Committee

From: Kim Elton 

Re: Federal Forest Receipts

During the committee's hearing on SB 328, questions arose about the treatment of federal Forest Receipt funds under Alaska's foundation funding formula for education.

My office contacted the Department of Education & Early Development and learned that National Forest Receipt funds are not subject to the same 90% offset of state foundation aid as federal Impact Aid payments. I regret the error.

The department informs me that communities have some flexibility with these funds and may count them toward the four mill local contribution or may work with the department to book the funds as "other local revenue" and spend them on schools. In the latter case, the money can be accounted for in ways that make it arguably not subject to the 'cap' on local contribution beyond four mills.

The context of the discussion was whether National Forest Receipts should be counted as local contribution toward education. These funds are received from the federal government as a share of economic activity on lands that are not subject to local taxation. Local governments have the option of spending the money on roads instead of schools, and are required to spend a significant portion on 'special projects' as well. To the extent Alaska boroughs and municipalities put these revenues toward education, they clearly constitute a local contribution, and should be recognized as such.

cc: Senator Gary Stevens
Senator Tom Wagoner
Senator Georgianna Lincoln

ALASKA STATE LEGISLATURE

SESSION

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SENATOR BERT K. STEDMAN

SPONSOR STATEMENT

SB 328

"An Act relating to the National Forest income program in the Department of Community and Economic Development and to the authority of the department to adopt regulations; making conforming amendments; and providing an effective date."

This legislation makes the statutory changes required for the Department of Community and Economic Development to disburse the funds commonly referred to as the "Timber Receipts".

The "Secure Rural Schools and Community Self-Determination Act of 2000" (P.L. 106-393) made substantive changes to the federal program commonly known as National Forest Receipts. The Federal Act is subject to reauthorization in 2006.

In order to address the federal changes, the Department of Community and Economic Development amended its program regulations so the payments to communities located within the Tongass and Chugach National Forests would conform to the new federal requirements.

Subsequent to the adoption of the program regulation changes, the Department of Law advised the Department of Community and Economic Development that it lack the statutory authority to implement the federal changes through its regulations. This legislation provides the Department with the authority to adopt regulations necessary to implement the revised federal program in a manner consistent with federal law.

This legislation also provides general regulation adoption authority for the Department to carry out its statutory functions. The change corrects a statutory problem created by the merger of the former Department of Commerce and Economic Development and the former Department of Community and Regional Affairs.

Sponsor Statement

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/23/04

FURTHER: Finance

Date of 5-Day Notice: _____
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 2/25/04

Community and Regional Affairs Committee considered SPONSOR SUBSTITUTE FOR SENATE BILL NO. 328

SB 328 NATIONAL FOREST INCOME PROGRAM/DCED REGS

"An Act relating to the national forest income program in the Department of Community and Economic Development and to the authority of the department to adopt regulations; making conforming amendments; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- Same Title
- New Title

House Bill:

- Same Title
- Technical Title Change
- New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DCED	2/19/04			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
CHAIR: <i>[Signature]</i>	✓			

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SENATOR BERT K. STEDMAN

SECTIONAL ANALYSIS

SB 328

"An Act relating to the National Forest income program in the Department of Community and Economic Development and to the authority of the department to adopt regulations; and providing an effective date."

- Sec. 1 Allows the department to adopt regulations necessary to implement the section with regulations consistent with the federal law.
- Sec. 2 This is a new section, allowing the department to adopt regulations to carry out its statutory functions.
- Sec. 3,4,5,6 Makes conforming amendments to the related statutes.
- Sec. 7 Establishes an immediate effective date under AS 01.10.070(c).

Sectional Analysis

DISTRICT A

*Ketchikan • Sitka • Petersburg • Wrangell
Pelican • Elfin Cove • Port Alexander • Saxman • Meyers Chuck • Thorne Bay • Coffman Cove • Hollis*

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB328-DCED-CA-02-19-04
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title National Forest Income RDU State Revenue Sharing (217)
Program/DCED Regulations Component National Program Receipts
 Sponsor Senator Stedman
 Requester Senate Community & Regional Affairs Component No. 2480

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation provides the Department with the authority to adopt regulations necessary to implement the revised federal forest receipts program. The federal program was revised with the passage of the "Secure Rural Schools and Self-Determination Act of 2000" (P.L. 106-393).

It also corrects a statutory problem created by the merger of the former Department of Commerce and Economic Development and former Department of Community and Regional Affairs by providing the Department with general regulation adoption authority to carry out its statutory functions.

Prepared by: Gene Kane, Director Phone (907) 269-4578
 Division Community Advocacy Date/Time 2/19/04 8:13 AM
 Approved by: Edgar Blatchford, Commissioner Date 2/19/2004
 Agency Department of Community and Economic Development