

**SB**

**247**

# ALASKA STATE LEGISLATURE

## SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

Senator Bert K. Stedman, Chair



Senator Gary Stevens, Vice-Chair  
Senator Tom Wagoner  
Senator Johnny Ellis  
Senator Albert Kookesh

Official Business

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

### SPONSOR STATEMENT SB 247

**"An Act relating to the revenue sharing program; and providing for an effective date."**

Senate Bill 247 creates the Revenue Sharing Program to help Alaska's local municipal governments and unincorporated communities meet their financial obligations. The bill stems from recommendations made by the Local Government Advisory Commission, and comes in response to concerns from municipalities throughout Alaska.

Senate Bill 247 will authorize the Legislature to appropriate money from the Alaska Capital Income Fund to the new fund. \$300,000 dollars in revenue sharing will be appropriated to each unified municipality, \$150,000 for each borough, \$75,000 thousand for each city and \$25,000 for each community. If the amount that is appropriated to the revenue sharing fund exceeds that which is needed, the remaining funds shall be distributed to municipalities on a per capita basis.

Due to increased operating costs, limited tax bases and reduced state support, many Alaskan communities, particularly small cities, have found themselves at a critical juncture where key municipal services have either been reduced or eliminated. Passage of Senate Bill 247 will help reverse this trend and ensure a vibrant future for our local governments.

*Contact: Kim Carnot, Senate Community and Regional Affairs Committee Aide at (907) 465-4989*



# Alaska State Legislature

**Senate Majority** Web: [www.akrepublicans.org](http://www.akrepublicans.org)

**Sponsor:** Community & Regional Affairs By Request  
**Current Version:** SB 247  
**Contact:** Kim Carnot, 47-4789

## Fact Sheet for: Senate Bill 247

**Short Title:** REVENUE SHARING PROGRAM

### Summary:

- Establishes a revenue sharing program, with a new disbursement formula that provides a basic grant and per capita allocation based on services provided and category of local government.
- Creates the revenue sharing fund and allows the legislature to make appropriations to the revenue sharing fund from the Alaska capital income fund.
- Directs the department to distribute revenue sharing payments in the following amounts:
  - \$300,000 for each unified municipality;
  - \$150,000 for each borough that is not a unified municipality;
  - \$75,000 for each city and for reserves that have an incorporated nonprofit entity or a Native village council that will agree to spend the payment for the benefit of the community, and to waive immunity for claims arising out of activities related to the payment. (Reserve is defined as a "place that is organized under federal law as an Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is continued in existence under that subsection.")
  - \$25,000 for each community, subject to the same conditions as for reserves.
- Reduces payments on a pro rata basis if funds are not sufficient to fully fund all payments.
- Increases payments by an equal amount for each person who resides in the municipality or reserve if the amount appropriated to the fund exceeds the amount sufficient to fully fund revenue sharing payments.

### Benefits:

- Helps Alaska's local municipal governments and unincorporated communities meet their financial obligations.
- Responds to concerns from municipalities across the State.
- Eases the hardship brought on communities by increased operating costs, limited tax bases and reduced state support.
- Recognizes all forms of city and local government in a revised revenue sharing program that includes the unorganized communities.

### Background:

- SB 246, SB 247 and SB 248 were introduced at the request of the Advisory Commission on Local Government, which was established during the first session of the Twenty-fourth Legislature to examine local governance issues. SB 247 establishes the revenue sharing program, SB 246 provides funding for the revenue sharing program, and SB 248 establishes a new administrative borough.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

January 24, 2006

**SUBJECT:** Sectional Summary (SB 247)

**TO:** Senator Gary Stevens  
Chair of Senate Community and Regional Affairs Committee  
Attn: Doug Letch

**FROM:** Tamara Brandt Cook  
Director *TBC*

### Sec. 1. Creates a new revenue sharing program.

Sec. 29.60.800: Establishes the revenue sharing fund and authorizes the legislature to appropriate money from the Alaska capital income fund to the new fund. Requires that money appropriated to the fund be distributed each fiscal year for revenue sharing payments.

Sec. 29.60.810: Sets out the amount of payments to the classes of municipalities, to unincorporated communities outside of boroughs, and to certain Indian reserves organized under federal law. (See definition section)

Sec. 29.60.820: If the amount appropriated exceeds that necessary to fund payments described in sec. 29.60.810, increases the payments to municipalities and reserves.

Sec. 29.60.829: Definition of "community" and "reserve."

### Sec. 2. July 1, 2006 effective date.

TBC:lmb  
06-016.lmb

**Headquarters:**  
217 2nd Street, Suite 201  
Juneau, Alaska 99801  
(907) 586-2323 FAX 463-5515  
www.alaskachamber.com



**Regional Office:**  
601 W. 5th Ave., Suite 700  
Anchorage, Alaska 99501  
(907) 278-2722 FAX 278-6643

March 6, 2006

Senator Bert Stedman, Chair  
Community & Regional Affairs Committee  
State Capital  
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 247 and we appreciate any and all efforts to reestablish a municipal revenue sharing program.

Without a revenue sharing program, local communities are forced to raise property taxes or limit basic public services, which affect the ability of local businesses to stay profitable or find a suitable location in which 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 dividend program this year.

Yours in economic prosperity,

A handwritten signature in cursive script, appearing to read "Wayne A. Stevens".

Wayne A. Stevens  
President/CEO  
Alaska State Chamber of Commerce

**Alaska State Chamber of Commerce  
2006 Priority  
Community Dividend**

The State Chamber urges the Legislature to implement a sustainable community dividend using an endowment management method to provide local tax relief to business and families, and to assist in providing basic public services throughout Alaska.



*"Village with a Past, City with a Future"*

210 Fidalgo Avenue, Kenai, Alaska 99611-7794  
Telephone: (907) 283-7535 / Fax: (907) 283-3014  
[www.ci.kenai.ak.us](http://www.ci.kenai.ak.us)

February 9, 2006

Governor Frank Murkowski  
State of Alaska  
P.O. Box 110001  
Juneau, AK 99811-0001

RE: **RESOLUTION NO. 2006-03 -- CITY OF KENAI**

Dear Governor Murkowski:

At its February 1, 2006 meeting, the Kenai City Council unanimously passed its Resolution No. 2006-03 urging the State of Alaska to provide for a sustainable revenue sharing/community dividend program for all Alaskan communities (copy enclosed).

As expressed in the resolution, the elimination of revenue sharing has caused significant negative effects on Alaska's cities and boroughs to provide services. With the availability of a budget surplus exceeding \$32 Billion, the Kenai City Council urges the establishment of a sustainable revenue sharing/community dividend program to share revenue with all Alaska communities.

CITY OF KENAI

Carol L. Freas  
City Clerk

cc: Members of the Alaska Legislature  
Kenai Peninsula Borough Assembly Members  
Mayors of the Kenai Peninsula Borough  
Alaska Municipal League

Suggested by: City Council

**CITY OF KENAI**

**RESOLUTION NO. 2006-03**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, URGING THE STATE OF ALASKA TO PROVIDE FOR A SUSTAINABLE REVENUE SHARING/COMMUNITY DIVIDEND PROGRAM FOR ALL ALASKAN COMMUNITIES.

WHEREAS, Alaska's great wealth is generated by the natural resources of regions, communities and cities throughout the State; and,

WHEREAS, it is in the interest of the State of Alaska to share a portion of this natural resource wealth with its political subdivisions and allow citizens to have direct control over the public services they receive in order to enhance and continue positive economic growth throughout Alaska; and,

WHEREAS, in 1969, the Legislature adopted a municipal revenue sharing program to share Alaska's resource revenues with local taxpayers and communities, which were to "help ease fiscal problems facing local governments" and "stabilize or reduce local taxes"; and,

WHEREAS, the municipal revenue sharing program was eliminated in 2004; and,

WHEREAS, the elimination of revenue sharing has had a significant negative effect on the ability of Alaska's cities and boroughs to provide services, with communities forced to reduce essential services and/or increase local taxes, fees and causing economic hardship; and,

WHEREAS, the State of Alaska currently has over \$32 Billion in the Alaska Permanent Fund and a budget surplus exceeding \$1 Billion in this fiscal year; and,

WHEREAS, at present there are several active bills before the Legislature supporting the restoration of a revenue sharing program or the establishment of a municipal/community dividend program to provide communities with funding to reduce local taxes, build infrastructure, assist in covering costs of unfunded mandates, grow the State economy, increase quality of life and, in some cases, ensure the survival of small communities.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, urges the Alaska Legislature and Governor Frank Murkowski to establish a sustainable revenue sharing/community dividend program to share revenue with all Alaska communities; and,

BE IT FURTHER RESOLVED, upon passage, a copies of this resolution be forwarded to Governor Frank Murkowski, Members of the Alaska Legislature, Mayors of the Kenai Peninsula Borough communities, the Kenai Peninsula Borough Assembly, and the Alaska Municipal League.

CITY OF HOMER  
HOMER, ALASKA

McLay

RESOLUTION 06-08

A RESOLUTION OF THE CITY COUNCIL OF HOMER,  
ALASKA URGING THE STATE TO PRIORITIZE  
INVESTMENT IN THE STATE'S EXISTING  
TRANSPORTATION PLAN.

WHEREAS, It is the mission of the Alaska Department of Transportation and Public Facilities (ADOT/PF) to "provide for the movement of people and goods and the delivery of State services,"; and

WHEREAS, The vast distances, thousand of islands, active glaciers, towering mountains, frozen tundra, and other unique features that make Alaska grand also result in unique transportation challenges that cannot be addressed with a one-size-fits-all solution; and

WHEREAS, The Alaska Marine Highway System (AMHS) has provided service for over forty years to thousands of Alaska residents in 30 communities, stretching from the Aleutians through Kodiak, the Kenai Peninsula, and Prince William Sound to Southeast Alaska; and

WHEREAS, The 3,500-mile route of the AMHS has been recognized for its cultural, historical, recreational and scenic qualities through designation as an All-American Road by the United States Department of Transportation; and

WHEREAS, Regulatory deadlines will prevent three of the Marine Highway's most capable vessels from serving Canadian ports after January 1, 2010; and

WHEREAS, A \$46 million replacement for the *M/V LeConte* to serve Angoon, Hoonah, Juneau, Kake, Pelican, Petersburg, Sitka, Tenakee and possibly Gustavus, a \$61.2 million "Southern Gateway Shuttle" to connect Southeast Alaska with the continental road system at Prince Rupert, BC, and a \$123 million mainline ferry to replace aging vessels were all included in the Alaska Department of Transportation's FY 2004---2006 Statewide Transportation Improvement Program (STIP), Amendment #8, finalized in January 2005; and

WHEREAS, The *M/V LeConte* replacement, the "Southern Gateway Shuttle", and the mainline replacement ferry were all eliminated from the Draft FY 2006--2008 STIP; and

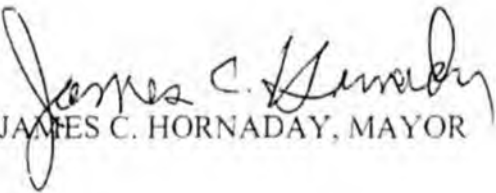
WHEREAS, The Draft FY 2006--2008 STIP calls for spending \$178 million on the proposed Juneau Road, \$299 million on the Gravina Bridge, and \$600 million on the Knik Arm Bridge over the next two years; and

Page Three  
Resolution 06-08  
City of Homer

BE IT FURTHER RESOLVED by the City Council that this Resolution shall be sent to ADOT/PF Commission and AMHS Director, Alaska's US Congressional Delegation, Governor Murkowski, Senator Gary Stevens, Representative Paul Seaton, Kenai Peninsula Borough Mayor Williams, Alaska Municipal League and to Better Ferries for Alaska, Bob Doll Executive Director.

PASSED AND APPROVED by the Homer City Council this 9th day of January, 2006.

CITY OF HOMER

  
JAMES C. HORNADAY, MAYOR

ATTEST:

  
\_\_\_\_\_  
MARY L. CALHOUN, CMC, CITY CLERK

Fiscal Note: NA

Revenue Sharing Compass Piece Anchorage Daily News 6/7/05

Many Alaskan communities are in dire straits! The reasons for this are many and cannot be blamed on any one issue. In a few cases, those dire straits are brought about by poor decisions made by local residents and leaders. But, in most cases, those dire circumstances are brought about by the fact that the State no longer shares oil revenues with its communities, as it previously did since 1969. Especially in the face of rapidly rising costs for fuel, transportation and insurance, the message to communities is clear – raise taxes or cut back critical public services. Alaskans in most communities are feeling the pinch of steadily rising local taxes, while this year alone at least ten small communities that have virtually no local tax base have closed their doors.

State Revenue Sharing is a program whereby a state shares its wealth (state revenues from natural resources and state taxes) with its communities. Every state in the U.S. has some sort of Revenue Sharing program. The State of Alaska made the decision to end Municipal Revenue Sharing and has made it clear that if communities are short on revenues, they must further utilize their taxing authority and raise their tax base. Some state leaders have proudly stated that they have decided not to impose a tax on the people of Alaska. We disagree! They have decided to impose taxes; but they would rather cities and boroughs do it.

Cities and boroughs provide basic services to their residents such as water, sewer, trash collection, snow plowing, election services, harbors, road maintenance and many more. If a community is on an upward economic incline, services and taxes can equal out. However, if times of challenge are experienced, residents cannot bear additional taxation and services will have to be severely curtailed or stopped completely. We currently have communities in the State of Alaska with unclean water, no police protection, closed city halls, no insurance, no fuel, and no sewer system. The infrastructure is in place, but local governments have no operating money left with which to staff or maintain these facilities.

The State of Alaska is garnering huge excess revenues from the high price of oil. However, Alaskan communities have not realized increased revenues from those high oil prices, only increased expenditures. While high oil prices mean "windfall" to the state, communities must dip into what's left of their "rainy day account" to pay for increased fuel and transportation costs. Why is there such a disconnect?

Should every community survive? The natural progression of things says not. Old communities will cease and new ones will come into existence. But, we believe the State of Alaska should have a plan. Do we want to become a state made up of only larger hubs? Do we want "rural" to only mean the outskirts of Anchorage? Are Anchorage, Fairbanks, the Mat-Su and Juneau equipped to house the influx of people coming from the small communities throughout the state? Are there enough jobs? Will those people need help and support until they can get on their feet? Will their lifestyle and/or culture enable them to be successful in a more cosmopolitan environment?

Even though the legislature provided a one time offset for mandated increases in public

②

employee retirement programs to many communities, they failed to meaningfully share Alaska's financial resources with communities and local taxpayers. Revenue sharing would provide local tax relief and would help to provide for critical basic public services.

In a state with a huge oil revenue base, revenue sharing with communities and local taxpayers should be a point of discussion in every legislative district. We invite you, as an Alaskan and as a local taxpayer to help us with this discussion. Please contact your legislator and request the reinstatement of Municipal Revenue Sharing next year to provide local tax relief and ensure critical and adequate local public services in every community.

Kevin Ritchie  
Executive Director  
Alaska Municipal League

[Back to Web Site](#)

## Alaska Municipal League Local Government At Its Best!

---

### Loss of revenue sharing hits villages hard

**CLOSINGS: State cuts left small cities with expenses they can't pay.**

By DAN JOLING

The Associated Press

Published: September 18, 2005

Last Modified: September 18, 2005 at 02:34 AM

The city clerk at Holy Cross doesn't spend much time at her desk these days. Lack of money in the Yukon River village has turned Connie Walker into a volunteer. She came in this week to prepare City Hall for a bingo game, a fundraiser to help a family pay for a funeral. Otherwise, she drops by to pay city bills, open mail and, if it rings, answer the phone.

Holy Cross City Hall closed its doors at the end of May, saving its remaining cash reserve -- about \$10,000 as of Tuesday -- to pay for utilities. Holy Cross is one of a host of Alaska rural municipalities facing serious financial problems since the state ended a revenue-sharing program.

Encouraged by state officials to organize 36 years ago to reap financial benefits of the trans-Alaska oil pipeline, and built up with infrastructure provided by state and federal grants, rural cities now can't afford to hire employees to keep their doors open or maintain their facilities.

According to the Alaska Municipal League, the governments of nine villages -- Ahkiok, Kiana, Kivalina, Kupreanof, Mekoryuk, Nikolai, Platinum, Quinhagak, and Russian Mission -- have ceased day-to-day operations.

Eighteen communities have serious management or financial problems. They don't hold elections or adopt budgets; they owe money to fuel companies, insurance companies or the Internal Revenue Service for employee taxes; or they've let insurance lapse.

Another 39 communities have financial problems so severe, they could be insolvent in two years.

Holy Cross is typical. A village of about 200 people 420 miles southwest of Fairbanks, it is accessible only by airplane or riverboat.

Census data for 2000 showed that 45 percent of residents live below the poverty line and 56 residents have jobs. More than 96.5 percent of the population is Alaska Native. Like much of rural Alaska, residents rely on fishing and hunting to make up for a lack of cash.

The layoffs of Walker and four other employees, including a heavy equipment operator, has left pothole problems on roads and no one to take the complaints.

"We've got no money to plow the roads," said Mayor Jeffrey Dementieff. "I've been having to ask for volunteers."

Dementieff got the job in 2003. His predecessor quit when the state dropped revenue sharing. The state money was the city's main source of revenue, ahead of the city's coin-operated laundry, water and sewer system, and bingo game.

In the 1980s, Holy Cross received as much as \$150,000 a year in state aid. The city's last state money was a one-time payment of \$40,000 in fiscal 2004, Walker said.

The Holy Cross experience is being played out in rural communities across Alaska, said Kevin Ritchie, executive director of the Alaska Municipal League. Dropping services will affect public safety, road maintenance, and other life and health issues.

"It has impacts far beyond the government," he said.

The lost revenue can't be made up by sales or property tax, Ritchie said.

The village of Ambler, 330 miles to the northeast, with a population of about 300, collects \$22,500 yearly on its 3 percent sales tax, Ritchie said. That's because most villagers buy in bulk from stores in Anchorage or Fairbanks.

Likewise, the entire assessed property value in Ambler is \$3.5 million, Ritchie said. But because so much is low-income housing or other property that cannot be taxed, about one in four property owners would be paying a property tax, he said. Revenue sharing and matching grants allowed villages to perform maintenance and small construction projects.

"It didn't create some huge political infrastructure," Ritchie said. "But it was enough to keep the lights on, have a city clerk that collected utility bills, things like that."

Both programs were dropped as the state faced a gap between spending and income. That was not the case 36 years ago, Ritchie said.

In the late 1960s, when construction of the trans-Alaska oil pipeline was under consideration and Alaska Native leaders questioned how it would make their lives better, they were told that villages should form municipalities and participate in revenue sharing, Ritchie said.

"A lot probably took that advice very seriously," he said.

Eighty-four of Alaska's 245 municipalities formed after 1969. The only thing keeping some from officially dissolving is money, Ritchie said; the process requires a paid administrator.

"If you don't have the money to hire anybody, you can't dissolve," he said.

The state has more than \$31 billion in the Alaska Permanent Fund, a savings account whose earnings politicians so far have been unwilling to tap.

With crude oil at more than \$60 per barrel, the state's budget gap has disappeared. But the glut of state money from high oil earnings so far has not crossed over to help small cities. Meanwhile, the cost of fuel, a huge expense for villages, has also climbed.

For every \$1-per-barrel hike in the price of crude, the state earns another \$65 million annually, according to the Alaska Department of Revenue. But that also translates into \$20 million more per year in fuel costs for Alaskans, Ritchie said. It's not accurate to say the state provided no help to small cities, said Becky Hultberg, Gov. Frank Murkowski's spokeswoman. She noted a small community energy assistance program and money for employee retirement expenses.

"There certainly was some assistance," she said. "It wasn't in the form as in past years."

She said Murkowski made "some very hard decisions" to keep the state solvent when he cut revenue sharing. With the revenue picture improved, "he is certainly willing to look at new solutions," she said.

It can't come too soon for Holy Cross city officials.

The city will receive a dribble of federal money this fall, about \$23,000 of "payment in lieu of taxes" money. The city may use that money to hire employees back for four hours per day.

"If the Legislature doesn't come through for us when they reconvene, that

\$23,000 isn't going to last very long," Walker said. "Maybe the winter."

---

Alaska Municipal League

[Back to Web Site](#)

## Alaska Municipal League Local Government At Its Best!

---

### Full History of Municipal Revenue Sharing in Alaska Excerpted from House Research Agency Request 87.073 "History of Municipal Assistance and Revenue Sharing"

#### Overview:

- ❑ Revenue Sharing started in 1969, long before oil revenue.
- ❑ Revenue Sharing was a bigger percent of the State budget in 1969 than it was last year.
- ❑ In 1979 the Legislature ended sharing the Gross Business Receipts Tax with municipalities in exchange for a promise to replace the revenue with equivalent "Municipal Assistance".

1969 to 1980 - State Revenue Sharing Program: SRS came into being on July 1, 1969 with the passage of HB 350 (Chapter 95, SLA 1969). Its five purposes were:

1. Help ease fiscal problems facing local governments.
2. Stabilize or reduce local property taxes.
3. Encourage local governments to provide adequate levels of public services.
4. Inject a measure of budget planning and stability into local governments.
5. Improve allocation of State funds by sharing them with local governments.

Approximately 75% of the funds were distributed on a per capita basis for services provided, and 25% based on other criteria (e.g. miles of road maintained). The categories and evolution of the program are shown in the table below:

#### Comparison of State Revenue Sharing in FY 70 to FY 80

<u>Category of Service Provided</u>	<u>1970</u>	<u>1980</u>
Police	\$5.00 / capita	\$12.00 / capita
Fire Protection	\$2.50 / capita	\$7.50 / capita
Road Maintenance	\$1,000 / mile	\$1,500 / mile
Air/water Pollution	\$1.00 / capita	\$2.00 / capita
Land Use Planning	\$1.00 / capita	\$2.00 / capita
Ice Roads	NA	\$900 / mile
Parks and Recreation	NA	\$5.00 / capita
Transportation Facilities	NA	\$5.00 / capita
Health Services	NA	\$2.00 / capita
Hospital (/ facility)	NA	\$25,000 to \$75,000
Health Facilities	NA	\$1,000/bed. \$4,000/facility
Hospital Construction	NA	\$2,500 / bed

TOTAL Revenue Sharing	\$2.0 million	\$26.9 million
TOTAL / Capita Sharing	\$9.50 / capita	\$35.50 / capita

**1979 - "Municipal Assistance" Program created to replace municipal share of the Gross Business Receipts tax:** Until 1979, the State shared 20% of the Gross Business Tax Receipts generated in each municipality. When the State repealed its tax on January 1, 1979, *the State promised to replace the lost revenues to municipalities.* Revenues were distributed with a "hold harmless" amount (based on what each municipality received in 1978), plus a per capita distribution.

**1980 - Revised State Revenue Sharing Programs:** HB 192 (Chapter 155, SLA 1980) repealed and replaced the "per capita" revenue sharing program primarily with an "equalization" revenue sharing program. Key elements of the new State Revenue Sharing Program are:

1. All "per capita" type categories were abolished except Roads, Fire Protection and Health Facilities. Road revenue sharing was increased to \$2500 / mile
2. A "minimum entitlement" was created to protect the smallest municipalities.
3. A cost of living differential was established.
4. The majority of funds were distributed under an "equalization" formula that takes into account: population; local tax base; and actual local tax effort.

**1997 - "Municipal Assistance" changed to "Safe Communities":** The Municipal Assistance Program did not direct how the money was to be used by municipal governments. The Safe Communities Program directs that revenues be allocated to various public safety and health services in priority order. However, a municipality may allocate the funding to other public services.

#### **2004 - All Revenue Sharing Programs eliminated**

- ❑ Local property taxes have gone up 29% in the last six years largely due to revenue sharing cuts, underfunding education inflation, and state/federal mandates.
- ❑ Over 40 small communities have ended or severely cut key municipal services including police, fire, road maintenance, etc.
- ❑ In 2005 alone at least 10 small communities have closed their doors.

[Back to Web Site](#)

**Alaska Municipal League  
Local Government At Its Best!**

---

**Summary**

---

**Municipal revenue sharing adopted this year can save many small cities  
and the public services they provide**

- **Small cities disintegrating:**  
Per State DCCED, this year:
    - ◆ 9 cities no longer functioning
    - ◆ 17 more cities in deep debt
    - ◆ 39 more cities have terminated key local services this year (e.g. police, road/utility/facility maintenance)
  
  - **Small cities uninsured:**  
Uninsured cities place a huge liability on the State, far in excess of the cost of a municipal revenue sharing program.
    - ◆ Insurance for up to 9 cities has been canceled
    - ◆ Up to 33 more are on month to month payments due an inability to pay.
  
  - **Rural Alaska Fuels the Urban Economy**
    - ◆ An estimated 20% of the urban job base directly or indirectly depends on trade and services to other parts of Alaska. (Alaska's Economic Links – Gross and Assoc. Chase Economics, Northwest Strategies, 1998)
- 

Alaska Municipal League

24-LS1422Y

Cook

3/10/06

*Adopted  
3/10/06*

**CS FOR SENATE BILL NO. 247(CRA)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FOURTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE BY REQUEST**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the revenue sharing program and to state aid for certain municipal  
2 underfunding of the Public Employees' Retirement System of Alaska; and providing for  
3 an effective date."

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

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

6 **Article 10. Revenue Sharing Program.**

7 **Sec. 29.60.800. Revenue sharing fund.** (a) There is established in the  
8 department the revenue sharing fund consisting of money appropriated to the fund.  
9 Each fiscal year, the legislature may appropriate to the revenue sharing fund from the  
10 Alaska capital income fund (AS 37.05.565) an amount for revenue sharing payments.  
11 Other appropriations may be made to the revenue sharing fund.

12 (b) Each fiscal year, the department shall distribute money appropriated to the  
13 fund for revenue sharing payments.

14 **Sec. 29.60.810. Revenue sharing payments.** (a) The revenue sharing payment

1 for a fiscal year equals

2 (1) \$300,000 for each unified municipality;

3 (2) \$150,000 for each borough that is not a unified municipality;

4 (3) \$75,000 for each city and, subject to (b) of this section, for a  
5 reserve; and

6 (4) subject to (b) of this section, \$25,000 for each community.

7 (b) The department, with advice from the Department of Law, shall determine  
8 whether there is, in each reserve or community, an incorporated nonprofit entity or a  
9 Native village council that will agree to receive and spend the revenue sharing  
10 payment for the benefit of the reserve or community. If there is more than one  
11 qualified entity in a reserve or community, the department shall make the payment to  
12 the entity that the department finds most qualified to receive and spend the money  
13 The department may not make a payment for a reserve or community unless the  
14 incorporated nonprofit entity or Native village council waives immunity from suit for  
15 claims arising out of activities of the corporation or council related to the revenue  
16 sharing payment. A waiver of immunity from suit under this subsection must be on a  
17 form provided by the Department of Law. If there is not a qualified incorporated  
18 nonprofit entity or Native village council in a reserve or community that is willing to  
19 receive and spend the revenue sharing payment for the benefit of the reserve or  
20 community, the payment may not be made.

21 (c) If the amount appropriated to the revenue sharing fund is not sufficient to  
22 fully fund all payments for a fiscal year under (a) of this section, the department shall  
23 reduce each payment on a pro rata basis.

24 **Sec. 29.60.820. Increased payments.** (a) If the amount appropriated to the  
25 revenue sharing fund exceeds that which is sufficient to fully fund revenue sharing  
26 payments under AS 29.60.810(a) for a fiscal year, the department shall increase each  
27 payment to a municipality or reserve by an equal amount for each person who resides  
28 in the municipality or reserve.

29 (b) For purposes of determining the amount of an increased payment, the  
30 population of the municipality or reserve shall be determined by using the number of  
31 permanent fund dividend recipients or other population data that the department

determines as reliable. In determining the population of a borough, the population of each city in the borough shall be deducted from the total population of the borough.

**Sec. 29.60.829. Definitions.** In AS 29.60.800 - 29.60.829,

(1) "community" means a place that is not incorporated as a city, in which 25 or more individuals reside as a social unit, and that is not in a unified municipality or a home rule, first class, or second class borough;

(2) "reserve" means a place that is organized under federal law as an Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is continued in existence under that subsection.

\* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to read:

**MUNICIPAL PUBLIC EMPLOYEES' RETIREMENT SYSTEM UNDERFUNDED LIABILITY RELIEF ACCOUNT.** (a) There is established in the Department of Administration the municipal public employees' retirement system underfunded liability relief account consisting of appropriations to the account. Notwithstanding AS 39.35, the department shall use money in the account in fiscal year 2007 for contribution shortfalls to the Public Employees' Retirement System of Alaska that result from the difference between a municipal employer's fiscal year 2007 certified contribution rate and the employer's fiscal year 2007 actuarial calculated rate, as determined in the supplement to the actuarial valuation as of June 30, 2004. Before January 1, 2007, the department shall transfer the money in the municipal public employees' retirement system underfunded liability relief account to the public employees' retirement system accounts of the following municipal employers in the following amounts:

(1) Allakaket, City of	\$ 633
(2) Anchorage, Municipality of	14,134,590
(3) Bristol Bay Borough	67,972
(4) Cordova, City of	252,133
(5) Craig, City of	28,214
(6) Denali Borough	22,550
(7) Dillingham, City of	35,336
(8) Egegik, City of	11

1	(9) Fairbanks North Star Borough	243,894
2	(10) Fairbanks, City of	5,940,276
3	(11) Haines Borough	63,966
4	(12) Homer, City of	426,547
5	(13) Hoonah, City of	6,623
6	(14) Huslia, City of	5,934
7	(15) Juneau, City and Borough of	2,293,420
8	(16) Kachemak, City of	5,731
9	(17) Kaltag, City of	3,620
10	(18) Kenai Peninsula Borough	831,820
11	(19) Kenai, City of	571,367
12	(20) Ketchikan Gateway Borough	211,055
13	(21) Ketchikan, City of	377,233
14	(22) King Cove, City of	795
15	(23) Kodiak Island Borough	376,411
16	(24) Kodiak, City of	702,293
17	(25) Lake and Peninsula Borough	7,856
18	(26) Matanuska-Susitna Borough	366,689
19	(27) Mekoryuk, City of	851
20	(28) Nome, City of	206,077
21	(29) North Pole, City of	107,715
22	(30) Palmer, City of	166,149
23	(31) Pelican, City of	564
24	(32) Petersburg, City of	43,955
25	(33) Saint Paul, City of	5,133
26	(34) Sand Point, City of	36,775
27	(35) Saxman, City of	7,708
28	(36) Seward, City of	204,976
29	(37) Sitka, City and Borough of	508,683
30	(38) Unalakleet, City of	3,431
31	(39) Valdez, City of	583,784

1	(40) Whittier, City of	4,940
2	(41) Wrangell, City of	262,410
3	(b) Money in the municipal public employees' retirement system underfunded liability	
4	relief account lapses into the general fund on January 1, 2007.	
5	* Sec. 3. Section 2 of this Act is repealed on January 1, 2007.	
6	* Sec. 4. This Act takes effect July 1, 2006.	

**CS SB 247 (CRA) APPROPRIATION CALCULATIONS FOR PERS UNDERFUNDING RELIEF**

<b>Employer</b>	<b>FY 07 Estimated Earnings</b>	<b>FY 07 Rate</b>	<b>Actual Contribution</b>	<b>Actuarial Rate</b>	<b>Required Contrib.</b>	<b>Approp Amounts for Bill</b>
ALLAKAKET, CITY OF	7,917	15.00%	1,188	22.99%	1,820	633
ANCHORAGE, MUNICIPALITY OF	136,38,688	18.65%	25,818,815	28.86%	39,953,405	14,134,590
BRISTOL BAY BOROUGH	1,638,689	17.99%	294,800	22.26%	364,772	69,972
CORDOVA, CITY OF	2,166,094	19.77%	428,237	31.41%	680,370	252,133
CRAIG, CITY OF	1,492,827	25.33%	378,133	27.22%	406,348	28,214
DENALI BOROUGH	181,706	39.00%	70,865	51.41%	93,415	22,550
DILLINGHAM, CITY OF	2,208,529	21.18%	467,766	22.78%	503,103	35,336
EGE BIK, CITY OF	54,908	18.80%	10,323	18.82%	10,334	11
FAIRBANKS NORTH STAR BOROUGH	18,617,900	20.93%	3,896,726	22.24%	4,140,621	243,894
FAIRBANKS, CITY OF	6,675,218	35.67%	2,381,050	124.66%	8,321,326	5,940,276
HAINES BOROUGH	1,623,501	27.17%	441,105	31.11%	505,071	63,966
HOMER, CITY OF	4,765,884	17.92%	854,046	26.87%	1,280,593	426,547
HOONAH, CITY OF	704,609	20.75%	146,206	21.69%	152,830	6,623
HUSLIA, CITY OF	106,341	23.27%	24,746	28.85%	30,680	5,934
JUNEAU, CITY AND BOROUGH OF	27,934,465	21.22%	5,927,693	29.43%	8,221,113	2,293,420
KACHEMAK, CITY OF	23,968	30.37%	7,279	54.28%	13,010	5,731
KALTAG, CITY OF	12,268	23.49%	2,882	53.00%	6,502	3,620
KENAI PENINSULA BOROUGH	14,122,582	22.81%	3,221,361	28.70%	4,053,181	831,820
KENAI, CITY OF	5,128,969	18.67%	957,579	29.81%	1,528,946	571,367
KETCHIKAN GATEWAY BOROUGH	4,307,254	20.49%	882,556	25.39%	1,093,612	211,055
KETCHIKAN, CITY OF	8,009,185	29.92%	2,396,348	34.63%	2,773,581	377,233
KING COVE, CITY OF	994,085	19.63%	195,139	19.71%	195,934	795
KODIAK ISLAND BOROUGH	2,114,670	15.00%	317,201	32.80%	693,612	376,411
KODIAK, CITY OF	6,023,099	21.21%	1,277,499	32.87%	1,979,793	702,293
LAKE AND PENINSULA BOROUGH	392,790	27.90%	109,588	29.90%	117,444	7,856
MATANUSKA-SUSITNA BOROUGH	11,317,561	20.99%	2,375,556	24.23%	2,742,245	366,689
MEKORYUK, CITY OF	10,261	5.00%	513	13.29%	1,364	851
NOME, CITY OF	2,476,892	15.50%	383,918	23.82%	589,996	206,077
NORTH POLE, CITY OF	1,669,999	20.00%	334,000	26.45%	441,715	107,715
PALMER, CITY OF	2,972,249	23.54%	699,667	29.13%	865,816	166,149
PELICAN, CITY OF	152,566	18.86%	28,774	19.23%	29,338	564
PETERSBURG, CITY OF	4,146,689	28.53%	1,183,050	29.59%	1,227,005	43,955
SAINT PAUL, CITY OF	1,387,412	17.35%	240,716	17.72%	245,849	5,133
SAND POINT, CITY OF	769,349	17.11%	131,636	21.89%	168,411	36,775
SAXMAN, CITY OF	108,869	37.84%	41,196	44.92%	48,904	7,708
SEWARD, CITY OF	3,713,340	18.74%	695,880	24.26%	900,856	204,976

PROVIDED BY SENATOR BERT STEDMAN

March 10, 2006

**CS SB 247 (CRA) APPROPRIATION CALCULATIONS FOR PERS UNDERFUNDING RELIEF**

<b>Employer</b>	<b>FY 07 Estimated Earnings</b>	<b>FY 07 Rate</b>	<b>Actual Contribution</b>	<b>Actuarial Rate</b>	<b>Required Contrib.</b>	<b>Approp Amounts for Bill</b>
SITKA, CITY AND BOROUGH OF	8,770,393	24.02%	2,106,648	29.82%	2,615,331	<b>508,683</b>
SOLDOTNA, CITY OF	2,735,120	19.46%	532,254	25.54%	698,550	<b>166,295</b>
UNALAKLEET, CITY OF	2,002,275	19.87%	45,756	21.36%	49,187	<b>3,431</b>
VALDEZ, CITY OF	5,198,434	18.91%	983,024	30.14%	1,566,808	<b>583,784</b>
WHITTIER, CITY OF	898,175	15.00%	134,726	15.55%	139,666	<b>4,940</b>
WRANGELL, CITY OF	2,642,602	21.72%	573,973	31.65%	836,384	<b>262,410</b>
<b>Subtotal: Political Subs PERS</b>	<b>369,379,404</b>		<b>73,339,696</b>		<b>102,620,395</b>	<b>29,288,418</b>

**Source of Data:**  
FY 07 estimated earnings provided by Alaska Division of Retirement and Benefits  
Contribution rates were taken from the Supplement to the Actuarial Valuation Report as of June 30, 2004. Prepared by Mercer Consulting

**Note:**  
These rates are not adjusted to ensure that all employers are at least at the normal cost rate (13.32%).  
Making that adjustment, however, would have no impact on grant needs because those employers would be paying more than the actuarial rate.

<b>State of Alaska</b> <b>Public Employees' Retirement System</b> <b>Employer Rates</b> <b>for Fiscal Year 2006</b>				
--	--	--	--	--

ER No.	ER Name	FY 2005 Employer Rate	FY 2006 Employer Rate	Change Due to SB 46
--------	---------	-----------------------	-----------------------	---------------------

**EMPLOYERS WHO CHOSE TO STAY AT THEIR PREVIOUSLY REPORTED (FY 06) RATE**

230	Aleutians East Borough	14.83	16.01	0.00
144	Bristol Bay Borough	7.99	12.99	0.00
148	Cordova, City of	9.77	14.77	0.00
282	Delta Junction, City of	14.10	13.76	0.00
258	Denali Borough	29.00	34.00	0.00
129	Fairbanks, City of	25.67	30.67	0.00
192	Galena, City of	5.00	10.00	0.00
260	Kachemak, City of	20.37	25.37	0.00
122	Ketchikan Gateway Borough	10.49	15.49	0.00
181	Ketchikan, City of	19.92	24.92	0.00
128	Kodiak, City of	11.21	16.21	0.00
174	Kodiak Island Borough	5.00	10.00	0.00
247	Lake and Peninsula Borough	17.90	22.90	0.00
191	North Pole, City of	10.00	15.00	0.00
134	Palmer, City of	13.54	18.54	0.00
143	Petersburg, City of	18.53	23.53	0.00
266	Quinhagak, City of	12.33	8.38	0.00
182	Seward, City of	8.74	13.74	0.00
123	Soldotna, City of	9.46	14.46	0.00
169	Tanana, City of	15.65	11.77	0.00
249	Unalakleet, City of	9.87	14.87	0.00
107	Valdez, City of	8.91	13.91	0.00
248	Yakutat, City and Borough of	13.78	18.78	0.00

**EMPLOYERS WHO ARE PAYING THEIR PREVIOUSLY REPORTED RATE BUT HAVEN'T FORMALLY INFORMED THE DIVISION**

202	Whittier, City of	5.00	10.00	0.00
-----	-------------------	------	-------	------

**EMPLOYERS WHO CHOSE TO USE THE REDUCED (FY 05) RATE**

208	Akutan, City of	9.09	13.72	-4.63
259	Allakaket, City of	5.00	10.00	-5.00
173	Anchorage, Municipality of	8.65	13.37	-4.72
173a	Anchorage, Municipality of -- Police and Fire members	9.90	14.90	-5.00
283	Anderson, City of	0.00	0.00	0.00
243	Atka, City of	15.00	20.00	-5.00
171	Barrow, City of	12.86	17.86	-5.00
136	Bethel, City of	8.70	13.70	-5.00
186	Craig, City of	15.33	20.33	-5.00
178	Dillingham, City of	11.18	16.18	-5.00
271	Egegik, City of	8.80	13.80	-5.00
242	Elim, City of	9.31	14.31	-5.00
116	Fairbanks North Star Borough	10.93	15.93	-5.00
183	Fort Yukon, City of	5.00	10.00	-5.00

inactive in FY06

**State of Alaska**  
**Public Employees' Retirement System**

**Employer Rates**  
**for Fiscal Year 2006**

ER No.	ER Name	FY 2005 Employer Rate	FY 2006 Employer Rate	Change Due to SB 46
189	Haines Borough	17.17	22.17	-5.00
215	Homer, City of	7.92	12.92	-5.00
199	Hoonah, City of	10.75	15.75	-5.00
285	Hooper Bay, City of	10.42	14.65	-4.23
235	Huslia, City of	13.27	18.27	-5.00
126	Juneau, City and Borough of	11.22	16.22	-5.00
237	Kaltag, City of	13.49	18.49	-5.00
180	Kenai Peninsula Borough	12.81	17.81	-5.00
115	Kenai, City of	8.67	13.67	-5.00
151	King Cove, City of	9.63	14.63	-5.00
227	Klawock, City of	6.19	11.19	-5.00
140	Kotzebue, City of	5.00	10.00	-5.00
287	Koyuk, City of	10.42	14.31	-3.89
109	Matanuska-Susitna Borough	10.99	15.99	-5.00
193	Nenana, City of	14.46	19.46	-5.00
139	Nome, City of	5.50	10.50	-5.00
241	Noorvik, City of	9.40	13.82	-4.42
145	North Slope Borough	7.64	12.64	-5.00
220	Northwest Arctic Borough	9.33	14.33	-5.00
200	Pelican, City of	8.86	13.86	-5.00
256	Saint George, City of	8.78	13.78	-5.00
172	Saint Paul, City of	7.35	12.35	-5.00
176	Sand Point, City of	7.11	12.11	-5.00
198	Saxman, City of	27.84	32.84	-5.00
222	Selawik, City of	11.01	7.88	3.13
286	Seldovia, City of	10.42	14.48	-4.06
120	Sitka, City and Borough of	14.02	19.02	-5.00
132	Skagway, City of	14.63	19.63	-5.00
206	Thorne Bay, City of	10.10	15.10	-5.00
280	Toksook Bay, City of	10.00	14.69	-4.69
179	Unalaska, City of	12.09	17.08	-4.99
131	Wasilla, City of	11.44	16.44	-5.00
135	Wrangell, City of	11.72	16.72	-5.00

inactive in FY 06

**TERMINATED EMPLOYERS THAT DRB WILL USE THE APPROPRIATION TO OFFSET A TERMINATION LIABILITY**

214	Saint Mary's, City of (TERMINATED)
216	Ruby, City of (TERMINATED)
277	Kake, City of (TERMINATED)
289	Angeon, City of (TERMINATED)

**SB 247 Revenue Sharing Estimates**

<b>Municipalities</b>	<b>2004 Population</b>	<b>Revenue Sharing Base Payment</b>	<b>Per Capita Increased Payment</b>	<b>Total Revenue Sharing Payment</b>
Adak	69	\$75,000	\$1,348	\$76,348
Akhiok	56	\$75,000	\$1,094	\$76,094
Akiak	367	\$75,000	\$7,171	\$82,171
Akutan	771	\$75,000	\$15,064	\$90,064
Alakanuk	667	\$75,000	\$13,032	\$88,032
Aleknagik	219	\$75,000	\$4,279	\$79,279
Aleutians East Borough	76	\$150,000	\$1,485	\$151,485
Allakaket	90	\$75,000	\$1,758	\$76,758
Ambler	274	\$75,000	\$5,354	\$80,354
Anaktuvuk Pass	300	\$75,000	\$5,862	\$80,862
Anchorage	277,498	\$300,000	\$5,421,920	\$5,721,920
Anderson	546	\$75,000	\$10,668	\$85,668
Angoon	481	\$75,000	\$9,398	\$84,398
Aniak	532	\$75,000	\$10,395	\$85,395
Anvik	101	\$75,000	\$1,973	\$76,973
Atka	92	\$75,000	\$1,798	\$76,798
Atkasuk	247	\$75,000	\$4,826	\$79,826
Barrow	4,351	\$75,000	\$85,012	\$160,012
Bethel	5,888	\$75,000	\$115,043	\$190,043
Bettles	31	\$75,000	\$606	\$75,606
Brevig Mission	319	\$75,000	\$6,233	\$81,233
Bristol Bay Borough	1,096	\$150,000	\$21,414	\$171,414
Buckland	437	\$75,000	\$8,538	\$83,538
Chefornak	439	\$75,000	\$8,577	\$83,577
Chevak	899	\$75,000	\$17,565	\$92,565
Chignik	92	\$75,000	\$1,798	\$76,798
Chuathbaluk	105	\$75,000	\$2,052	\$77,052
Clark's Point	62	\$75,000	\$1,211	\$76,211
Coffman Cove	177	\$75,000	\$3,458	\$78,458
Cold Bay	89	\$75,000	\$1,739	\$76,739
Cordova	2,298	\$75,000	\$44,900	\$119,900
Craig	1,127	\$75,000	\$22,020	\$97,020
Deering	145	\$75,000	\$2,833	\$77,833
Delta Junction	984	\$75,000	\$19,226	\$94,226
Denali Borough	1,296	\$150,000	\$25,322	\$175,322
Dillingham	2,422	\$75,000	\$47,322	\$122,322
Diomede	141	\$75,000	\$2,755	\$77,755
Eagle	115	\$75,000	\$2,247	\$77,247
Eek	292	\$75,000	\$5,705	\$80,705
Egegik	76	\$75,000	\$1,485	\$76,485
Ekwok	127	\$75,000	\$2,481	\$77,481
Elim	318	\$75,000	\$6,213	\$81,213
Emmonak	762	\$75,000	\$14,888	\$89,888
Fairbanks	29,954	\$75,000	\$585,259	\$660,259

**SB 247 Revenue Sharing Estimates**

<b>Municipalities</b>	<b>2004 Population</b>	<b>Revenue Sharing Base Payment</b>	<b>Per Capita Increased Payment</b>	<b>Total Revenue Sharing Payment</b>
Fairbanks North Star Borough	53,493	\$150,000	\$1,045,178	\$1,195,178
False Pass	62	\$75,000	\$1,211	\$76,211
Fort Yukon	594	\$75,000	\$11,606	\$86,606
Galena	717	\$75,000	\$14,009	\$89,009
Gambell	648	\$75,000	\$12,661	\$87,661
Golovin	160	\$75,000	\$3,126	\$78,126
Goodnews Bay	236	\$75,000	\$4,611	\$79,611
Grayling	182	\$75,000	\$3,556	\$78,556
Gustavus	473	\$75,000	\$9,242	\$84,242
Haines Borough	2,245	\$150,000	\$43,864	\$193,864
Holy Cross	206	\$75,000	\$4,025	\$79,025
Homer	5,332	\$75,000	\$104,180	\$179,180
Hoonah	841	\$75,000	\$16,432	\$91,432
Hooper Bay	1,124	\$75,000	\$21,961	\$96,961
Houston	1,368	\$75,000	\$26,729	\$101,729
Hughes	72	\$75,000	\$1,407	\$76,407
Huslia	269	\$75,000	\$5,256	\$80,256
Hydaburg	349	\$75,000	\$6,819	\$81,819
Juneau	30,966	\$300,000	\$605,032	\$905,032
Kachemak	475	\$75,000	\$9,281	\$84,281
Kake	663	\$75,000	\$12,954	\$87,954
Kaktovik	284	\$75,000	\$5,549	\$80,549
Kaltag	211	\$75,000	\$4,123	\$79,123
Kasaan	60	\$75,000	\$1,172	\$76,172
Kenai	6,809	\$75,000	\$133,038	\$208,038
Kenai Peninsula Borough	31,794	\$150,000	\$621,210	\$771,210
Ketchikan	7,691	\$75,000	\$150,271	\$225,271
Ketchikan Gateway Borough	4,948	\$150,000	\$96,677	\$246,677
Kiana	394	\$75,000	\$7,698	\$82,698
King Cove	723	\$75,000	\$14,126	\$89,126
Kivalina	388	\$75,000	\$7,581	\$82,581
Klawock	848	\$75,000	\$16,569	\$91,569
Kobuk	128	\$75,000	\$2,501	\$77,501
Kodiak	6,199	\$75,000	\$121,120	\$196,120
Kodiak Island Borough	6,494	\$150,000	\$126,884	\$276,884
Kotlik	588	\$75,000	\$11,489	\$86,489
Kotzebue	3,130	\$75,000	\$61,156	\$136,156
Koyuk	348	\$75,000	\$6,799	\$81,799
Koyukuk	109	\$75,000	\$2,130	\$77,130
Kupreanof	38	\$75,000	\$742	\$75,742
Kwethluk	695	\$75,000	\$13,579	\$88,579
Lake & Peninsula Borough	882	\$150,000	\$17,233	\$167,233
Larsen Bay	96	\$75,000	\$1,876	\$76,876
Lower Kalskag	262	\$75,000	\$5,119	\$80,119

**SB 247 Revenue Sharing Estimates**

<b>Municipalities</b>	<b>2004 Population</b>	<b>Revenue Sharing Base Payment</b>	<b>Per Capita Increased Payment</b>	<b>Total Revenue Sharing Payment</b>
Manokotak	437	\$75,000	\$8,538	\$83,538
Marshall	358	\$75,000	\$6,995	\$81,995
Matanuska-Susitna Borough	57,474	\$150,000	\$1,122,961	\$1,272,961
McGrath	367	\$75,000	\$7,171	\$82,171
Mekoryuk	198	\$75,000	\$3,869	\$78,869
Metlakatla	1,370	\$75,000	\$26,768	\$101,768
Mountain Village	769	\$75,000	\$15,025	\$90,025
Napakiaik	360	\$75,000	\$7,034	\$82,034
Napaskiak	436	\$75,000	\$8,519	\$83,519
Nenana	549	\$75,000	\$10,727	\$85,727
New Stuyahok	477	\$75,000	\$9,320	\$84,320
Newhalen	183	\$75,000	\$3,576	\$78,576
Nightmute	232	\$75,000	\$4,533	\$79,533
Nikolai	121	\$75,000	\$2,364	\$77,364
Nome	3,473	\$75,000	\$67,858	\$142,858
Nondalton	205	\$75,000	\$4,005	\$79,005
Noorvik	609	\$75,000	\$11,899	\$86,899
North Pole	1,532	\$75,000	\$29,933	\$104,933
North Slope Borough	235	\$150,000	\$4,592	\$154,592
Northwest Arctic Borough	708	\$150,000	\$13,833	\$163,833
Nuiqsut	430	\$75,000	\$8,402	\$83,402
Nulato	320	\$75,000	\$6,252	\$81,252
Nunam Iqua	204	\$75,000	\$3,986	\$78,986
Nunapitchuk	527	\$75,000	\$10,297	\$85,297
Old Harbor	196	\$75,000	\$3,830	\$78,830
Ouzinkie	187	\$75,000	\$3,654	\$78,654
Palmer	5,197	\$75,000	\$101,542	\$176,542
Pelican	118	\$75,000	\$2,306	\$77,306
Petersburg	3,123	\$75,000	\$61,019	\$136,019
Pilot Point	75	\$75,000	\$1,465	\$76,465
Pilot Station	559	\$75,000	\$10,922	\$85,922
Platinum	39	\$75,000	\$762	\$75,762
Point Hope	726	\$75,000	\$14,185	\$89,185
Port Alexander	69	\$75,000	\$1,348	\$76,348
Port Heiden	90	\$75,000	\$1,758	\$76,758
Port Lions	238	\$75,000	\$4,650	\$79,650
Quinhagak	612	\$75,000	\$11,958	\$86,958
Ruby	190	\$75,000	\$3,712	\$78,712
Russian Mission	331	\$75,000	\$6,467	\$81,467
Saint George	137	\$75,000	\$2,677	\$77,677
Saint Mary's	539	\$75,000	\$10,531	\$85,531
Saint Michael	409	\$75,000	\$7,991	\$82,991
Saint Paul	494	\$75,000	\$9,652	\$84,652
Sand Point	908	\$75,000	\$17,741	\$92,741

**SB 247 Revenue Sharing Estimates**

<b>Municipalities</b>	<b>2004 Population</b>	<b>Revenue Sharing Base Payment</b>	<b>Per Capita Increased Payment</b>	<b>Total Revenue Sharing Payment</b>
Savoonga	710	\$75,000	\$13,872	\$88,872
Saxman	391	\$75,000	\$7,640	\$82,640
Scammon Bay	486	\$75,000	\$9,496	\$84,496
Selawik	829	\$75,000	\$16,197	\$91,197
Seldovia	263	\$75,000	\$5,139	\$80,139
Seward	2,540	\$75,000	\$49,628	\$124,628
Shageluk	132	\$75,000	\$2,579	\$77,579
Shaktoolik	209	\$75,000	\$4,084	\$79,084
Shishmaref	591	\$75,000	\$11,547	\$86,547
Shungnak	264	\$75,000	\$5,158	\$80,158
Sitka	8,805	\$300,000	\$172,037	\$472,037
Skagway	870	\$75,000	\$16,999	\$91,999
Soldotna	3,767	\$75,000	\$73,602	\$148,602
Stebbins	586	\$75,000	\$11,450	\$86,450
Tanana	304	\$75,000	\$5,940	\$80,940
Teller	241	\$75,000	\$4,709	\$79,709
Tenakee Springs	105	\$75,000	\$2,052	\$77,052
Thorne Bay	497	\$75,000	\$9,711	\$84,711
Togiak	805	\$75,000	\$15,729	\$90,729
Toksook Bay	561	\$75,000	\$10,961	\$85,961
Unalakleet	728	\$75,000	\$14,224	\$89,224
Unalaska	4,366	\$75,000	\$85,305	\$160,305
Upper Kuskag	263	\$75,000	\$5,139	\$80,139
Valdez	4,454	\$75,000	\$87,025	\$162,025
Wainwright	531	\$75,000	\$10,375	\$85,375
Wales	152	\$75,000	\$2,970	\$77,970
Wasilla	6,109	\$75,000	\$119,361	\$194,361
White Mountain	213	\$75,000	\$4,162	\$79,162
Whittier	172	\$75,000	\$3,361	\$78,361
Wrangell	2,023	\$75,000	\$39,527	\$114,527
Yakutat	680	\$150,000	\$13,286	\$163,286
<b>Municipal Totals</b>	<b>638,480</b>	<b>\$13,875,000</b>	<b>\$12,475,000</b>	<b>\$26,350,000</b>

**SB 247 Revenue Sharing Estimates**

<b>Unincorporated Communities</b>	<b>2004 Population</b>	<b>Revenue Sharing Base Payment</b>
Arctic Village	146	\$25,000
Atmautluak	285	\$25,000
Beaver	67	\$25,000
Birch Creek	43	\$25,000
Central	102	\$25,000
Chalkyitsik	84	\$25,000
Chenega Bay	81	\$25,000
Chistochina	101	\$25,000
Chitina	118	\$25,000
Circle	99	\$25,000
Copper Center	445	\$25,000
Crooked Creek	147	\$25,000
Deltana	1,777	\$25,000
Dot Lake	29	\$25,000
Dry Creek	105	\$25,000
Eagle Village	68	\$25,000
Edna Bay	44	\$25,000
Elfin Cove	26	\$25,000
Four Mile Road	33	\$25,000
Gakona	222	\$25,000
Glennallen	548	\$25,000
Goldstream	34	\$25,000
Gulkana	106	\$25,000
Healy Lake	34	\$25,000
Hollis	165	\$25,000
Hyder	83	\$25,000
Kasigluk	526	\$25,000
Kenny Lake	392	\$25,000
Kipnuk	660	\$25,000
Klukwan	119	\$25,000
Koliganek	187	\$25,000
Kongiganak	411	\$25,000
Kwigillingok	361	\$25,000
Lime Village	34	\$25,000
Manley Hot Springs	73	\$25,000
McCarthy	66	\$25,000
Mentasta	139	\$25,000
Minto	207	\$25,000
Naukati Bay	107	\$25,000

**SB 247 Revenue Sharing Estimates**

<b>Unincorporated Communities</b>	<b>2004 Population</b>	<b>Revenue Sharing Base Payment</b>
Nelchina/Mendeltna	73	\$25,000
Newtok	308	\$25,000
Nikolski	36	\$25,000
Northway	106	\$25,000
Oscarville	57	\$25,000
Paxson	40	\$25,000
Pitka's Point	105	\$25,000
Port Protection	47	\$25,000
Red Devil	35	\$25,000
Silver Springs	111	\$25,000
Slana	110	\$25,000
Sleetmute	78	\$25,000
Stevens Village	76	\$25,000
Stony River	54	\$25,000
Takotna	47	\$25,000
Tanacross	137	\$25,000
Tatitlek	108	\$25,000
Tazlina	170	\$25,000
Tetlin	129	\$25,000
Tok	1,439	\$25,000
Tuluksak	470	\$25,000
Tuntutuliak	398	\$25,000
Tununak	328	\$25,000
Twin Hills	67	\$25,000
Venetie	188	\$25,000
Whale Pass	81	\$25,000
Whitestone	176	\$25,000
<b>Total Unincorporated</b>	<b>13,248</b>	<b>\$1,650,000</b>

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB247-LAW-L&SA-2-22-4  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: LAW  
 Title "An Act relating to the revenue sharing program RDU CIVIL  
and providing for an effective date." Component Labor & State Affairs  
 Sponsor Senate Community and Regional Affairs  
 Requester Senate Community and Regional Affairs Component No. \_\_\_\_\_

**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						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill restores revenue sharing to state programs related to Municipal Government. Under the program, the Department of Law is required to assist the Department of Revenue in determining whether there is, in each reserve or community, an incorporated nonprofit entity or a Native village council that will agree to receive and spend the revenue sharing payment for the benefit of the reserve or community. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. These requirements were present in the previous revenue sharing program and will be simple to resume.

Passage of this legislation is not expected to have a significant fiscal impact on the Department of Law.

Prepared by: Kathryn Daughhete, Director Phone 465-3673  
 Division: Administrative Services Division Date/Time 2/22/06 9:31 AM  
 Approved by: Kathryn Daughhete for David Márquez, Attorney General Date 2/22/2006  
 Agency: Department of Law

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 247  
 ( ) Publish Date: 1/22/2006

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title An Act relating to the revenue sharing RDU Taxation and Treasury  
program, and providing for an effective date Component Treasury Division  
 Sponsor Community and Regional Affairs, Finance  
 Requester \_\_\_\_\_ Component No. \_\_\_\_\_

**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	0.0	0.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE (Thousands of Dollars)**

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

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						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

SB247 creates a new fund in the Department of Revenue, Treasury Division called the revenue sharing fund. The legislature may appropriate money from the fund for revenue sharing payments. There will not be any incremental management fees to manage these funds; hence, the zero fiscal note.

Prepared by: Susan M. Taylor, Comptroller  
 Division: Treasury  
 Approved by: Tom Boulin, Deputy Commissioner  
 Agency: Department of Revenue

Phone 907-465-2352  
 Date/Time 1/22/2006, 5:15 pm  
 Date 1/22/2006

# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB 247  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title Revenue Sharing Program RDU State Revenue Sharing (217)  
 Component New  
 Sponsor Community & Regional Affairs  
 Requester By Request of Advisory Comm on Local Gov't Component No. New

**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	28,000.0	28,000.0	28,000.0	28,000.0	28,000.0	28,000.0
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>28,000.0</b>	<b>28,000.0</b>	<b>28,000.0</b>	<b>28,000.0</b>	<b>28,000.0</b>	<b>28,000.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1197 AK Cap Income Fund	28,000.0	28,000.0	28,000.0	28,000.0	28,000.0	28,000.0
<b>TOTAL</b>	<b>28,000.0</b>	<b>28,000.0</b>	<b>28,000.0</b>	<b>28,000.0</b>	<b>28,000.0</b>	<b>28,000.0</b>

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 establishes a revenue sharing program funded from the Alaska capital income fund (AS 37.05.565) to provide annual payments to municipalities and unincorporated communities located outside home rule, first class, or second class boroughs. Unified municipalities would each receive \$300,000; each borough that is not a unified municipality would receive \$150,000; cities would each receive \$75,000; and certain unincorporated communities would each receive \$25,000. If the amount appropriated to the revenue sharing program exceeds the amount required to fund these payments, the remaining amount is distributed to municipalities on a per capita basis. If the amount appropriated to the revenue sharing program is not sufficient to fund these payments, the department shall prorate the payments. The division anticipates implementing this program with existing staff.

Prepared by: Michael Black, Director Phone 907.239.4578  
 Division Community Advocacy Date/Time 2/21/06 5:34 PM  
 Approved by: William C. Noll, Commissioner Date 2/21/2006  
 Agency Commerce, Community, and Economic Development

# ALASKA STATE LEGISLATURE

50 Front St. Suite #203  
Ketchikan, Alaska 99901



Phone: 225-9675  
Fax: 225-8546

## LEGISLATIVE INFORMATION OFFICE

### WRITTEN TESTIMONY

**COPY**

**RECEIVED**  
3/7/06

NAME: Scott Brandt-Erichsen  
ADDRESS: 344 Front St.  
Ketchikan AK 99901

PHONE: 228-6635  
EMAIL: \_\_\_\_\_


BILL# or SUBJECT: SB 246 / SB 247  
COMMITTEE: SCRA 465-3922

I strongly support the municipal revenue  
sharing approach used in SB 246 and SB 247.  
While I would like to see a higher total  
amount of revenue sharing, these bills  
establish a procedure which can be used  
to distribute additional funds which may  
be appropriated for revenue sharing.

I encourage the committee to  
approve both bills, and to consider  
additional funds to direct to communities  
through this distribution mechanism.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

March 6, 2006

  
Luke Hopkins  
Assemblymember  
Fairbanks North Star Borough  
907-347-0066 Voice Contact  
907-459-1224 Fax

RECEIVED  
3/6/06

Senator Stedman, Chair and committee members:

Thank you for scheduling this hearing to allow discussion on SB 247 & SB 246 today.

I speak to you today as an elected member of the FNSB Assembly on the importance of revenue sharing to my municipality. I will note for the record that I am also on the Board of Directors for AMI, where the adopted policy supporting a community revenue sharing program is very important to the members of our organization.

I am in support of a revenue sharing program that has components that these bills. It is important that there is a minimum floor that could provide support to all communities, including the unincorporated units in our state. And these bills address the concerns that a program has a funding source over the long term. As a resident of this Interior Alaskan borough, I have felt the increase in property taxes that has occurred, in part, as state government has reduced financial support to local governments. Again, these bills need to move forward with the idea that both small and large communities can share in the oil revenues more directly at a local level, allowing each entity to decide how to spend these funds; property tax relief can be realized very soon to those of us in the Fairbanks area.

I ask that you move these bills forward with the recommendation of "do pass". I also hope your committee will make the recommendation to increase the recommended funding level with other revenue sources to make the program meaningful to the larger municipalities and boroughs around the state.



FAIRBANKS LEGISLATIVE INFORMATION OFFICE  
 119 N. CUSHMAN ST. SUITE 101  
 FAIRBANKS, AK 99701

---

WRITTEN TESTIMONY TRANSMITTAL SHEET

---

TO:	FROM:
Senator Stedman, Chair	Lorice/Fbx LIO
COMPANY:	DATE:
Senate Labor & Commerce	3/6/2006
FAX NUMBER:	
465-3922	
PHONE NUMBER:	FAXED ON:
465-4989	
RE:	TELECONFERENCE ON:
Written Comments	3/6/2006

---

URGENT     FOR REVIEW     PLEASE COMMENT     PLEASE REPLY     PLEASE RECYCLE

NOTES/COMMENTS:

Enclosed, please find the originals of the written testimony. Please distribute to committee members.

---

PHONE: 452-4448

FAX: 456-3346

# ALASKA STATE LEGISLATURE

50 Front St. Suite #203  
Ketchikan, Alaska 99901



Phone: 225-9675  
Fax: 225-8546

## LEGISLATIVE INFORMATION OFFICE

### WRITTEN TESTIMONY

# COPY

# RECEIVED

3/7/06

NAME: Scott Brandt-Erichsen

ADDRESS: 344 Front St.  
Ketchikan, AK 99901

PHONE: 228-6635

EMAIL: \_\_\_\_\_

BILL# or SUBJECT: SB 246 / SB 247  
COMMITTEE: SCRA 465-3922

I strongly support the municipal revenue  
sharing approach used in SB 246 and SB 247.  
While I would like to see a higher total  
amount of revenue sharing, these bills  
establish a procedure which can be used  
to distribute additional funds which may  
be appropriated for revenue sharing.

I encourage the committee to  
approve both bills, and to consider  
additional funds to direct to communities  
through this distribution mechanism.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Alaska Department of Commerce  
Recap of Community Dividend/Revenue Sharing/Admin Borough Bills**

Bill Number	Author	Bill Title	Description	Funding Source	Per City/Borough	Per Capita	Estimated Annual Cost	Category
HB 28	Moses	MUNICIPAL DIVIDEND PROGRAM	Provides \$250 per capita with a minimum of \$40.0 per community	PF earnings after PFD's and inflation-proofing	\$40.0 per city or borough	\$250 per capita	\$160 million	CRA ST. FIN
HB 36	Kapsner, Gara, Grittenberg, Croft	APPROPRIATE REVENUE SHARING/SAFE COMM	Distributed under existing State Revenue Sharing and Safe Communities Program statutes	GF	\$40.0 per city or borough, approx. \$7.0 to each unincorporated community	About \$34 per capita under Safe Communities Program	\$58.0 million	CRA FIN
HB 49	Rokeberg, Elkins	MUNICIPAL AID GRANTS	Provides \$50.0 per municipality \$3.5 per unincorporated community	GF	\$50.0 per city or borough, \$3.5 to each unincorporated community	None	\$8.3 million	CRA FIN
HB 144	Thomas	ADVISORY VOTE ON COMMUNITY DIVIDEND	Advisory vote on using PF earnings for revenue sharing	PF earnings after PFD's and inflation-proofing	\$50.0 per city or borough, \$25.0 to each unincorporated community	About \$219 per capita	\$150 million	STA FIN
HB 289	Gara	LOCAL TAX RELIEF & MUNI ASSISTANCE FUND	Appropriates 2005 oil tax change revenue to Local property tax and municipal assistance fund	GF	\$40.0 per city or borough, approx \$10.0 to each unincorporated community	About \$57 per capita under Safe Communities Program	\$100 million	CRA FIN/ CRA FIN
SB 191	Elkins, French	Distributed under existing SRS/SC Program statutes						
HB 330	Gardner, Gara, Gruenberg, Elkins, Elms	MUNICIPAL ASSISTANCE/LOCAL TAX RELIEF	Appropriates \$60 million annually to the local property tax and municipal assistance fund if oil > \$30 bbl Formula to increase if oil > \$30 bbl Distributed under existing SRS/SC Program statutes	GF	\$40.0 per city or borough, approx \$7.0 to each unincorporated community	About \$34 per capita under Safe Communities Program	\$60 million minimum	W&M CRA FIN/ CRA FIN
HB 351	Crawford	MUNICIPAL ENDOWMENT PROGRAM	Provides \$50.0 per municipality plus a per capita distribution	Municipal endowment fund (see HB 352 and SB 227)	\$50.0 per city or borough, \$25.0 to each unincorporated community	About \$55 per capita	6.0% of fund distributed (projected \$45 million)	CRA FIN/ CRA FIN
SB 226	Elton	\$25.0 per unincorporated community						
HB 352	Crawford	APPROPRIATIONS, MUNICIPAL ENDOWMENT FUND	Establishes Municipal endowment fund and capitalizes it with \$750 million	GF Surplus	—	—	—	CRA FIN/ CRA FIN
SB 227	Elton							
HB 371	Governor	COMMUNITY DIVIDEND PROGRAM	\$50.0 for borough, municipalities: 500 or more = \$40.0, 250-500 = \$35.0, 100-249 = \$30.0, 100 or less = \$25.0 Next priority is organizational grants (\$1M yrs 1 & 2, \$0.5M yr 3) Balance is distributed per capita to boroughs	AM Less	\$50.0 for borough municipalities with a population of 500 or more=\$40.0, 250-500=\$35.0, 100-249=\$30.0, 100 or less=\$25.0	Any balance distributed per capita	Base program \$10 million Average of \$27.6 million distributed	CRA FIN/ STA FIN
SB 234								
HB 394	Moses	STATE MINERAL RESOURCE REV/MUNICIPAL AID	Establishes State Minerals Lease Assistance Fund to offset effects of exploration or location activity on municipalities	GF	—	—	Approx \$1,994 million	CRA FIN
HB 401	Berkowitz	REVENUE SHARING ENDOWMENT FUND	Establishes Revenue Sharing Endowment fund Capitalized with 25% ongoing share of designated mineral revenues that would otherwise be GF	GF (FY 05 \$138 million)	Formula is traditional municipal revenue sharing and safe communities program statutes	—	5.0% of fund value (\$6.9 million on \$138 million)	W&M RES FIN

**Alaska Department of Commerce**  
**Recap of Community Dividend/Revenue Sharing/Admin Borough Bills**

Bill #	Author(s)	Basic Title	Description	Fund	Minimum	Per Capita	Estimated Cost	Revenue Source
SB 38	Ellon	MODIFICATION OF OIL SEVERANCE TAX	Increases oil production tax; distributes half of new revenue to communities under existing State Revenue Sharing Program statutes	GF (new taxes)	\$25 0 to cities and boroughs	—	—	RES FIN
SB 219	Wilken	COMMUNITY DIVIDEND PROGRAM	\$70 per capita to municipalities and unincorporated communities. Municipalities that operate schools would receive \$100 per capita. No minimum allocation	33% PF Earnings Reserve, 33% AM Hess, 33% CBR (balance > \$1 billion).	None	\$70 per capita to municipalities and unincorporated communities. Municipalities that operate schools would receive \$100 per capita	\$63 million	CRA FIN
SB 246	Senate CRA by request of Advisory Commission on Local Government	APPROP TO REVENUE SHARING FUND	Appropriates \$28 million from AM Hess to Municipal Fund	AM Hess	\$300 0 for a unified municipality, \$150 0 for other boroughs, \$75 0 to each city and Metlakatla, \$25 0 to each unincorporated community (about 75 communities per DCCED)	Any balance distributed per capita	\$28 million	RA FIN
SB 247	Senate CRA by request of Advisory Commission on Local Government	REVENUE SHARING PROGRAM	Base grant \$300 0 for each unified municipality \$150 0 for each borough that is not a unified municipality, \$75 0 for each city \$25 0 for each unincorporated community. Balance distributed to municipalities on per capita basis	AM Hess	\$300 0 for a unified municipality, \$150 0 for other boroughs, \$75 0 to each city and Metlakatla, \$25 0 to each unincorporated community (about 75 communities per DCCED)	Any balance distributed per capita	\$28 million	CRA FIN
SB 248	Senate CRA by request of Advisory Commission on Local Government	ADMINISTRATIVE BOROUGH AND NEW BOROUGH GRANTS	Admin Borough Organizational Grants \$250 0 yrs 1, 2, and 3 Other Borough Organizational Grants \$300 0 yr 1, \$200 0 yr 2, \$100 0 yr 3 New Borough Grants If land grant > 15,000 acres then \$12.5 M. If land grant < 15,000 acres then \$10M	GF	—	—	—	CRA FIN

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR STEDMAN

TO: CSSB 247(CRA)

1 Page 4, following line 29:

2 Insert a new paragraph to read:

3 "(38) Soldotna, City of

166,295"

4

5 Renumber the following paragraphs accordingly.