

SB

219

GARY WILKEN
SENATOR
Fairbanks

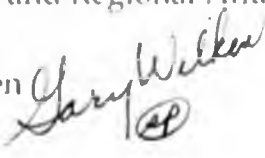
Alaska State Legislature

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Senate

MEMORANDUM

TO: Senator Gary Stevens, Chair
Senate Community and Regional Affairs Committee

FROM: Senator Gary Wilken 

DATE: January 12, 2006

RE: Senate Bill 219 - Community Dividend Program

I respectfully request that Senate Bill 219, *Community Dividend Program*, be scheduled for a hearing before the Senate Community and Regional Affairs Committee.

Senate Bill 219 creates a sustainable community dividend program to share state revenue with Alaska's local municipal governments and unincorporated communities. The proposed community dividend program is in response to concerns expressed by communities throughout Alaska.

Senate Bill 219 provides \$70 per person for all local municipalities and unincorporated communities. Additionally, each municipality that is a school district and is meeting the 4-mill local contribution school requirement will receive an additional \$30 for a total of \$100 per resident.

Thank you for your cooperation and assistance in scheduling a hearing.

GARY WILKEN
SENATOR
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Senate

SPONSOR STATEMENT

Senate Bill 219 Community Dividend Program

"Meets our Need – Shares our Wealth"

Senate Bill 219 creates a sustainable community dividend program to share state revenue with Alaska's local municipal governments and unincorporated communities. The proposed community dividend program is in response to concerns expressed by communities throughout Alaska. Higher costs of basic living and government needs, coupled with diminished traditional state support, have placed greater financial burdens on all local governments, large and small alike.

Under Senate Bill 219, the funding source for the new community dividend program is structured to be sustainable, the most important aspect of any meaningful state revenue sharing plan. One-third of the funds come from each of the following sustainable sources: 1) the earnings on the Amerada Hess sub-account of the Permanent Fund, 2) the Constitutional Budget Reserve, and 3) the Permanent Fund Earnings Reserve Account.

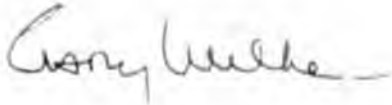
Senate Bill 219 provides \$70 per person for all local municipalities and unincorporated communities. Additionally, each municipality that is a school district and is meeting the 4-mill local contribution school requirement will receive an additional \$30 for a total of \$100 per resident.

The Department of Commerce, Community, and Economic Development will issue the dividends to Alaskan communities on July 1 of the year following the

actual legislative appropriation. This one-year delay will allow local governments to build an operating budget based on firm numbers. There will be no need for the budget writers to wait for the legislature to take action before drafting and passing their annual budgets.

Alaskans have enjoyed the benefit of their individual Permanent Fund dividend for many years; the time has come to share the state's wealth with our communities. Senate Bill 219 utilizes three robust and sustainable revenue sources to provide each Alaskan community an annual dividend.

I respectfully request your support.

A handwritten signature in cursive script, appearing to read "Casey Wells", followed by a horizontal line.

24-LS1355Y

Cook

1/17/06

CS FOR SENATE BILL NO. 219()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): SENATOR WILKEN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the community dividend program; and providing for an effective
2 date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * Section 1. AS 29.60 is amended by adding new sections to read:

5 **Article 10. Community Dividend Program.**

6 **Sec. 29.60.800. Community dividend fund.** There is established in the
7 department the community dividend fund consisting of money appropriated to the
8 fund. Each fiscal year, the legislature may appropriate to the community dividend fund
9 from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) the
10 lesser of (1) one-third of the amount necessary to fully fund community dividends; or
11 (2) the amount that, when transferred, leaves a balance of \$1,000,000,000 in the
12 budget reserve fund. One-third of the amount necessary to fully fund community
13 dividends may be appropriated from the earnings reserve account (AS 37.13.145), and
14 one-third may be appropriated from the Alaska capital income fund (AS 37.05.565).

1 Other appropriations may be made to the community dividend fund. The amount
2 appropriated to the fund during a fiscal year shall be held and distributed by the
3 department on July 1 of the fiscal year that immediately follows as community
4 dividends for the fiscal year during which the distribution is made.

5 **Sec. 29.60.810. Amount of community dividends.** (a) The community
6 dividend for a fiscal year for a municipality or a community eligible under (b) of this
7 section equals

8 (1) \$70 for each individual who resided in the municipality or
9 community during the immediately preceding fiscal year; and

10 (2) for each municipality that is a school district and meets the local
11 contribution requirement under AS 14.17.410(b)(2), an additional school support
12 factor equal to \$30 for each individual who resided in the municipality during the
13 immediately preceding fiscal year.

14 (b) The department, with advice from the Department of Law, shall determine
15 whether there is, in each community, an incorporated nonprofit entity or a Native
16 village council that will agree to receive and spend the community dividend for the
17 benefit of the community. If there is more than one qualified entity in a community,
18 the department shall pay the dividend to the entity that the department finds most
19 qualified to receive and spend the money. The department may not pay a community
20 dividend unless the incorporated nonprofit entity or Native village council waives
21 immunity from suit for claims arising out of activities of the corporation or council
22 related to the dividend. A waiver of immunity from suit under this subsection must be
23 on a form provided by the Department of Law. If there is no qualified incorporated
24 nonprofit entity or Native village council in a community that is willing to receive and
25 spend the dividend for the benefit of the community, that community is not eligible for
26 the dividend and the dividend may not be paid.

27 (c) If the amount appropriated is not sufficient to fully fund community
28 dividends for a fiscal year under (a) of this section, each dividend shall be reduced on
29 a pro rata basis. If the amount appropriated exceeds that which is sufficient to fully
30 fund community dividends, each dividend shall be increased on a pro rata basis.

31 **Sec. 29.60.820. Determination of population.** For purposes of determining

1 the amount of a community dividend, the population of the municipality or community
2 shall be determined by using the numbers of permanent fund dividend recipients or
3 other population data that the department determines is reliable. For purposes of
4 determining the portion of the community dividend under AS 29.60.810(a)(1) for a
5 borough, the population of each city in the borough shall be deducted from the total
6 population of the borough.

7 **Sec. 29.60.829. Definition.** In AS 29.60.800 - 29.60.829, "community" means
8 a place in the unorganized borough that (1) is not incorporated as a city and in which
9 25 or more individuals reside as a social unit; or (2) is organized under federal law as
10 an Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is continued
11 in existence under that subsection. This definition does not apply to the phrase
12 "community dividend."

13 * **Sec. 2.** This Act takes effect July 1, 2006.

SB 219 Community Dividend Estimates

| Unincorporated Communities | 2004 Population | Community Dividend at \$70 Per Capita | 2004 School Support Population | Municipal School Support Dividend at \$30 Per Capita | Total Community Dividend |
|----------------------------|--------------------|---|--------------------------------------|--|--------------------------------|
| Arctic Village | 146 | \$10,220 | | | \$10,220 |
| Atmautluak | 285 | \$19,950 | | | \$19,950 |
| Beaver | 67 | \$4,690 | | | \$4,690 |
| Birch Creek | 43 | \$3,010 | | | \$3,010 |
| Central | 102 | \$7,140 | | | \$7,140 |
| Chalkyitsik | 84 | \$5,880 | | | \$5,880 |
| Chenega Bay | 81 | \$5,670 | | | \$5,670 |
| Chistochina | 101 | \$7,070 | | | \$7,070 |
| Chitina | 118 | \$8,260 | | | \$8,260 |
| Circle | 99 | \$6,930 | | | \$6,930 |
| Copper Center | 445 | \$31,150 | | | \$31,150 |
| Crooked Creek | 147 | \$10,290 | | | \$10,290 |
| Deltana | 1,777 | \$124,390 | | | \$124,390 |
| Dot Lake | 29 | \$2,030 | | | \$2,030 |
| Dry Creek | 105 | \$7,350 | | | \$7,350 |
| Eagle Village | 68 | \$4,760 | | | \$4,760 |
| Edna Bay | 44 | \$3,080 | | | \$3,080 |
| Elfin Cove | 26 | \$1,820 | | | \$1,820 |
| Four Mile Road | 33 | \$2,310 | | | \$2,310 |
| Gakona | 222 | \$15,540 | | | \$15,540 |
| Glennallen | 548 | \$38,360 | | | \$38,360 |
| Goldstream | 34 | \$2,380 | | | \$2,380 |
| Gulkana | 106 | \$7,420 | | | \$7,420 |
| Healy Lake | 34 | \$2,380 | | | \$2,380 |
| Hollis | 165 | \$11,550 | | | \$11,550 |
| Hyder | 83 | \$5,810 | | | \$5,810 |
| Kasigluk | 526 | \$36,820 | | | \$36,820 |
| Kenny Lake | 392 | \$27,440 | | | \$27,440 |
| Kipnuk | 660 | \$46,200 | | | \$46,200 |
| Klukwan | 119 | \$8,330 | | | \$8,330 |
| Koliganek | 187 | \$13,090 | | | \$13,090 |
| Kongiganak | 411 | \$28,770 | | | \$28,770 |
| Kwigillingok | 361 | \$25,270 | | | \$25,270 |
| Lime Village | 34 | \$2,380 | | | \$2,380 |
| Manley Hot Springs | 73 | \$5,110 | | | \$5,110 |
| McCarthy | 66 | \$4,620 | | | \$4,620 |
| Mentasta | 139 | \$9,730 | | | \$9,730 |
| Minto | 207 | \$14,490 | | | \$14,490 |
| Naukati Bay | 107 | \$7,490 | | | \$7,490 |
| Nelchina/Mendeltna | 73 | \$5,110 | | | \$5,110 |
| Newtok | 308 | \$21,560 | | | \$21,560 |
| Nikolski | 36 | \$2,520 | | | \$2,520 |
| Northway | 106 | \$7,420 | | | \$7,420 |
| Oscarville | 57 | \$3,990 | | | \$3,990 |
| Paxson | 40 | \$2,800 | | | \$2,800 |
| Pitka's Point | 105 | \$7,350 | | | \$7,350 |
| Port Protection | 47 | \$3,290 | | | \$3,290 |
| Red Devil | 35 | \$2,450 | | | \$2,450 |
| Silver Springs | 111 | \$7,770 | | | \$7,770 |
| Slana | 110 | \$7,700 | | | \$7,700 |
| Sleetmute | 78 | \$5,460 | | | \$5,460 |
| Stevens Village | 76 | \$5,320 | | | \$5,320 |

SB 219 Community Dividend Estimates

| Unincorporated Communities | 2004 Population | Community Dividend at \$70 Per Capita | 2004 School Support Population | Municipal School Support Dividend at \$30 Per Capita | Total Community Dividend |
|-----------------------------------|----------------------------|--|---|---|---|
| Stony River | 54 | \$3,780 | | | \$3,780 |
| Takotna | 47 | \$3,290 | | | \$3,290 |
| Tanacross | 137 | \$9,590 | | | \$9,590 |
| Tatitlek | 108 | \$7,560 | | | \$7,560 |
| Tazlina | 170 | \$11,900 | | | \$11,900 |
| Tetlin | 129 | \$9,030 | | | \$9,030 |
| Tok | 1,439 | \$100,730 | | | \$100,730 |
| Tuluksak | 470 | \$32,900 | | | \$32,900 |
| Tuntutuliak | 398 | \$27,860 | | | \$27,860 |
| Tununak | 328 | \$22,960 | | | \$22,960 |
| Twin Hills | 67 | \$4,690 | | | \$4,690 |
| Venetie | 188 | \$13,160 | | | \$13,160 |
| Whale Pass | 81 | \$5,670 | | | \$5,670 |
| Whitestone | 176 | \$12,320 | | | \$12,320 |
| Total Unincorporated | 13,248 | \$927,360 | | | \$927,360 |
| Grand Total | | | | | \$63,724,790 |

SB 219 Community Dividend Estimates

| Municipalities | 2004 Population | Community Dividend at \$70 Per Capita | 2004 School Support Population | Municipal School Support Dividend at \$30 Per Capita | Total Community Dividend |
|------------------------------|--------------------|---|--------------------------------------|--|--------------------------------|
| Adak | 69 | \$4,800 | | \$0 | \$4,830 |
| Akhiok | 56 | \$3,920 | | \$0 | \$3,920 |
| Akiak | 367 | \$25,690 | | \$0 | \$25,690 |
| Akutan | 771 | \$53,970 | | \$0 | \$53,970 |
| Alakanuk | 667 | \$46,690 | | \$0 | \$46,690 |
| Aleknagik | 219 | \$15,330 | | \$0 | \$15,330 |
| Aleutians East Borough | 76 | \$5,320 | 2,629 | \$78,870 | \$84,190 |
| Allakaket | 90 | \$6,300 | | \$0 | \$6,300 |
| Amble | 274 | \$19,180 | | \$0 | \$19,180 |
| Anaktuvuk Pass | 300 | \$21,000 | | \$0 | \$21,000 |
| Anchorage | 277,498 | \$19,424,860 | 27,498 | \$8,324,940 | \$27,749,800 |
| Anderson | 546 | \$38,220 | | \$0 | \$38,220 |
| Angoon | 481 | \$33,670 | | \$0 | \$33,670 |
| Aniak | 532 | \$37,240 | | \$0 | \$37,240 |
| Anvik | 101 | \$7,070 | | \$0 | \$7,070 |
| Atka | 92 | \$6,440 | | \$0 | \$6,440 |
| Atkasuk | 247 | \$17,290 | | \$0 | \$17,290 |
| Barrow | 4,351 | \$304,570 | | \$0 | \$304,570 |
| Bethel | 5,888 | \$412,160 | | \$0 | \$412,160 |
| Bettles | 31 | \$2,170 | | \$0 | \$2,170 |
| Brevig Mission | 319 | \$22,330 | | \$0 | \$22,330 |
| Bristol Bay Borough | 1,096 | \$76,720 | 1,096 | \$32,880 | \$109,600 |
| Buckland | 437 | \$30,590 | | \$0 | \$30,590 |
| Chefornak | 439 | \$30,730 | | \$0 | \$30,730 |
| Chevak | 899 | \$62,930 | | \$0 | \$62,930 |
| Chignik | 92 | \$6,440 | | \$0 | \$6,440 |
| Chuathbaluk | 105 | \$7,350 | | \$0 | \$7,350 |
| Clark's Point | 62 | \$4,340 | | \$0 | \$4,340 |
| Coffman Cove | 177 | \$12,390 | | \$0 | \$12,390 |
| Cold Bay | 89 | \$6,230 | | \$0 | \$6,230 |
| Cordova | 2,298 | \$160,860 | 2,298 | \$68,940 | \$229,800 |
| Craig | 1,127 | \$78,890 | 1,127 | \$33,810 | \$112,700 |
| Deering | 145 | \$10,150 | | \$0 | \$10,150 |
| Delta Junction | 984 | \$68,880 | | \$0 | \$68,880 |
| Denali Borough | 1,296 | \$90,720 | 1,842 | \$55,260 | \$145,980 |
| Dillingham | 2,422 | \$169,540 | 2,422 | \$72,660 | \$242,200 |
| Diomedes | 141 | \$9,870 | | \$0 | \$9,870 |
| Eagle | 115 | \$8,050 | | \$0 | \$8,050 |
| Eek | 292 | \$20,440 | | \$0 | \$20,440 |
| Egegik | 76 | \$5,320 | | \$0 | \$5,320 |
| Ekwok | 127 | \$8,890 | | \$0 | \$8,890 |
| Elim | 318 | \$22,260 | | \$0 | \$22,260 |
| Emmonak | 752 | \$53,340 | | \$0 | \$53,340 |
| Fairbanks | 29,954 | \$2,096,780 | | \$0 | \$2,096,780 |
| Fairbanks North Star Borough | 53,493 | \$3,744,510 | 84,979 | \$2,549,370 | \$6,293,880 |
| False Pass | 62 | \$4,340 | | \$0 | \$4,340 |
| Fort Yukon | 594 | \$41,580 | | \$0 | \$41,580 |
| Galena | 717 | \$50,190 | 717 | \$21,510 | \$71,700 |
| Gambell | 648 | \$45,360 | | \$0 | \$45,360 |
| Golovin | 160 | \$11,200 | | \$0 | \$11,200 |
| Goodnews Bay | 236 | \$16,520 | | \$0 | \$16,520 |
| Grayling | 182 | \$12,740 | | \$0 | \$12,740 |

SB 219 Community Dividend Estimates

| Municipalities | 2004 Population | Community Dividend at \$70 Per Capita | 2004 School Support Population | Municipal School Support Dividend at \$30 Per Capita | Total Community Dividend |
|---------------------------|--------------------|---|--------------------------------------|--|--------------------------------|
| Gustavus | 473 | \$33,110 | | \$0 | \$33,110 |
| Haines Borough | 2,245 | \$157,150 | 2,245 | \$67,350 | \$224,500 |
| Holy Cross | 206 | \$14,420 | | \$0 | \$14,420 |
| Homer | 5,332 | \$373,240 | | \$0 | \$373,240 |
| Hoonah | 841 | \$58,870 | 841 | \$25,230 | \$84,100 |
| Hooper Bay | 1,124 | \$78,680 | | \$0 | \$78,680 |
| Houston | 1,368 | \$95,760 | | \$0 | \$95,760 |
| Hughes | 72 | \$5,040 | | \$0 | \$5,040 |
| Huslia | 269 | \$18,830 | | \$0 | \$18,830 |
| Hydaburg | 349 | \$24,430 | 349 | \$10,470 | \$34,900 |
| Juneau | 30,966 | \$2,167,620 | 30,966 | \$928,980 | \$3,096,600 |
| Kachemak | 475 | \$33,250 | | \$0 | \$33,250 |
| ake | 663 | \$46,410 | 663 | \$19,890 | \$66,300 |
| Kaktovik | 284 | \$19,880 | | \$0 | \$19,880 |
| Kaltag | 211 | \$14,770 | | \$0 | \$14,770 |
| Kasaan | 60 | \$4,200 | | \$0 | \$4,200 |
| Kenai | 6,809 | \$476,630 | | \$0 | \$476,630 |
| Kenai Peninsula Borough | 31,794 | \$2,225,580 | 50,830 | \$1,529,400 | \$3,754,980 |
| Ketchikan | 7,691 | \$538,370 | | \$0 | \$538,370 |
| Ketchikan Gateway Borough | 4,948 | \$346,360 | 13,030 | \$390,900 | \$737,260 |
| Kiana | 394 | \$27,580 | | \$0 | \$27,580 |
| King Cove | 723 | \$50,610 | | \$0 | \$50,610 |
| Kivalina | 388 | \$27,160 | | \$0 | \$27,160 |
| Klawock | 848 | \$59,360 | 848 | \$25,440 | \$84,800 |
| Kobuk | 128 | \$8,960 | | \$0 | \$8,960 |
| Kodiak | 6,199 | \$433,930 | | \$0 | \$433,930 |
| Kodiak Island Borough | 6,494 | \$454,580 | 13,466 | \$403,980 | \$858,560 |
| Kotlik | 588 | \$41,160 | | \$0 | \$41,160 |
| Kotzebue | 3,130 | \$219,100 | | \$0 | \$219,100 |
| Koyuk | 348 | \$24,360 | | \$0 | \$24,360 |
| Koyukuk | 109 | \$7,630 | | \$0 | \$7,630 |
| Kupreanof | 38 | \$2,660 | | \$0 | \$2,660 |
| Kwethluk | 695 | \$48,650 | | \$0 | \$48,650 |
| Lake & Peninsula Borough | 882 | \$61,740 | 1,603 | \$48,090 | \$109,830 |
| Larsen Bay | 96 | \$6,720 | | \$0 | \$6,720 |
| Lower Kalskag | 262 | \$18,340 | | \$0 | \$18,340 |
| Manokotak | 437 | \$30,590 | | \$0 | \$30,590 |
| Marshall | 358 | \$25,060 | | \$0 | \$25,060 |
| Matanuska-Susitna Borough | 57,474 | \$4,023,180 | 70,148 | \$2,104,440 | \$6,127,620 |
| McGrath | 367 | \$25,690 | | \$0 | \$25,690 |
| Mekoryuk | 198 | \$13,860 | | \$0 | \$13,860 |
| Metlakatla | 1,370 | \$95,900 | | \$0 | \$95,900 |
| Mountain Village | 769 | \$53,830 | | \$0 | \$53,830 |
| Napakiak | 360 | \$25,200 | | \$0 | \$25,200 |
| Napaskiak | 436 | \$30,520 | | \$0 | \$30,520 |
| Nenana | 549 | \$38,430 | 549 | \$16,470 | \$54,900 |
| New Stuyahok | 477 | \$33,390 | | \$0 | \$33,390 |
| Newhalen | 183 | \$12,810 | | \$0 | \$12,810 |
| Nightmute | 232 | \$16,240 | | \$0 | \$16,240 |
| Nikolai | 121 | \$8,470 | | \$0 | \$8,470 |
| Nome | 3,473 | \$243,110 | 3,473 | \$104,190 | \$347,300 |
| Nondalton | 205 | \$14,350 | | \$0 | \$14,350 |

SB 219 Community Dividend Estimates

| Municipalities | 2004 Population | Community Dividend at \$70 Per Capita | 2004 School Support Population | Municipal School Support Dividend at \$30 Per Capita | Total Community Dividend |
|--------------------------|--------------------|---|--------------------------------------|--|--------------------------------|
| Noorvik | 609 | \$42,630 | | \$0 | \$42,630 |
| North Pole | 1,532 | \$107,240 | | \$0 | \$107,240 |
| North Slope Borough | 235 | \$16,450 | 7,104 | \$213,120 | \$229,570 |
| Northwest Arctic Borough | 708 | \$49,560 | 7,306 | \$219,180 | \$268,740 |
| Nuiqsut | 430 | \$30,100 | | \$0 | \$30,100 |
| Nulato | 320 | \$22,400 | | \$0 | \$22,400 |
| Nunam Iqua | 204 | \$14,280 | | \$0 | \$14,280 |
| Nunapitchuk | 527 | \$36,890 | | \$0 | \$36,890 |
| Old Harbor | 196 | \$13,720 | | \$0 | \$13,720 |
| Ouzinkie | 187 | \$13,090 | | \$0 | \$13,090 |
| Palmer | 5,197 | \$363,790 | | \$0 | \$363,790 |
| Pelican | 118 | \$8,260 | 118 | \$3,540 | \$11,800 |
| Petersburg | 3,123 | \$218,610 | 3,123 | \$93,690 | \$312,300 |
| Pilot Point | 75 | \$5,250 | | \$0 | \$5,250 |
| Pilot Station | 559 | \$39,130 | | \$0 | \$39,130 |
| Platinum | 39 | \$2,730 | | \$0 | \$2,730 |
| Point Hope | 726 | \$50,820 | | \$0 | \$50,820 |
| Port Alexander | 69 | \$4,830 | | \$0 | \$4,830 |
| Port Heiden | 90 | \$6,300 | | \$0 | \$6,300 |
| Port Lions | 238 | \$16,660 | | \$0 | \$16,660 |
| Quinhagak | 612 | \$42,840 | | \$0 | \$42,840 |
| Ruby | 190 | \$13,300 | | \$0 | \$13,300 |
| Russian Mission | 331 | \$23,170 | | \$0 | \$23,170 |
| Saint George | 137 | \$9,590 | | \$0 | \$9,590 |
| Saint Mary's | 539 | \$37,730 | 539 | \$16,170 | \$53,900 |
| Saint Michael | 409 | \$28,630 | | \$0 | \$28,630 |
| Saint Paul | 494 | \$34,580 | | \$0 | \$34,580 |
| Sand Point | 908 | \$63,560 | | \$0 | \$63,560 |
| Savoonga | 710 | \$49,700 | | \$0 | \$49,700 |
| Saxman | 391 | \$27,370 | | \$0 | \$27,370 |
| Scammon Bay | 486 | \$34,020 | | \$0 | \$34,020 |
| Selawik | 829 | \$58,030 | | \$0 | \$58,030 |
| Seldovia | 263 | \$18,410 | | \$0 | \$18,410 |
| Seward | 2,540 | \$177,800 | | \$0 | \$177,800 |
| Shageluk | 132 | \$9,240 | | \$0 | \$9,240 |
| Shaktolik | 209 | \$14,630 | | \$0 | \$14,630 |
| Shishmaref | 591 | \$41,370 | | \$0 | \$41,370 |
| Shungnak | 264 | \$18,480 | | \$0 | \$18,480 |
| Sitka | 8,805 | \$616,350 | 8,805 | \$264,150 | \$880,500 |
| Skagway | 870 | \$60,900 | 870 | \$26,100 | \$87,000 |
| Soldotna | 3,767 | \$263,690 | | \$0 | \$263,690 |
| Stebbins | 586 | \$41,020 | | \$0 | \$41,020 |
| Tanana | 304 | \$21,280 | 304 | \$9,120 | \$30,400 |
| Teller | 241 | \$16,870 | | \$0 | \$16,870 |
| Tenakee Sprngs | 105 | \$7,350 | | \$0 | \$7,350 |
| Thorne Bay | 497 | \$34,790 | | \$0 | \$34,790 |
| Togiak | 805 | \$56,350 | | \$0 | \$56,350 |
| Toksook Bay | 561 | \$39,270 | | \$0 | \$39,270 |
| Unalakleet | 728 | \$50,960 | | \$0 | \$50,960 |
| Unalaska | 4,366 | \$305,620 | 4,366 | \$130,980 | \$436,600 |
| Upper Kalskag | 263 | \$18,410 | | \$0 | \$18,410 |
| Valdez | 4,454 | \$311,780 | 4,454 | \$133,620 | \$445,400 |

SB 219 Community Dividend Estimates

| Municipalities | 2004 Population | Community Dividend at \$70 Per Capita | 2004 School Support Population | Municipal School Support Dividend at \$30 Per Capita | Total Community Dividend |
|-------------------------|----------------------------|--|---|---|---|
| Wainwright | 531 | \$37,170 | | \$0 | \$37,170 |
| Wales | 152 | \$10,640 | | \$0 | \$10,640 |
| Wasilla | 6,109 | \$427,630 | | \$0 | \$427,630 |
| White Mountain | 213 | \$14,910 | | \$0 | \$14,910 |
| Whittier | 172 | \$12,040 | | \$0 | \$12,040 |
| Wrangell | 2,023 | \$141,610 | 2,023 | \$60,690 | \$202,300 |
| Yakutat | 680 | \$47,600 | 680 | \$20,400 | \$68,000 |
| Municipal Totals | 638,480 | \$44,693,600 | 603,461 | \$18,103,830 | \$62,797,430 |

**Cities in Various stages of Inactivity/Dissolution
January 13, 2006**

Cities that we have confirmed closed doors and turned over services:

Ahkok
Kupreanoff
Nikolai

Cities that have inquired about dissolution in the past two years

Holy Cross
Hydaburg
Hughes
Kivalina
Mckoryuk
Nikolai
Quinhagak
Ruby

Cities who did not report certified election information for FY06:

Allakaket
Anvik
Brevig Mission
Grayling
Kaltag
Koyukuk
Nikolai
Pilot Point

Cities who have not submitted an FY06 Budget: (Information indicative of inactivity since they would receive funding upon our receipt of their budget and yet have not provided this information)

Akhiok
Buckland
Clark's Point
Craig
Egegik
Ekwok
Holy Cross
Hydaburg
Kiana
Kivalina
Kobuk
Koyukuk
Nightmute

Nikolai
Old Harbor
Pilot Point
Platinum
Port Heiden
Port Lions
Ruby
Teller
Upper Kalskag

Cities with large financial debt that put their continued viability at risk:

Ahkiok
Akiak
Alakunuk
Chevak
Diomedé
Grayling
Hydaburg
Lower Kalskag
Marshall
Nikolai
Pilot Point
Point Hope
Saint George
Saint Michael

Cities without Workman's Comprehensive Insurance:

Akiak
Alakanuk
Allakaket
Chevak
Diomedé
Hydaburg
Kiana
Kivalina
Kotlik
Lower Kalskag
Newhalen
Quinhagak
Ruby
Russian Mission
Saint George
Shaktoolik
Wales

Platinum
Port Heiden
Wales

Cities who have contracted out all municipal services:

Akhiok
Kiana
Kwethluk
Mekoryuk
Napaskiak
Quinhagak

Cities who DCA is watching closely:

Anaktuvik Pass
Chevak
Clark's Point
Hydaburg
Kivalina
Platinum
Point Hope
Saint George
Shishmaref

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January 18, 2006

Senator Gary Stevens, Chair
Community & Regional Affairs Committee
State Capital, Room 103
Juneau, AK 99801-1182

The Honorable Chairman and Members of the Senate Community & Regional Affairs Committee,

The Alaska State Chamber of Commerce supports a sustainable community dividend program. The state chamber supports SB 219 and we appreciate Sen. Wilken's efforts in reestablishing a municipal revenue sharing program.

Without a revenue sharing program, local communities are forced to raise property taxes or limit basic public services. This affects the ability of a local business to stay profitable or find a suitable location to operate.

We urge the legislature to pass a bill this year that encompasses a sustainable community dividend. As one of our top priorities, we are hopeful the legislature will find some common ground in creating a sustainable community dividend program

Yours in economic prosperity,

A handwritten signature in dark ink, appearing to read "Wayne A. Stevens". The signature is written in a cursive style and is positioned above the typed name.

Wayne A. Stevens,
President
Alaska State Chamber of Commerce

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 219
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Community Dividend Program RDU Comm Assist & Ec Dev (405)
 Component Community Advocacy
 Sponsor Wilken
 Requester Community & Regional Affairs Component No. 2703

Expenditures/Revenues (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | 63,700.0 | 63,700.0 | 63,700.0 | 63,700.0 | 63,700.0 | 63,700.0 |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 63,700.0 | 63,700.0 | 63,700.0 | 63,700.0 | 63,700.0 | 63,700.0 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| 1001 Bud Res, 1041 Engs Res, 1197 AK Cap | 63,700.0 | 63,700.0 | 63,700.0 | 63,700.0 | 63,700.0 | 63,700.0 |
| TOTAL | 63,700.0 | 63,700.0 | 63,700.0 | 63,700.0 | 63,700.0 | 63,700.0 |

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

| | | | | | | |
|-----------|---|---|---|---|---|---|
| Full-time | 0 | 0 | 0 | 0 | 0 | 0 |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

This legislation funds an annual community dividend program from the budget reserve fund, the earnings reserve account and the Alaska capital income fund. Communities and municipalities would be funded at \$70 per capita and municipalities that are also a school district would receive an additional \$30 per capita. The Division estimates full funding based on the 2004 population count would require approximately \$63.7 million. The amount of full funding would change annually due to changes in population, changes to municipal classifications, as a result of new municipalities becoming school districts and as a result of new communities becoming eligible. The legislation includes a provision to pro rate funds in the event more funds or fewer funds are available. The Division anticipates implementing and administering the program with existing staff.

Prepared by: Michael Black, Director
 Division: Community Advocacy
 Approved by: William C. Noll, Commissioner
 Agency: Commerce, Community, and Economic Development

Phone 289-4535
 Date/Time 1/17/06 4:37 PM
 Date 1/17/2006

GARY WILKEN
SENATOR
Fairbanks



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SPONSOR STATEMENT

Senate Bill 219 Community Dividend Program

"Meets our Need – Shares our Wealth"

Senate Bill 219 creates a sustainable community dividend program to share state revenue with Alaska's local municipal governments and unincorporated communities. The proposed community dividend program is in response to concerns expressed by communities throughout Alaska. Higher costs of basic living and government needs, coupled with diminished traditional state support, have placed greater financial burdens on all local governments, large and small alike.

Under Senate Bill 219, the funding source for the new community dividend program is structured to be sustainable, the most important aspect of any meaningful state revenue sharing plan. One-third of the funds come from each of the following sustainable sources: 1) the earnings on the Amerada Hess sub-account of the Permanent Fund, 2) the Constitutional Budget Reserve, and 3) the Permanent Fund Earnings Reserve Account.

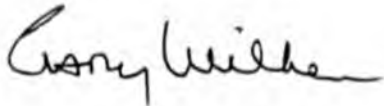
Senate Bill 219 provides \$70 per person for all local municipalities and unincorporated communities. Additionally, each municipality that is a school district and is meeting the 4-mill local contribution school requirement will receive an additional \$30 for a total of \$100 per resident.

The Department of Commerce, Community, and Economic Development will issue the dividends to Alaskan communities on July 1 of the year following the

actual legislative appropriation. This one-year delay will allow local governments to build an operating budget based on firm numbers. There will be no need for the budget writers to wait for the legislature to take action before drafting and passing their annual budgets.

Alaskans have enjoyed the benefit of their individual Permanent Fund dividend for many years; the time has come to share the state's wealth with our communities. Senate Bill 219 utilizes three robust and sustainable revenue sources to provide each Alaskan community an annual dividend.

I respectfully request your support

A handwritten signature in cursive script, appearing to read "Casey Miller".