

HB

2022

Amendment

Proposals

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 202

1 Page 1, lines 1 - 2:

2 Delete all material and insert:

3 **""An Act relating to the community dividend income program, to the community**
4 **dividend income account, and to transfers of money from the earnings reserve to the**
5 **community dividend income account; and providing for an effective date.""**

6

7 Page 1, line 4, through page 4, line 2:

8 Delete all material and insert:

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

10 **Article 11. Community Dividend Income Program.**

11 **Sec. 29.60.850. Amount of community dividend income payments.** (a) Each
12 fiscal year, the department shall distribute the amount appropriated under
13 AS 37.13.147(b) from the community dividend income account for the community
14 dividend income program as community dividend income payments under this section.

15 The basic community dividend income payment for a fiscal year equals

16 (1) \$250,000 for a borough or unified municipality;

17 (2) \$75,000 for a reserve eligible under AS 29.60.860(a) or a city;

18 (3) \$25,000 for an unincorporated community in a borough or unified
19 municipality eligible under AS 29.60.860; and

20 (4) \$25,000 for an unincorporated community in the unorganized
21 borough eligible under AS 29.60.860(a).

22 (b) If the amount appropriated for a fiscal year under AS 37.13.147(b) from
23 the community dividend income account

HB 202 v. K language

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HB 202 v. K language

(1) exceeds \$60,000,000, but is not more than \$70,000,000, each payment

(A) under (a)(1) of this section is increased by \$50,000;

(B) under (a)(2) of this section is increased by \$15,000; and

(C) under (a)(3) of this section is increased by \$5,000;

(2) exceeds \$70,000,000, each payment under (a)(1) - (3) of this section is further increased by the amounts specified in (1)(A) - (C) of this subsection for each increment of at least \$10,000,000 in excess of \$70,000,000.

(c) If the amount appropriated for a fiscal year is not sufficient to fully fund all the basic community dividend income payments under (a) of this section, the amount paid to each recipient shall be reduced on a pro rata basis so that the entire amount appropriated is distributed.

Sec. 29.60.860. Unincorporated community eligibility. (a) The department, with advice from the Department of Law, shall determine whether there is, in each reserve or unincorporated community, an incorporated nonprofit entity or a Native village council that will agree to receive and spend the community revenue sharing payment for the benefit of the reserve or unincorporated community. The department may make the payment for an unincorporated community located in a borough or unified municipality only to the municipality as provided in (b) of this section. If there is more than one qualified entity in a reserve or unincorporated community located in the unorganized borough, the department shall pay the dividend to the entity that the department finds most qualified to receive and spend the money. The department may not make a payment for a reserve or an unincorporated community unless the incorporated nonprofit entity or Native village council waives immunity from suit for claims arising out of activities of the corporation or council related to the payment. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. If there is not a qualified incorporated nonprofit entity or Native village council in a reserve or unincorporated community that is willing to receive and spend the community revenue sharing payment for the benefit of the reserve or unincorporated community, that reserve or unincorporated community is not eligible for the payment, and the payment may not be made.

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HB 202 v. K Language

(b) The department may make a community revenue sharing payment on behalf of an unincorporated community in a borough or unified municipality only to the municipality for payment by the municipality to an incorporated nonprofit entity or Native village council that has been approved by the assembly. The department must have written evidence of the assembly approval. The assembly may only approve an incorporated nonprofit entity or Native village council that provides at least three of the following services within the unincorporated community that are generally available to all residents of the unincorporated community:

- (1) fire protection;
- (2) emergency medical;
- (3) water and sewer;
- (4) solid waste management;
- (5) public road or ice road maintenance;
- (6) public health;
- (7) search and rescue.

Sec. 29.60.879. Definitions. In AS 29.60.850 - 29.60.879,

(1) "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;

(2) "unincorporated community" means a place that is not incorporated as a city, is not a reserve, and in which 25 or more persons reside as a social unit.

* Sec. 2. AS 37.13.140 is amended to read:

Sec. 37.13.140. Income. Net income of the fund includes income of the earnings reserve account established under AS 37.13.145, but does not include income of the community dividend income account established under AS 37.13.147. Net income of the fund shall be computed annually as of the last day of the fiscal year in accordance with generally accepted accounting principles, excluding any unrealized gains or losses. Income available for distribution equals 21 percent of the net income of the fund for the last five fiscal years, including the fiscal year just ended, but may not exceed net income of the fund for the fiscal year just ended plus the balance in the earnings reserve account described in AS 37.13.145.

1 * **Sec. 3.** AS 37.13 is amended by adding a new section to read:

2 **Sec. 37.13.147. Community dividend income account.** (a) The community
3 dividend income account is established as a separate account in the fund. Money in the
4 account shall be invested in investments authorized under AS 37.13.120 and the
5 income shall be retained in the fund.

6 (b) The corporation shall calculate and request an appropriation for each fiscal
7 year from the community dividend income account of an amount that equals five
8 percent of the year-end market values of the account, averaged over the preceding
9 three fiscal years. The amount requested may be appropriated from the account to the
10 Department of Commerce, Community, and Economic Development for community
11 dividend income payments under AS 29.60.850 - 29.60.879, or money may be
12 appropriated in any amount for any public purpose. Nothing in this subsection creates
13 a dedicated fund.

14 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 **TRANSITION.** (a) After the transfers under AS 37.13.145(b) and (c), on July 1, 2007,
17 the Alaska Permanent Fund Corporation shall transfer \$1,000,000,000 from the earnings
18 reserve account to the community dividend income account (AS 37.13.147) established in sec.
19 3 of this Act.

20 (b) Notwithstanding AS 37.13.147(b), the Alaska Permanent Fund Corporation may
21 not request an appropriation from the community dividend income account for fiscal year
22 2008. The amount the corporation requests for fiscal year 2009 equals the year-end market
23 value of the account for fiscal year 2008. The amount the corporation requests for fiscal year
24 2010 equals the year-end market value of the account averaged over the preceding two fiscal
25 years.

26 * **Sec. 5.** This Act takes effect July 1, 2007."



Alaska Permanent Fund Corporation

Financial projection comparison of the Alaska Permanent Fund (median case) under status quo versus dividend after \$1 billion draw from the earnings reserve on June 30, 2007. Under each scenario the dividend is calculated under current statutory formula.

All \$ values in millions except the per person dividend (rounded to nearest \$10)

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	11 years FY07 - FY17 Totals
Current Statutes												
Contributions & appropriations (after payouts)	27,355	28,567	29,802	31,057	32,350	33,638	34,920	36,192	37,489	38,817	40,201	
Unrealized gains (losses) on invested assets	4,641	5,089	5,563	6,062	6,590	7,145	7,733	8,353	9,001	9,684	10,403	
Realized earnings account (after payouts)	3,040	3,402	3,773	4,171	4,680	5,233	5,828	6,468	7,160	7,902	8,696	
Total market value end of year (after payouts)	35,036	37,058	39,138	41,290	43,620	46,016	48,480	51,013	53,650	56,402	59,300	59,300
Total lump sum dividend appropriation	878	1,072	1,158	1,233	1,223	1,295	1,369	1,445	1,524	1,607	1,693	14,497
Per person dividend under current statute	\$1,390	\$1,690	\$1,810	\$1,910	\$1,870	\$1,960	\$2,050	\$2,150	\$2,240	\$2,340	\$2,440	\$21,850
FY07 end of year \$1 Billion withdrawal												FY07 - FY17 Totals
Contributions & appropriations (after payouts)	27,355	28,567	29,802	31,057	32,350	33,638	34,920	36,192	37,489	38,817	40,201	
Unrealized gains (losses) on invested assets	4,641	5,052	5,493	5,961	6,460	6,987	7,549	8,143	8,767	9,425	10,119	
Realized earnings account (after payouts)	2,040	2,366	2,696	3,051	3,516	4,027	4,576	5,168	5,809	6,498	7,236	
Total Market Value End of Year (after payouts)	34,036	35,985	37,990	40,069	42,326	44,652	47,045	49,504	52,066	54,739	57,556	57,556
Total lump sum dividend payout (current formula)	878	1,068	1,149	1,217	1,201	1,265	1,334	1,407	1,483	1,562	1,644	14,206
Per person dividend under current statute	\$1,390	\$1,680	\$1,790	\$1,880	\$1,840	\$1,910	\$2,000	\$2,090	\$2,180	\$2,270	\$2,370	\$21,400
Difference	\$0	\$10	\$20	\$30	\$30	\$50	\$50	\$60	\$60	\$70	\$70	\$450

Assumptions:

Callan Associates 2006 Capital Market Assumptions, APFC 2006 asset allocation, Fall 2006 revenue forecast and APF financial statements through 6/30/06. All payouts are assumed to happen at fiscal year end, all dollar values in millions except the per person dividend.

Kurt's

25-LS0489L
Cook
3/20/07

CS FOR HOUSE BILL NO. 202()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the community revenue sharing program; and providing for an
2 effective 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 11. Community Revenue Sharing Program.**

6 **Sec. 29.60.850. Community revenue sharing fund.** (a) The community
7 revenue sharing fund is established in the general fund. The fund consists of
8 appropriations to the fund from the Alaska capital income fund (AS 37.05.565) and
9 from other sources. Income earned on money in the community revenue sharing fund
10 may be appropriated to that fund.

11 (b) Each fiscal year, the department shall distribute money in the community
12 revenue sharing fund for community revenue sharing payments.

13 **Sec. 29.60.860. Amount of community revenue sharing payments.** (a) The
14 basic community revenue sharing payment for a fiscal year equals

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- (1) \$500,000 for a borough or unified municipality;
- (2) \$150,000 for a reserve eligible under AS 29.60.870(a) or a city;
- (3) \$50,000 for an unincorporated community in a borough or unified municipality eligible under AS 29.60.870; and
- (4) \$50,000 for an unincorporated community in the unorganized borough eligible under AS 29.60.870(a).

(b) If the amount available in the community revenue sharing fund for a fiscal year

- (1) is not sufficient to fully fund all the basic payments, the amount paid to each recipient shall be reduced on a pro rata basis so that the entire amount in the fund is distributed;
- (2) exceeds the amount needed to fully fund all the basic payments, the balance shall be retained in the fund.

Sec. 29.60.870. Unincorporated community eligibility. (a) The department, with advice from the Department of Law, shall determine whether there is, in each reserve or unincorporated community, an incorporated nonprofit entity or a Native village council that will agree to receive and spend the community revenue sharing payment for the benefit of the reserve or unincorporated community. The department may make the payment for an unincorporated community located in a borough or unified municipality only to the municipality as provided in (b) of this section. If there is more than one qualified entity in a reserve or unincorporated community located in the unorganized borough, the department shall pay the dividend to the entity that the department finds most qualified to receive and spend the money. The department may not make a payment for a reserve or an unincorporated community unless the incorporated nonprofit entity or Native village council waives immunity from suit for claims arising out of activities of the corporation or council related to the payment. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. If there is not a qualified incorporated nonprofit entity or Native village council in a reserve or unincorporated community that is willing to receive and spend the community revenue sharing payment for the benefit of the reserve or unincorporated community, that reserve or unincorporated community is not eligible

1 for the payment, and the payment may not be made.

2 (b) The department may make a community revenue sharing payment on
3 behalf of an unincorporated community in a borough or unified municipality only to
4 the municipality for payment by the municipality to an incorporated nonprofit entity or
5 Native village council that has been approved by the assembly. The department must
6 have written evidence of the assembly approval. The assembly may only approve an
7 incorporated nonprofit entity or Native village council that provides at least three of
8 the following services within the unincorporated community that are generally
9 available to all residents of the unincorporated community:

- 10 (1) fire protection;
- 11 (2) emergency medical;
- 12 (3) water and sewer;
- 13 (4) solid waste management;
- 14 (5) public road or ice road maintenance;
- 15 (6) public health;
- 16 (7) search and rescue.

17 **Sec. 29.60.889. Definitions.** In AS 29.60.850 - 29.60.889,

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

21 (2) "unincorporated community" means a place that is not incorporated
22 as a city, is not a reserve, and in which 25 or more persons reside as a social unit.

23 * **Sec. 2.** AS 37.05.565(b) is amended to read:

24 (b) Money may be appropriated from the Alaska capital income fund to the
25 community revenue sharing fund (AS 29.60.850), [FOR ANY PUBLIC PURPOSE,
26 INCLUDING] to cover annual debt service and reserves for debt service on bonds
27 authorized by state law, or for any other public purpose. Nothing in this subsection
28 creates a dedicated fund.

29 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).

25-LS0489\K.1
Cook
3/20/07

Conceptual
AMENDMENT

OFFERED IN THE HOUSE
TO: HB 202

BY REPRESENTATIVE SEATON

1 Page 1, lines 1 - 2:

2 Delete all material and insert:

3 **""An Act relating to the community dividend income program, to the community**
4 **dividend income account, and to transfers of money from the earnings reserve to the**
5 **community dividend income account; and providing for an effective date.""**

6

7 Page 1, line 4, through page 2 line 16:

8 Delete all material and insert:

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

10 **Article 11. Community Dividend Income Program.**

11 **Sec. 29.60.850. Amount of community dividend income payments.** (a) Each
12 fiscal year, the department shall distribute the amount appropriated for the community
13 dividend income program as community dividend income payments under this section.

14 The basic community dividend income payment for a fiscal year equals

- 15 (1) \$250,000 for a borough or unified municipality;
- 16 (2) \$75,000 for a city or reserve eligible under (d) of this section; and
- 17 (3) \$25,000 for an unincorporated community eligible under (d) of this

18 section.] *Section 29.60.870*

19 (b) If the amount appropriated for a fiscal year under AS 37.13.147(b) from
20 the community dividend income account

- 21 (1) exceeds \$60,000,000, but is not more than \$70,000,000, each basic
- 22 payment

23 (A) under (a)(1) of this section is increased by \$50,000;

25-LS0489K.1

1 (B) under (a)(2) of this section is increased by \$15,000; and

2 (C) under (a)(3) of this section is increased by \$5,000;

3 (2) exceeds \$70,000,000, each basic payment under (a)(1) - (3) of this
4 section is further increased by the amounts specified in (1)(A) - (C) of this subsection
5 for each increment of at least \$10,000,000 in excess of \$70,000,000.

6 (c) If the amount appropriated for a fiscal year

7 (1) is not sufficient to fully fund all the basic community dividend
8 income payments, the amount paid to each recipient shall be reduced on a pro rata
9 basis so that the entire amount appropriated is distributed;

10 (2) exceeds the amount needed to fully fund all the basic community
11 dividend income payments, the balance shall be distributed on a per capita basis to
12 each recipient of a basic payment under (a)(1) or (2) of this section.

Page 4 line 1 insert.

8 * Sec. 2. AS 37.13.140 is amended to read:

9 **Sec. 37.13.140. Income.** Net income of the fund includes income of the
10 earnings reserve account established under AS 37.13.145, but does not include
11 income of the community dividend income account established under
12 AS 37.13.147. Net income of the fund shall be computed annually as of the last day of
13 the fiscal year in accordance with generally accepted accounting principles, excluding
14 any unrealized gains or losses. Income available for distribution equals 21 percent of
15 the net income of the fund for the last five fiscal years, including the fiscal year just
16 ended, but may not exceed net income of the fund for the fiscal year just ended plus
17 the balance in the earnings reserve account described in AS 37.13.145.

18 * Sec. 3. AS 37.13 is amended by adding a new section to read:

19 **Sec. 37.13.147. Community dividend income account.** (a) The community
20 dividend income account is established as a separate account in the fund. Money in the
21 account shall be invested in investments authorized under AS 37.13.120 and the
22 income shall be retained in the fund.

23 (b) The corporation shall calculate and request an appropriation for each fiscal
24 year from the community dividend income account of an amount that equals five
25 percent of the year-end market values of the account, averaged over the preceding
26 three fiscal years. The amount requested may be appropriated from the account to the
27 Department of Commerce, Community, and Economic Development for community
28 dividend income payments under AS 29.60.850 - 29.60.879, or money may be
29 appropriated in any amount for any public purpose. Nothing in this subsection creates
30 a dedicated fund.

31 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to

25-LS0489\K.1

1 read:

2 **TRANSITION.** (a) After the transfers under AS 37.13.145(b) and (c), on July 1, 2007,
3 the Alaska Permanent Fund Corporation shall transfer \$1,000,000,000 from the earnings
4 reserve account to the community dividend income account (AS 37.13.147) established in sec.
5 3 of this Act.

6 (b) Notwithstanding AS 37.13.147(b), the Alaska Permanent Fund Corporation may
7 not request an appropriation from the community dividend income account for fiscal year
8 2008. The amount the corporation requests for fiscal year 2009 equals the year-end market
9 value of the account for fiscal year 2008. The amount the corporation requests for fiscal year
10 2010 equals the year-end market value of the account averaged over the preceding two fiscal
11 years.

12 * Sec. 5. This Act takes effect July 1, 2007."

page 4 line 2 delete all material

OK
all members

1 village council in a reserve or unincorporated community that is willing to receive and
2 spend the community revenue sharing payment for the benefit of the reserve or
3 unincorporated community, that reserve or unincorporated community is not eligible
4 for the payment, and the payment may not be made.

5 (b) The department may make a community revenue sharing payment on
6 behalf of an unincorporated community in a borough or unified municipality only to
7 the municipality for payment by the municipality to an incorporated nonprofit entity or
8 Native village council that has been approved by the assembly. The department must
9 have written evidence of the assembly approval. The assembly may only approve an
10 incorporated nonprofit entity or Native village council that provides at least three of
11 the following services within the unincorporated community that are generally
12 available to all residents of the unincorporated community:

- 13 (1) fire protection;
- 14 (2) emergency medical;
- 15 (3) water and sewer;
- 16 (4) solid waste management;
- 17 (5) public road or ice road maintenance;
- 18 (6) public health;
- 19 (7) search and rescue.

pls delete

20 **Sec. 29.60.880. Determination of population.** For purposes of determining
21 the amount of a revenue sharing payment under AS 29.60.860(b)(2), the population of
22 the municipality, reserve, ~~for unincorporated community in a borough~~ or unified
23 municipality shall be determined by using the numbers of permanent fund dividend
24 recipients or other population data that the department determines is reliable. For
25 purposes of determining the population of a borough, the population of each city in the
26 borough shall be deducted from the total population of the borough.

*not a
per capita
recipient*

27 **Sec. 29.60.889. Definitions.** In AS 29.60.850 - 29.60.889,

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

31 (2) "unincorporated community" means a place that is not incorporated

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AM HESS

25-LS0629\C
Cook
2/20/07

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE SEATON

**Introduced:
Referred:**

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the community dividend income program and to transfers of money**
2 **to the community dividend income fund; eliminating the capital income fund; and**
3 **providing for 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 11. Community Dividend Income Program.**

7 **Sec. 29.60.850. Amount of community dividend income payments.** (a) Each
8 fiscal year, the department shall distribute the amount appropriated for the community
9 dividend income program as community dividend income payments under this section.

10 The basic community dividend income payment for a fiscal year equals

- 11 (1) \$250,000 for a borough or unified municipality;
- 12 (2) \$75,000 for a city or reserve eligible under (d) of this section; and
- 13 (3) \$25,000 for an unincorporated community eligible under (d) of this

14 section.

1 (b) If the amount transferred during a fiscal year under AS 37.13.145(d) to the
2 community dividend income fund (AS 37.05.565)

3 (1) exceeds \$60,000,000, but is not more than \$70,000,000, each basic
4 payment

5 (A) under (a)(1) of this section is increased by \$50,000;

6 (B) under (a)(2) of this section is increased by \$15,000; and

7 (C) under (a)(3) of this section is increased by \$5,000;

8 (2) exceeds \$70,000,000, each basic payment under (a)(1) - (3) of this
9 section is further increased by the amounts specified in (1)(A) - (C) of this subsection
10 for each increment of at least \$10,000,000 in excess of \$70,000,000.

11 (c) If the amount appropriated for a fiscal year

12 (1) is not sufficient to fully fund all the basic community dividend
13 income payments, the amount paid to each recipient shall be reduced on a pro rata
14 basis so that the entire amount appropriated is distributed;

15 (2) exceeds the amount needed to fully fund all the basic community
16 dividend income payments, the balance shall be distributed on a per capita basis to
17 each recipient of a basic payment under (a)(1) or (2) of this section.

18 (d) The department, with advice from the Department of Law, shall determine
19 whether there is, in each reserve or unincorporated community, an incorporated
20 nonprofit entity or a Native village council that will agree to receive and spend the
21 community dividend income payment for the benefit of the reserve or unincorporated
22 community. If there is more than one qualified entity in a reserve or unincorporated
23 community, the department shall make the payment to the entity that the department
24 finds most qualified to receive and spend the money. The department may not make
25 the payment unless the incorporated nonprofit entity or Native village council waives
26 immunity from suit for claims arising out of activities of the corporation or council
27 related to the payment. A waiver of immunity from suit under this subsection must be
28 on a form provided by the Department of Law. If there is not a qualified incorporated
29 nonprofit entity or Native village council in a reserve or unincorporated community
30 that is willing to receive and spend the community dividend income payment for the
31 benefit of the reserve or unincorporated community, that reserve or unincorporated

1 community is not eligible for the payment, and the payment may not be made.

2 **Sec. 29.60.860. Determination of population.** For purposes of determining
3 the amount of a community dividend income payment under AS 29.60.850(c)(2), the
4 population of the municipality or reserve shall be determined by using the numbers of
5 permanent fund dividend recipients or other population data that the department
6 determines is reliable.

7 **Sec. 29.60.879. Definitions.** In AS 29.60.850 - 29.60.879,

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

11 (2) "unincorporated community" means a place that is not incorporated
12 as a municipality and in which 25 or more persons reside as a social unit.

13 * **Sec. 2.** AS 37.05.565 is amended to read:

14 **Sec. 37.05.565. Community dividend [ALASKA CAPITAL] income fund.**

15 (a) There is established in the general fund the community dividend [ALASKA
16 CAPITAL] income fund consisting of money deposited to the fund under
17 AS 37.13.145(d) and of appropriations to the fund. The fund shall be invested by the
18 Department of Revenue to yield competitive market rates as provided in
19 AS 37.10.071. Income earned on money in the fund may be appropriated to the fund.

20 (b) Money may be appropriated under (c) of this section from the
21 community dividend [ALASKA CAPITAL] income fund to the Department of
22 Commerce, Community, and Economic Development for community dividend
23 income payments under AS 29.60.850 - 29.60.879 or for any public purpose [,
24 INCLUDING TO COVER ANNUAL DEBT SERVICE AND RESERVES FOR
25 DEBT SERVICE ON BONDS AUTHORIZED BY STATE LAW]. Nothing in this
26 subsection creates a dedicated fund.

27 * **Sec. 3.** AS 37.05.565 is amended by adding a new subsection to read:

28 (c) The Department of Revenue shall calculate the amount of money for the
29 community dividend income program for a fiscal year and request an appropriation
30 from the community dividend income fund of that amount. The amount requested for
31 a fiscal year equals five percent of the year-end market values, averaged over the

1 preceding three fiscal years, of the community dividend income fund plus that portion
2 of the principal of the Alaska permanent fund attributable to money awarded in or
3 received as a result of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court,
4 First Judicial District), including settlement, summary judgment, or adjustment to a
5 royalty-in-kind contract that is tied to the outcome of this case.

6 * Sec. 4. AS 37.13.145(d) is amended to read:

7 (d) Notwithstanding (b) of this section, income earned on money awarded in
8 or received as a result of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior
9 Court, First Judicial District), including settlement, summary judgment, or adjustment
10 to a royalty-in-kind contract that is tied to the outcome of this case, or interest earned
11 on the money, or on the earnings of the money shall be treated in the same manner as
12 other income of the Alaska permanent fund, except that it is not available for
13 distribution to the dividend fund or for transfers to the principal under (c) of this
14 section, and shall be [ANNUALLY] deposited on the last day of each fiscal year into
15 the community dividend [ALASKA CAPITAL] income fund (AS 37.05.565).

16 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to
17 read:

18 TRANSITION. Money in the Alaska capital income fund on the effective day of this
19 Act shall be retained in the successor fund, the community dividend income fund, established
20 in AS 37.05.565, as amended in sec. 2 of this Act.

21 * Sec. 6. This Act takes effect July 1, 2007.

Muni

Revenue

Sharing

HOUSE BILL NO. 202

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Introduced: 3/14/07

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the community revenue sharing program; and providing for an
2 effective 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 11. Community Revenue Sharing Program.**

6 **Sec. 29.60.85). Community revenue sharing fund.** (a) The community
7 revenue sharing fund is established in the general fund. By August 1 of each fiscal
8 year, the Department of Revenue shall transfer to the fund an amount equal to six
9 percent of the money received by the state during the immediately preceding fiscal
10 year from mineral lease rentals, royalties, royalty sale proceeds, and federal mineral
11 revenue sharing payments and bonuses.

12 (b) Each fiscal year, the legislature may appropriate money in the community
13 revenue sharing fund to the department for community revenue sharing payments or
14 appropriate it for other public purposes.

1 (c) Nothing in this section creates a dedicated fund.

2 **Sec. 29.60.860. Amount of community revenue sharing payments.** (a) The
3 basic community revenue sharing payment for a fiscal year equals

4 (1) \$250,000 for a borough or unified municipality;

5 (2) \$75,000 for a reserve eligible under AS 29.60.870(a) or a city;

6 (3) \$25,000 for an unincorporated community in a borough or unified
7 municipality eligible under AS 29.60.870; and

8 (4) \$25,000 for an unincorporated community in the unorganized
9 borough eligible under AS 29.60.870(a).

10 (b) If the amount appropriated for a fiscal year

11 (1) is not sufficient to fully fund all the basic payments, the amount
12 paid to each recipient shall be reduced on a pro rata basis so that the entire amount
13 appropriated is distributed;

14 (2) exceeds the amount needed to fully fund all the basic payments, the
15 balance shall be distributed on a per capita basis to each recipient of a basic payment
16 under (a)(1) or (2) of this section.

17 **Sec. 29.60.870. Unincorporated community eligibility.** (a) The department,
18 with advice from the Department of Law, shall determine whether there is, in each
19 reserve or unincorporated community, an incorporated nonprofit entity or a Native
20 village council that will agree to receive and spend the community revenue sharing
21 payment for the benefit of the reserve or unincorporated community. The department
22 may make the payment for an unincorporated community located in a borough or
23 unified municipality only to the municipality as provided in (b) of this section. If there
24 is more than one qualified entity in a reserve or unincorporated community located in
25 the unorganized borough, the department shall pay the dividend to the entity that the
26 department finds most qualified to receive and spend the money. The department may
27 not make a payment for a reserve or an unincorporated community unless the
28 incorporated nonprofit entity or Native village council waives immunity from suit for
29 claims arising out of activities of the corporation or council related to the payment. A
30 waiver of immunity from suit under this subsection must be on a form provided by the
31 Department of Law. If there is not a qualified incorporated nonprofit entity or Native

1 village council in a reserve or unincorporated community that is willing to receive and
 2 spend the community revenue sharing payment for the benefit of the reserve or
 3 unincorporated community, that reserve or unincorporated community is not eligible
 4 for the payment, and the payment may not be made.

5 (b) The department may make a community revenue sharing payment on
 6 behalf of an unincorporated community in a borough or unified municipality only to
 7 the municipality for payment by the municipality to an incorporated nonprofit entity or
 8 Native village council that has been approved by the assembly. The department must
 9 have written evidence of the assembly approval. The assembly may only approve an
 10 incorporated nonprofit entity or Native village council that provides at least three of
 11 the following services within the unincorporated community that are generally
 12 available to all residents of the unincorporated community:

- 13 (1) fire protection;
- 14 (2) emergency medical;
- 15 (3) water and sewer;
- 16 (4) solid waste management;
- 17 (5) public road or ice road maintenance;
- 18 (6) public health;
- 19 (7) search and rescue.

20 **Sec. 29.60.880. Determination of population.** For purposes of determining
 21 the amount of a revenue sharing payment under AS 29.60.860(b)(2), the population of
 22 the municipality, reserve, or ~~unincorporated community~~ in a borough or unified
 23 municipality shall be determined by using the numbers of permanent fund dividend
 24 recipients or other population data that the department determines is reliable. For
 25 purposes of determining the population of a borough, the population of each city in the
 26 borough shall be deducted from the total population of the borough.

27 **Sec. 29.60.889. Definitions.** In AS 29.60.850 - 29.60.889,

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

31 (2) "unincorporated community" means a place that is not incorporated

*need
to
make
this
As
Amended*

1 as a city, is not a reserve, and in which 25 or more persons reside as a social unit.
2 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

Sponsor

Statement &

Sectional

Alaska State Legislature

Rep. Sharon Cissna
Rep. Nancy Dahlstrom
Rep. Mark Neuman
Rep. Kurt Olson
Rep. Woodie Salmon



State Capitol, Room 124
Juneau, AK 99801-1182
Co-Chairs
Rep. Gabrielle LeDoux
(907) 465-3882 FAX 465-4956
Rep. Anna Fairclough
(907) 465-3777 FAX 465-2819

COMMUNITY & REGIONAL AFFAIRS COMMITTEE

March 18, 2007

Sponsor Statement

HB 202 – COMMUNITY REVENUE SHARING

HB 202 establishes a sustainable revenue sharing program based on the owner-state concept. The resources of the state belong to all Alaskans. Cities and boroughs were formed by the state as political subdivisions to provide services to the people. Without revenue sharing, the entire cost of basic services is born by local taxpayers.

Skyrocketing fuel and retirement system costs and inflation, in conjunction with severe cuts in revenue sharing over the past several years have crippled local governments' ability to provide even basic services such as public safety, snow removal and road maintenance, and the education of our children.

HB 202 provides a means for sustainable revenue sharing in order to allow communities to continue providing basic services. HB 202 would allow the legislature to allocate 6% of certain natural resource revenues to revenue sharing every year. Basing revenue sharing on the state's annual income allows for the flexibility needed to continue the program during lean years, when state revenue is down.

The Alaska Senate is currently considering a companion bill, SB 72, which was sponsored by the Senate Committee on Community and Regional Affairs. Last month, the Senate CRA moved a committee substitute for SB 72 out of Committee. That bill now awaits a hearing in Senate Finance. SB 72 is nearly identical to the bill before this committee today. However, there are two important differences between HB 202 and SB 72.

- In addition to providing for unincorporated communities in the unorganized borough, HB 202 includes payments of \$25,000 for the benefit of an unincorporated community in an organized borough. According to Section 29.60.870(b) of this bill, a qualified unincorporated community has a population

of at least 25 people and there is a non-profit community entity or tribal council providing at least three of seven services to the community, including: fire protection, emergency medical services, water and sewer, solid waste management, public road or ice road maintenance, public health, and search and rescue. This service-based eligibility applies to unincorporated communities in organized boroughs. In the unorganized borough, unincorporated communities with 25 or more residents would continue to qualify for payments of \$25,000.

- Another difference between HB 202 and SB 72 is HB 202's 'pass-through' clause in Section 29.60.870(b), by which the assembly of the organized borough, rather than the State, would determine which nonprofit entity or village council in a community should receive the funds and would cut the individual checks to the communities.

The House and Senate versions of this bill share the same goals. They establish a dedicated fund source for sharing natural resource revenues in order to fulfill two requirements of our State Constitution. The first is Article 8, Section 2: to use our natural resources for the maximum benefit of the people of Alaska. The second is Article 10, Section 1: to maximize local government with a minimum of local government units.

Without consistent, dependable revenue sharing, provision of basic local services will continue to decline. Some small communities have already closed their doors. HB 202 provides the tool to solve the problem of helping local governments fund basic services.

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

March 16, 2007

SUBJECT: Community revenue sharing program; sectional summary
(HB 202, Work Order No. 25-LS0489\K)

TO: Representative Gabrielle LeDoux
Co-chair of House Community and Regional Affairs Committee
Attn: Sonya Hymer

FROM: Tamara Brandt Cook
Director *TBC*

Section 1:

Sec. 29.60.850 establishes the community revenue sharing fund. The Department of Revenue is directed to transfer to the fund, by August 1 each fiscal year, an amount equal to six percent of the money received by the state during the preceding fiscal year from the sources that fund the permanent fund. The legislature may appropriate money in the fund for community revenue sharing payments or for other purposes.

Sec. 29.60.860 sets the basic community revenue sharing payment for a year at \$250,000 for a borough, \$75,000 for an Indian reserve or a city, \$25,000 for an unincorporated community in a borough, and \$25,000 for an unincorporated community in the unincorporated borough. If the amount appropriated is not sufficient to fund all the basic payments, the amount paid to each recipient is reduced on a pro rata basis. If the amount appropriated exceeds what is needed to fully fund all the basic payments the balance is distributed on a per capita basis to boroughs, cities, and the eligible Indian reserve.

Sec. 29.60.870 requires that the community revenue sharing payment for an unincorporated community or the Indian reserve go to an incorporated nonprofit entity or a Native village council. A payment may not be made for an unincorporated community or Indian reserve unless the nonprofit entity or Native village council waives immunity from suit for claims related to the payment. Payments for unincorporated communities in a borough are given to the borough for payment in turn, by the borough to the nonprofit entity or Native village council that has been approved by the assembly and that provides at least three of the services listed.

Sec. 29.60.880 addresses how the population of a municipality or Indian reserve is determined for purposes of calculating the per capita distribution portion.

Representative Gabrielle LeDoux

March 16, 2007

Page 2

Sec. 29.60.889 provides definitions for "reserve" and "unincorporated community."

Section 2. The bill has an immediate effective date.

TBC:med

07-180.med

Fiscal

Note

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: HB202-DNR-CO-02-22-07
 Bill Version: HB202
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title Community Revenue Sharing RDU Resource Development
 Component Commissioner's Office
 Sponsor House Community & Regional Affairs committee
 Requester H CRA Component No. 423

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (multiple)	(124,750.9)	(107,338.9)	(105,400.9)	(103,168.9)	(103,564.9)	(96,622.9)
--------------------------------------	--------------------	--------------------	--------------------	--------------------	--------------------	-------------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See Page two for detail on estimate of revenue that would be redirected from the general fund to the community revenue sharing fund under this legislation.

Prepared by: Nico Bus, Administrative Services Director Phone 465-2406
 Division Support Services Date/Time 3/22/2007
 Approved by: Tom Irwin, Commissioner Date 3/22/2007
 Agency Natural Resources

FISCAL NOTE

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

BILL NO. HB202

ANALYSIS CONTINUATION

	Unrestricted Oil & Gas	Restricted Oil & Gas	Other Mineral Lease Rentals	TOTAL Estimated	
Fiscal Year	Royalties *	Royalties **	& Royalties ***	Revenue	**** 6%
FY07	1,555,400.0	518,600.0	5,181.6	2,079,181.6	124,750.9
FY08	1,336,000.0	447,800.0	5,181.6	1,788,981.6	107,338.9
FY09	1,303,700.0	447,800.0	5,181.6	1,756,681.6	105,400.9
FY10	1,266,500.0	447,800.0	5,181.6	1,719,481.6	103,168.9
FY11	1,273,100.0	447,800.0	5,181.6	1,726,081.6	103,564.9
FY12	1,157,400.0	447,800.0	5,181.6	1,610,381.6	96,622.9
FY13	1,035,200.0	447,800.0	5,181.6	1,488,181.6	89,290.9

Assumptions/Notes:

Dollars in thousands for fiscal note formatting.

* Forecast from Dept. of Revenue Fall 2006 Revenue Sources book, figure 4-4.

** FY08 forecast from Dept. of Revenue Fall 2006 Revenue Sources Book, figure 4-13. They do not include forecasts beyond FY08; for purposes of this fiscal note we have assumed the same level.

*** Other Mineral Lease Rentals & Royalties includes: Mining rentals and leases; Coal rentals, leases and royalties. These numbers are available as FY06 Actuals; for purposes of this fiscal note we have assumed the same level.

**** Fiscal note shows estimate of money available in each fiscal year based on money received by the state in the immediately preceding fiscal year.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: HB202-COM-DCA-03-18-07
 Bill Version: HB 202
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Community Revenue Sharing Program RDU Revenue Sharing (217)
 Component New
 Sponsor Community & Regional Affairs
 Requester Community & Regional Affairs Component No. New

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	124,750.9	107,338.9	105,400.9	103,168.9	103,564.9	96,622.9
Miscellaneous						
TOTAL OPERATING	124,750.9	107,338.9	105,400.9	103,168.9	103,564.9	96,622.9

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	124,750.9	107,338.9	105,400.9	103,168.9	103,564.9	96,622.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	124,750.9	107,338.9	105,400.9	103,168.9	103,564.9	96,622.9

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS:

This legislation establishes a community revenue sharing program funded from six percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the state during preceding fiscal year. Estimates of available funds come from the Department of Natural Resources.

Under the program, the department would annually provide basic community revenue sharing payments of \$250,000 to each borough and unified municipality; \$75,000 to each city or eligible reserve; and \$25,000 to qualifying unincorporated communities located within organized boroughs and the unorganized borough. If the amount appropriated to the program exceeds the amounts required to fund the basic community revenue sharing payments, the remaining amount is distributed to municipalities on a per capita basis. For purposes of borough per capita distributions, the population of all cities located within the borough is subtracted from the total population of the borough. If the amount appropriated is not sufficient to fund the basic revenue sharing payments, the department shall prorate the payments. The department anticipates implementing this program with existing staff.

Prepared by: Michael Black, Director
 Division: Community Advocacy
 Approved by: Emil Notti, Commissioner
 Agency: Commerce, Community, and Economic Development

Phone 907.269.4758
 Date/Time 3/16/07 10:29 AM
 Date 3/16/2007

Back-up

Unincorporated Communities of Atleast 25 People
(95 Communities in Organized Boroughs and 83 in the Unorganized Borough)

Community	Population	[DCCED data] Borough
Nelson Lagoon	63	Aleutians East Borough
South Naknek	74	Bristol Bay Borough
King Salmon	409	Bristol Bay Borough
Naknek	577	Bristol Bay Borough
Douglas	4850	City & Borough of Juneau
Ferry	31	Denali Borough
McKinley Park	145	Denali Borough
Cantwell	204	Denali Borough
Healy	993	Denali Borough
Harding-Birch Lakes	245	Fairbanks North Star Borough
Fox	369	Fairbanks North Star Borough
Moose Creek	578	Fairbanks North Star Borough
Two Rivers	627	Fairbanks North Star Borough
Pleasant Valley	683	Fairbanks North Star Borough
Salcha	946	Fairbanks North Star Borough
Ester	1938	Fairbanks North Star Borough
Eielson AFB	4447	Fairbanks North Star Borough
College	11825	Fairbanks North Star Borough
Lutak	44	Haines Borough
Mud Bay	136	Haines Borough
Mosquito Lake	158	Haines Borough
Covenant Life	310	Haines Borough
Haines	1492	Haines Borough
Lowell Point	76	Kenai Peninsula Borough
Primrose	79	Kenai Peninsula Borough
Crown Point	81	Kenai Peninsula Borough
Port Graham	136	Kenai Peninsula Borough
Hope	143	Kenai Peninsula Borough
Seldovia Village	159	Kenai Peninsula Borough
Clam Gulch	165	Kenai Peninsula Borough
Tyonek	199	Kenai Peninsula Borough
Moose Pass	204	Kenai Peninsula Borough
Nanwalek	228	Kenai Peninsula Borough
Nikolaevsk	297	Kenai Peninsula Borough
Cooper Landing	357	Kenai Peninsula Borough
Happy Valley	472	Kenai Peninsula Borough
Kasilof	547	Kenai Peninsula Borough
Fox River	639	Kenai Peninsula Borough
Diamond Ridge	690	Kenai Peninsula Borough
Funny River	729	Kenai Peninsula Borough
Ninilchik	784	Kenai Peninsula Borough
Salamatof	906	Kenai Peninsula Borough
Cohoe	1260	Kenai Peninsula Borough
Fritz Creek	1723	Kenai Peninsula Borough
Anchor Point	1803	Kenai Peninsula Borough
Bear Creek	1922	Kenai Peninsula Borough
Ridgeway	1961	Kenai Peninsula Borough
Nikiski	4179	Kenai Peninsula Borough
Sterling	5036	Kenai Peninsula Borough
Kalifornsky	6914	Kenai Peninsula Borough

Unincorporated Communities of Atleast 25 People
(95 Communities in Organized Boroughs and 83 in the Unorganized Borough)

		[DCCED data]
Karluk	27	Kodiak Island Borough
Aleneva	46	Kodiak Island Borough
Chiniak	52	Kodiak Island Borough
Womens Bay	703	Kodiak Island Borough
Kodiak Station	1975	Kodiak Island Borough
Igiugig	50	Lake & Peninsula Borough
Levelock	54	Lake & Peninsula Borough
Pedro Bay	62	Lake & Peninsula Borough
Chignik Lagoon	86	Lake & Peninsula Borough
Iliamna	86	Lake & Peninsula Borough
Port Alsworth	106	Lake & Peninsula Borough
Perryville	114	Lake & Peninsula Borough
Chignik Lake	117	Lake & Peninsula Borough
Kokhanok	179	Lake & Peninsula Borough
Chase	30	Matanuska-Susitna Borough
Skwentna	75	Matanuska-Susitna Borough
Lake Louise	91	Matanuska-Susitna Borough
Point MacKenzie	244	Matanuska-Susitna Borough
Glacier View	264	Matanuska-Susitna Borough
Chickaloon	292	Matanuska-Susitna Borough
Trapper Creek	436	Matanuska-Susitna Borough
Knik River	632	Matanuska-Susitna Borough
Buffalo Soapstone	755	Matanuska-Susitna Borough
Talkeetna	873	Matanuska-Susitna Borough
Y	1063	Matanuska-Susitna Borough
Farm Loop	1193	Matanuska-Susitna Borough
Lazy Mountain	1238	Matanuska-Susitna Borough
Sutton-Alpine	1265	Matanuska-Susitna Borough
Willow	1932	Matanuska-Susitna Borough
Fishhook	2784	Matanuska-Susitna Borough
Big Lake	2982	Matanuska-Susitna Borough
Butte	3101	Matanuska-Susitna Borough
Gateway	3682	Matanuska-Susitna Borough
Meadow Lakes	6332	Matanuska-Susitna Borough
Tanaina	6622	Matanuska-Susitna Borough
Lakes	7773	Matanuska-Susitna Borough
Knik-Fairview	10271	Matanuska-Susitna Borough
Eklutna	368	Municipality of Anchorage
Girdwood	1850	Municipality of Anchorage
Eagle River-Chugiak	30000	Municipality of Anchorage
Point Lay	238	North Slope Borough
Red Dog Mine	33	Northwest Arctic Borough
Noatak	473	Northwest Arctic Borough
Lime Village	25	Unorganized
Port Clarence	25	Unorganized
Dot Lake	27	Unorganized
Shemya Station	27	Unorganized
Livengood	28	Unorganized
Elfin Cove	29	Unorganized
Healy Lake	29	Unorganized
Red Devil	29	Unorganized
Four Mile Road	31	Unorganized

Unincorporated Communities of Atleast 25 People
(95 Communities in Organized Boroughs and 83 in the Unorganized Borough)

[DCCED data]

Nikolski	31	Unorganized
New Allakaket	32	Unorganized
Birch Creek	33	Unorganized
Dot Lake Village	33	Unorganized
Paxson	37	Unorganized
Takotna	39	Unorganized
Alatna	41	Unorganized
Edna Bay	41	Unorganized
Stony River	53	Unorganized
Port Protection	54	Unorganized
Beaver	64	Unorganized
Oscarville	64	Unorganized
Nelchina	67	Unorganized
Stevens Village	68	Unorganized
McCarthy	70	Unorganized
Mendeltna	72	Unorganized
Manley Hot Springs	74	Unorganized
Whale Pass	76	Unorganized
Twin Hills	77	Unorganized
Eagle Village	78	Unorganized
Northway Junction	78	Unorganized
Chalkyitsik	79	Unorganized
Chenega Bay	82	Unorganized
Northway	87	Unorganized
Circle	90	Unorganized
Hyder	91	Unorganized
Sleetmute	91	Unorganized
Tonsina	95	Unorganized
Central	97	Unorganized
Central	97	Unorganized
Northway Village	99	Unorganized
Gulkana	101	Unorganized
Tatitlek	102	Unorganized
Pitkas Point	103	Unorganized
Slana	103	Unorganized
Chistochina	104	Unorganized
Naukati Bay	106	Unorganized
Dry Creek	107	Unorganized
Silver Springs	107	Unorganized
Klukwan	109	Unorganized
Chitina	110	Unorganized
Crooked Creek	122	Unorganized
Mentasta Lake	126	Unorganized
Hollis	137	Unorganized
Andreafsky	145	Unorganized
Eyak	145	Unorganized
Arctic Village	147	Unorganized
Tanacross	149	Unorganized
Tetlin	150	Unorganized
Koliganek	165	Unorganized
Venetie	184	Unorganized
Copperville	185	Unorganized

HB 202 Community Revenue Sharing Program
Funding Level of \$124,750,900
Per Capita Distribution: Boroughs Use Nonareawide Population

Municipalities	2005 Population	Municipal Basic Payment Amount	Per Capita Distribution	Total Community Revenue Sharing Payment
Adak	167	\$75,000	\$27,479	\$102,479
Akhiok	41	\$75,000	\$6,746	\$81,746
Akiak	378	\$75,000	\$62,199	\$137,199
Akutan	773	\$75,000	\$127,195	\$202,195
Alakanuk	678	\$75,000	\$111,563	\$186,563
Aleknagik	241	\$75,000	\$39,656	\$114,656
Aleutians East Borough	72	\$250,000	\$11,847	\$261,847
Allakaket	87	\$75,000	\$14,316	\$89,316
Ambler	283	\$75,000	\$46,567	\$121,567
Anaktuvuk Pass	308	\$75,000	\$50,681	\$125,681
Anchorage	278,241	\$250,000	\$45,783,753	\$46,033,753
Anderson	280	\$75,000	\$46,073	\$121,073
Angoon	497	\$75,000	\$81,780	\$156,780
Aniak	528	\$75,000	\$86,881	\$161,881
Anvik	99	\$75,000	\$16,290	\$91,290
Atka	90	\$75,000	\$14,809	\$99,809
Atkasuk	227	\$75,000	\$37,352	\$112,352
Barrow	4,199	\$75,000	\$690,933	\$765,933
Bethel	5,960	\$75,000	\$980,701	\$1,055,701
Bettles	31	\$75,000	\$5,101	\$80,101
Brevig Mission	327	\$75,000	\$53,807	\$128,807
Bristol Bay Borough	1,073	\$250,000	\$176,559	\$426,559
Buckland	434	\$75,000	\$71,413	\$146,413
Cheformak	457	\$75,000	\$75,198	\$150,198
Chevak	916	\$75,000	\$150,725	\$225,725
Chignik	95	\$75,000	\$15,632	\$90,632
Chuathbaluk	95	\$75,000	\$15,632	\$90,632
Clark's Point	65	\$75,000	\$10,696	\$85,696
Coffman Cove	156	\$75,000	\$25,669	\$100,669
Cold Bay	89	\$75,000	\$14,645	\$89,645
Cordova	2,288	\$75,000	\$376,484	\$451,484
Craig	1,102	\$75,000	\$181,331	\$256,331
Deering	139	\$75,000	\$22,872	\$97,872
Delta Junction	1,047	\$75,000	\$172,281	\$247,281
Denali Borough	1,277	\$250,000	\$210,127	\$460,127
Dillingham	2,370	\$75,000	\$389,977	\$464,977
Diomede	132	\$75,000	\$21,720	\$96,720
Eagle	137	\$75,000	\$22,543	\$97,543
Eek	291	\$75,000	\$47,883	\$122,883
Egegik	81	\$75,000	\$13,328	\$88,328
Ekwok	118	\$75,000	\$19,417	\$94,417
Elim	302	\$75,000	\$49,693	\$124,693
Emmonak	740	\$75,000	\$121,765	\$196,765
Fairbanks	31,182	\$75,000	\$5,130,908	\$5,205,908
Fairbanks North Star Borough	54,873	\$250,000	\$9,029,194	\$9,279,194

HB 202 Community Revenue Sharing Program
Funding Level of \$124,750,900
Per Capita Distribution: Boroughs Use Nonareawide Population

Municipalities	2005 Population	Municipal Basic Payment Amount	Per Capita Distribution	Total Community Revenue Sharing Payment
False Pass	63	\$75,000	\$10,366	\$85,366
Fort Yukon	570	\$75,000	\$93,792	\$168,792
Galena	654	\$75,000	\$107,614	\$182,614
Gambell	660	\$75,000	\$108,601	\$183,601
Golovin	150	\$75,000	\$24,682	\$99,682
Goodnews Bay	238	\$75,000	\$39,162	\$114,162
Grayling	171	\$75,000	\$28,138	\$103,138
Gustavus	459	\$75,000	\$75,527	\$150,527
Haines Borough	2,207	\$250,000	\$363,155	\$613,155
Holy Cross	205	\$75,000	\$33,732	\$108,732
Homer	5,435	\$75,000	\$894,314	\$969,314
Hoonah	861	\$75,000	\$141,675	\$216,675
Hooper Bay	1,133	\$75,000	\$186,432	\$261,432
Houston	1,447	\$75,000	\$238,100	\$313,100
Hughes	69	\$75,000	\$11,354	\$86,354
Huslia	265	\$75,000	\$43,605	\$118,605
Hydaburg	369	\$75,000	\$60,718	\$135,718
Juneau	31,193	\$250,000	\$5,132,718	\$5,382,718
Kachemak	457	\$75,000	\$75,198	\$150,198
Kake	598	\$75,000	\$98,399	\$173,399
Kaktovik	276	\$75,000	\$45,415	\$120,415
Kaltag	227	\$75,000	\$37,352	\$112,352
Kasaan	61	\$75,000	\$10,037	\$85,037
Kenai	6,777	\$75,000	\$1,115,136	\$1,190,136
Kenai Peninsula Borough	31,837	\$250,000	\$5,238,686	\$5,488,686
Ketchikan	7,685	\$75,000	\$1,264,545	\$1,339,545
Ketchikan Gateway Borough	5,035	\$250,000	\$828,495	\$1,078,495
Kiana	380	\$75,000	\$62,528	\$137,528
King Cove	723	\$75,000	\$118,968	\$193,968
Kivalina	385	\$75,000	\$63,351	\$138,351
Klawock	780	\$75,000	\$128,347	\$203,347
Kobuk	130	\$75,000	\$21,391	\$96,391
Kodiak	6,088	\$75,000	\$1,001,763	\$1,076,763
Kodiak Island Borough	6,801	\$250,000	\$1,119,085	\$1,369,085
Kotlik	609	\$75,000	\$100,209	\$175,209
Kotzebue	3,120	\$75,000	\$513,387	\$588,387
Koyuk	350	\$75,000	\$57,591	\$132,591
Koyukuk	97	\$75,000	\$15,961	\$90,961
Kupreanof	37	\$75,000	\$6,088	\$81,088
Kwethluk	721	\$75,000	\$118,638	\$193,638
Lake & Peninsula Borough	899	\$250,000	\$147,928	\$397,928
Larsen Bay	97	\$75,000	\$15,961	\$90,961
Lower Kalskag	252	\$75,000	\$41,466	\$116,466
Manokotak	437	\$75,000	\$71,907	\$146,907
Marshall	370	\$75,000	\$60,882	\$135,882

HB 202 Community Revenue Sharing Program
Funding Level of \$124,750,900
Per Capita Distribution: Boroughs Use Nonareawide Population

Municipalities	2005 Population	Municipal Basic Payment Amount	Per Capita Distribution	Total Community Revenue Sharing Payment
Matanuska-Susitna Borough	60,799	\$250,000	\$10,004,300	\$10,254,300
McGrath	347	\$75,000	\$57,098	\$132,098
Mekoryuk	192	\$75,000	\$31,593	\$106,593
Metlakatla	1,397	\$75,000	\$229,872	\$304,872
Mountain Village	786	\$75,000	\$129,334	\$204,334
Napakiak	373	\$75,000	\$61,376	\$136,376
Napaskiak	428	\$75,000	\$70,426	\$145,426
Nenana	549	\$75,000	\$90,336	\$165,336
New Stuyahok	461	\$75,000	\$75,856	\$150,856
Newhalen	180	\$75,000	\$29,618	\$104,618
Nightmute	234	\$75,000	\$38,504	\$113,504
Nikolai	109	\$75,000	\$17,936	\$92,936
Nome	3,508	\$75,000	\$577,231	\$652,231
Nondalton	203	\$75,000	\$33,403	\$108,403
Noorvik	628	\$75,000	\$103,336	\$178,336
North Pole	1,595	\$75,000	\$262,453	\$337,453
North Slope Borough	251	\$250,000	\$41,301	\$291,301
Northwest Arctic Borough	735	\$250,000	\$120,942	\$370,942
Nuiqsut	411	\$75,000	\$67,629	\$142,629
Nulato	310	\$75,000	\$51,010	\$126,010
Nunam Iqua	204	\$75,000	\$33,568	\$108,568
Nunapitchuk	516	\$75,000	\$84,906	\$159,906
Old Harbor	200	\$75,000	\$32,909	\$107,909
Ouzinkie	191	\$75,000	\$31,428	\$106,428
Palmer	5,382	\$75,000	\$885,593	\$960,593
Pelican	115	\$75,000	\$18,923	\$93,923
Petersburg	3,155	\$75,000	\$519,146	\$594,146
Pilot Point	73	\$75,000	\$12,012	\$87,012
Pilot Station	565	\$75,000	\$92,969	\$167,969
Platinum	38	\$75,000	\$6,253	\$81,253
Point Hope	702	\$75,000	\$115,512	\$190,512
Port Alexander	75	\$75,000	\$12,341	\$87,341
Port Heiden	89	\$75,000	\$14,645	\$89,645
Port Lions	220	\$75,000	\$36,200	\$111,200
Quinhagak	642	\$75,000	\$105,639	\$180,639
Ruby	185	\$75,000	\$30,441	\$105,441
Russian Mission	329	\$75,000	\$54,136	\$129,136
Saint George	128	\$75,000	\$21,062	\$96,062
Saint Mary's	570	\$75,000	\$93,792	\$168,792
Saint Michael	427	\$75,000	\$70,262	\$145,262
Saint Paul	488	\$75,000	\$80,299	\$155,299
Sand Point	939	\$75,000	\$154,510	\$229,510
Savoonga	695	\$75,000	\$114,360	\$189,360
Saxman	405	\$75,000	\$66,642	\$141,642
Scammon Bay	509	\$75,000	\$83,754	\$158,754

Unincorporated Communities of Atleast 25 People
(95 Communities in Organized Boroughs and 83 in the Unorganized Borough)

		[DCCED data]
Willow Creek	185	Unorganized
Tazlina	186	Unorganized
Fort Greely	197	Unorganized
Minto	202	Unorganized
Gakona	214	Unorganized
Atmautluak	304	Unorganized
Newtok	323	Unorganized
Tununak	333	Unorganized
Kwigillingok	378	Unorganized
Tuntutuliak	407	Unorganized
Kongiganak	411	Unorganized
Kenny Lake	417	Unorganized
Copper Center	452	Unorganized
Tuluksak	493	Unorganized
Kasigluk	542	Unorganized
Glennallen	589	Unorganized
Akiachak	633	Unorganized
Kipnuk	668	Unorganized
Big Delta	738	Unorganized
Metlakatla	1397	Unorganized
Tok	1459	Unorganized
Deltana	1939	Unorganized

HB 202 Community Revenue Sharing Program
Funding Level of \$124,750,900
Per Capita Distribution: Boroughs Use Nonareawide Population

Municipalities	2005 Population	Municipal Basic Payment Amount	Per Capita Distribution	Total Community Revenue Sharing Payment
Selawik	830	\$75,000	\$136,574	\$211,574
Seldovia	287	\$75,000	\$47,225	\$122,225
Seward	2,606	\$75,000	\$428,810	\$503,810
Shageluk	129	\$75,000	\$21,227	\$96,227
Shaktoolik	224	\$75,000	\$36,859	\$111,859
Shishmaref	581	\$75,000	\$95,602	\$170,602
Shungnak	259	\$75,000	\$42,618	\$117,618
Sitka	8,947	\$250,000	\$1,472,203	\$1,722,203
Skagway	834	\$75,000	\$137,232	\$212,232
Soldotna	3,869	\$75,000	\$636,633	\$711,633
Stebbins	596	\$75,000	\$98,070	\$173,070
Tanana	281	\$75,000	\$46,238	\$121,238
Teller	263	\$75,000	\$43,276	\$118,276
Tenakee Springs	98	\$75,000	\$16,126	\$91,126
Thorne Bay	486	\$75,000	\$79,970	\$154,970
Togiak	779	\$75,000	\$128,182	\$203,182
Toksook Bay	596	\$75,000	\$98,070	\$173,070
Unalakleet	710	\$75,000	\$116,828	\$191,828
Unalaska	4,297	\$75,000	\$707,059	\$782,059
Upper Kalskag	276	\$75,000	\$45,415	\$120,415
Valdez	4,454	\$75,000	\$732,893	\$807,893
Wainwright	520	\$75,000	\$85,564	\$160,564
Wales	151	\$75,000	\$24,847	\$99,847
Wasilla	6,413	\$75,000	\$1,055,241	\$1,130,241
White Mountain	224	\$75,000	\$36,859	\$111,859
Whittier	188	\$75,000	\$30,935	\$105,935
Wrangell	1,974	\$75,000	\$324,816	\$399,816
Yakutat	619	\$250,000	\$101,855	\$351,855
Municipal Totals	646,173	\$15,025,000	\$106,325,900	\$121,350,900
Unincorporated Communities Within				
Unorganized Borough Estimate (68 X \$25,000)				\$1,700,000
Unincorporated Communities Within				
Organized Boroughs Estimate (68 X \$25,000)				\$1,700,000
Grand Total				\$124,750,900



DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Division of Community Advocacy

Sarah Palin, Governor
Emil Notti, Commissioner
Michael Black, Director

March 19, 2007

The Honorable Gabrielle LeDoux
The Honorable Anna Fairclough
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Representative LeDoux and Representative Fairclough:

Your staff has requested an update of the February 15, 2006 listing of cities in Alaska that are in various stages of inactivity or financial distress. I have attached that report.

The attachment is a compilation of data from several different sections within the Division of Community Advocacy. While we have tried to make this information as accurate as possible, some of the indicators can change quite rapidly, for example communities without Workers Compensation Insurance.

Our staff works with many rural communities on management and financial issues. The attached report identifies communities that we are aware of having difficulties. Certainly, we cannot guarantee that we have identified all of the communities with challenges. We have imperfect knowledge of the nature of problems included in all of Alaska's 225 cities and communities.

If you have any questions about the status of any individual community that is on the list, or that is not on the list please let me know.

Sincerely,

Michael Black
Michael Black, Director *My Sal*
Division of Community Advocacy

Attachment

Cities in Various Stages of Inactivity/Distress
February 15, 2006

Cities that we have confirmed closed doors and are not operating any services. Source is the reports of field staff.

Ahkiok
Kupreanof
Nikolai

Cities inquiring about dissolution in the past two years, sources are the Local Boundary Commission and field staff.

Holy Cross	Mekoryuk
Hydaburg	Nikolai
Hughes	Quinhagak
Kivalina	Ruby
Koyukuk	

Cities who did not report certified election information for 2006. Source is the staff that compiled results for the Municipal Officials Directory.

Ahkiok	Kupreanof
Alakanuk	Lower Kalskag
Ambler	Napaskiak
Anaktuvuk Pass	Nikolai
Anvik	Port Heiden
Deering	Quinhagak
Egegik	Shaktoolik
Goodnews Bay	Shishmaref
Grayling	Shungnak
Kaltag	Wainwright
Kobuk	Wales

Cities that have not submitted the FY07 budget, sources are from the staff that receives financial information from municipalities for the Municipal Energy Assistance Payments.

Akhiok	Lower Kalskag
Grayling	Nikolai
Hydaburg	Platinum
Kasaan	Seldovia
Klawock	Skagway
Koyukuk	Upper Kalskag

Cities with large financial debts that put their continued viability at risk, sources are reports from Alaska Energy Authority's Bulk Fuel Loan program, Bulk Fuel Bridge Loan program, IRS reported liens, AVEC, and financial audits and field staff reports.

Ahkiok	Lower Kalskag
Akiak	Marshall
Alakanuk	N. Jai
Chevak	Pilot Point
Diomedes	Point Hope
Grayling	Saint George
Hydaburg	Saint Michael

Cities without Workman's Comprehensive Insurance, source include field staff reports.

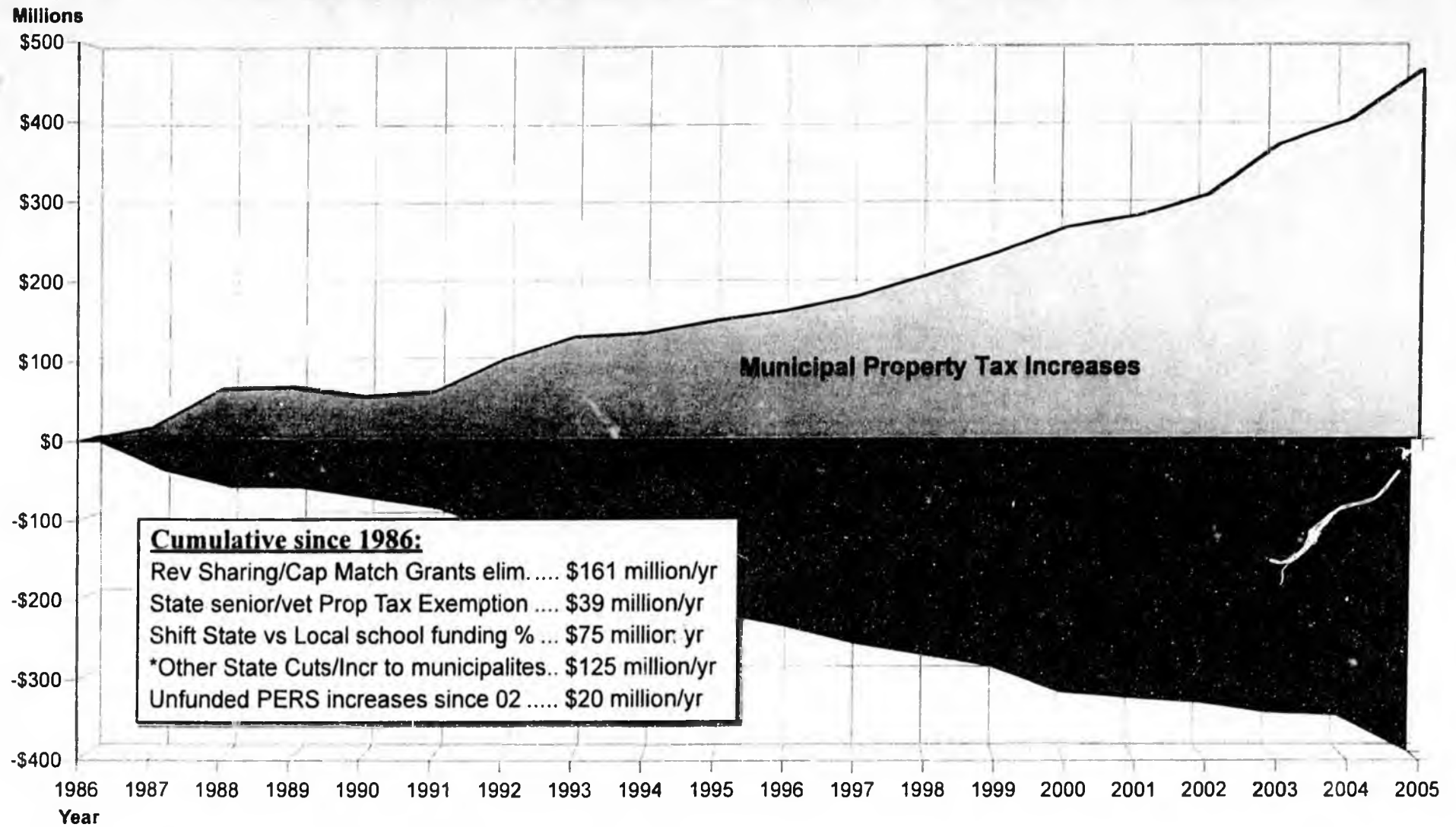
Akiak	Lower Kalskag
Alakanuk	Port Heiden
Allakaket	Ruby
Chevak	Russian Mission
Diomedes	Saint George
Hydaburg	Shaktoolik
Koyuk	Wales
Koyukuk	

Cities that have contracted out all municipal services, source is the field staff reports.

Akhiok
Kiana
Kwethluk
Mekoryuk
Napaskiak
Quinhagak

Why Property Taxes Have Gone Up for Businesses and Homeowners

State Cuts/Cost Increases to Municipalities vs Local Property Tax



Source: property tax increase: "Alaska Taxable," State DCED 1986 - 2003

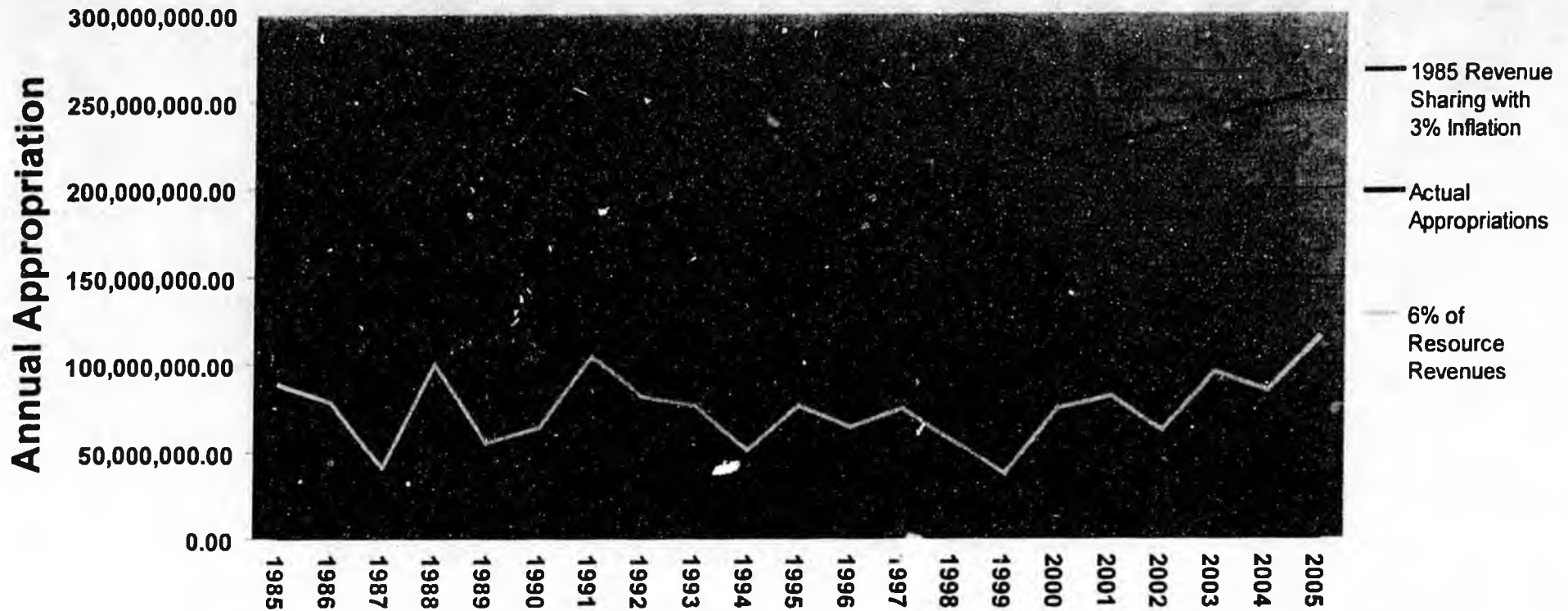
* "Other State cuts/etc" include: assistance for libraries, fire services, road maintenance, school bond debt 90% to 70/60%; public safety officers, community jails, alcohol/mental health treatment, community schools, new state fees, etc.

"Revenue sharing" includes state revenue sharing, safe communities, & municipal capital matching grants



Alaska Municipal League
 217 Second Street, Suite 200
 Juneau, Alaska 99801
 (907) 586-1325
www.akml.org

Municipal Revenue Sharing Comparison



Year	Actual Appropriations	1985 Revenue Sharing with 3% Inflation	6% of Resource Revenues
1985	141,656,800.00	141,656,800.00	88,320,000.00
1986	140,939,000.00	145,906,504.00	77,616,000.00
1987	113,737,600.00	150,283,699.12	40,944,000.00
1988	96,857,800.00	154,792,210.09	100,296,000.00
1989	96,857,800.00	159,435,976.40	54,816,000.00
1990	91,094,000.00	164,219,055.69	64,104,000.00
1991	87,450,200.00	169,145,627.36	104,400,000.00
1992	84,995,000.00	174,219,996.18	81,072,000.00
1993	78,195,400.00	179,446,596.07	75,672,000.00
1994	72,721,800.00	184,829,993.95	50,304,000.00
1995	62,613,500.00	190,374,893.77	76,344,000.00
1996	58,230,700.00	196,086,140.58	63,288,000.00
1997	53,572,300.00	201,968,724.80	74,016,000.00

Year	Actual Appropriations	1985 Revenue Sharing with 3% Inflation	6% of Resource Revenues
1998	50,358,000.00	208,027,786.54	55,320,000.00
1999	47,840,100.00	214,268,620.14	37,320,000.00
2000	31,893,400.00	220,696,678.74	74,520,000.00
2001	28,493,400.00	227,317,579.10	81,432,000.00
2002	29,630,700.00	234,137,106.48	61,848,000.00
2003	29,630,700.00	241,161,219.67	95,424,000.00
2004	17,900,000.00	248,396,056.26	84,744,000.00
2005	0.00	255,847,937.95	115,320,000.00
TOTAL	1,414,668,200.00	4,062,219,202.86	1,557,120,000.00



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Revenue Sharing Funding to Cities and Boroughs 1985 to 2007

“ALL Revenue Sharing” includes the “State Revenue Sharing program” and the “Municipal Assistance (Safe Communities) program”

Fiscal Year	Total ALL Revenue Sharing	Other Related Programs
1985	\$141,656,800	
1986	\$140,939,000	
1987	\$113,737,600	
1988	\$96,857,800	
1989	\$96,857,800	
1990	\$91,094,000	
1991	\$87,450,200	
1992	\$84,995,000	
1993	\$78,195,400	
1994	\$72,721,800	
1995	\$62,613,500	
1996	\$58,230,700	
1997	\$53,572,300	
1998	\$50,358,000	
1999	\$47,840,100	
2000	\$31,893,400	
2001	\$28,493,400	
2002	\$29,630,700	
2003	\$29,630,700	
2004	\$17,933,200	One time Federal Funds
2005	\$6,450,000	Rural energy assistance
2006	\$18,426,923	PERS assistance
2007*	\$66,675,087	PERS/Energy Assistance

*Note: In 2007 the legislature appropriated \$18,581,921 for PERS Relief and \$46,093,166 to offset the impacts of rising energy costs, with a minimum of \$40,000 to any municipality.

Note: In addition to the above, traditionally, Municipal Capital Matching Grants were funded at \$15 to \$20 million with a \$25,000 community minimum. This program was eliminated in 2004.

Note: The amounts above are not adjusted for inflation. For example, the \$141.6 million provided as revenue sharing in 1985 would have been worth about twice that amount, or \$280 million, in 2005.



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HB 202 - Community Revenue Sharing Revenue Sources - Royalties, Rentals & Sales

	Actual FY 2004	Actual FY 2005	Actual FY 2006	Forecast FY 2007	Forecast FY 2008
Oil and Gas Royalties					
Unrestricted Oil and Gas Royalties	1056.1	1419.9	1784.1	1555.4	1336
Royalties to Perm Fund & School Fund	361.8	486.5	611.5	518.6	447.8
NPR-A royalties, rents, bonuses	2.5	31.6	2.9	6.4	7.6
Subtotal	1420.4	1938	2398.5	2080.4	1791.4
Other Royalties, Rentals, Sales					
Unrestricted Land leasing, rental, sale	6.5	7.7	7.4	7.9	7.9
Unrestricted Coal royalties	1.1	1.3	1.1	1.2	1.3
Restricted land leasing, rental, sale	5.4	4.1	5.5	5.5	5.5
Restricted coal royalties	*	0.4	0.4	0.4	0.4
Subtotal	13	13.5	14.4	15	15.1
TOTAL ROYALTIES, RENTALS, SALES	1433.4	1951.5	2412.9	2095.4	1806.5
6% of Total	86.0	117.1	144.8	125.7	108.4

* = 2004 restricted coal royalties not broken out separate from land leasing, rental and sale

Excluded					
Oil and Gas Production and Property Tax					
Unrestricted Oil and Gas Production Tax	651.9	863.2	1199.2	2067.2	1476.1
Tax Settlements to CBRF	8.4	27.4	43.7	90.0	20.0
Oil and Gas Property Tax (net of local share)	47.3	42.5	54.5	51.7	51.4
Other Mineral Taxation					
Mining License Tax	3.2	10.3	18.6	34.3	31.5

Source: Fall 2006 Revenue Sources Books table 4-2, 5-7, and equivalent in prior years

Constituent

Comment

PHONE CALL

For G Date 3/19 Time 8 ~~AM~~ PM

M Jeff Currier

Phone _____ Fax _____

marks Thanks for

HB 202 -

will be in Assembly

meeting tomorrow

but will send statement

for

Signed _____

SPR02301

- Telephoned
- Returned Your Call
- Please Call
- Will Call Again
- Came to See You
- Wants to See You

Sparco
BLAND

Sonya Hymer

F71

Revenue

Shoring

From: Sonya Hymer
Sent: Monday, March 19, 2007 9:19 AM
To: 'John Nelson'
Subject: RE: Hearing Tuesday for Bill on Community Revenue Sharing

Dear Mr. Nelson, I just talked to Jeff, who told me about the Assembly meeting. Thanks for your support of HB 202. Best regards, Sonya

Sonya Hymer, Legislative Aide
Representative Gabrielle LeDoux
State Capitol
District 36
phone: (907) 465-2487
fax: (907) 465-4956

-----Original Message-----

From: John Nelson [mailto:kvc_housingdept@msn.com]
Sent: Monday, March 19, 2007 9:07 AM
To: Sonya Hymer
Cc: mrs.andrew_kvc@yahoo.com
Subject: RE: Hearing Tuesday for Bill on Community Revenue Sharing

Sonya: Good Morning; thanks for the information, regarding HB 202 and with it; I will not be available to participate with this process and will be sending in a written testimony of this, and for being absent, will be attending the regularly scheduled Lake & Peninsula Borough Assembly meeting for that day. Look forward of receiving my written testimony of this bill.

John

>From: "Sonya Hymer" <Sonya_Hymer@legis.state.ak.us>
>To: "John Nelson" <kvc_housingdept@msn.com>
>Subject: RE: Hearing Tuesday for Bill on Community Revenue Sharing
>Date: Fri, 16 Mar 2007 16:20:11 -0800

>>Dear Mr. Nelson, Thanks for your email. Please send your comments as soon as you can and I will distribute them to the committee members on the CRA before they vote on HB 202. Best regards, Sonya

>>Sonya Hymer, Legislative Aide
>>Representative Gabrielle LeDoux
>>State Capitol
>>District 36
>>phone: (907) 465-2487
>>fax: (907) 465-4956

>-----Original Message-----

>>From: John Nelson [mailto:kvc_housingdept@msn.com]
>>Sent: Friday, March 16, 2007 3:48 PM
>>To: Sonya Hymer
>>Cc: mrs.andrew_kvc@yahoo.com
>>Subject: RE: Hearing Tuesday for Bill on Community Revenue Sharing

>>Sonya: Good Afternoon! am in receipt of your notice, regarding HB 202 of SRS, and with it; I have been periodically viewing the tv of the legislature and this was one of the issues, that it spoke about and wanted to participate with this, via teleconference and unfortunately, will not be able to participate, because of attending the monthly Lake and Peninsula Borough Assembly meet at Nondalton and with this; it is most likely, that I will provide a written statement of this, in

>regards to the support of this.

>I just returned back from Dillingham, from attending the Full Board of
>Director's meeting of Bristol Bay Native Association and with this, I
>will be in on Monday. See you then. John

>
>From: "Sonya Hymer" <Sonya_Hymer@legis.state.ak.us>
>>To: "Alicia Reft" <A96lynn@aol.com>, "Andy Teuber"
>><andy.teuber@kanaweb.org>, "Becky Peratrovich"
>><akipres@alaska.net>, <info@kib.co.kodiak.ak.us>, <mayor@city.kodiak.ak
>>.u
>>s>, <dsigiugig@aol.com>, <grasrjr@hotmail.com>, "Harvey
>>Anelon"
>><llivc@aol.com>, <lpbor@bristolbay.com>, <jselby@ptialaska.net>, "John
>>Nelson"
>><kvc_housingdept@msn.com>, <kbjensen@pedrobay.com>, <chamber@kodiak.org
>>>, "Larsen Bay (City)" <cityoflarsenbay@aol.com>, "Larsen Bay Tribal
>>Council"
>><nativeoflarsenbay@starband.net>, <mshickey@gci.net>, <mmbart@starband.
>>ne
>>t>, <mbarker@ruralcap.com>, <ouzinkie@starband.net>, "Natives
>>of Kodiak, Inc."
>><nokcak@ptialaska.net>, <newhalentribal@yahoo.com>, <nondaltontribe@sta
>>rb and.net>, "Old Harbor Native Corp."
>><OHNCorp@starband.net>, "Ouzinkie (City)"
>><cityofouzinkie@starband.net>, "Ouzinkie Tribal Council"
>><ouzclerk@starband.net>, "Port Lions (City)"
>><cityofportlions@hotmail.com>, "Port Lions Traditional Tribal Council"
>><NVOPL@starband.net>, <rgifford@kib.co.kodiak.ak.us>, "Shoonaq' Tribe,
>Inc."
>><tribe@ptialaska.net>, "SWAMC"
>><info@swamc.org>, <tcabell@ptialaska.net>, <webell@oldharbor.org>
>>Subject: Hearing Tuesday for Bill on Community Revenue Sharing
>>Date: Fri, 16 Mar 2007 12:26:08 -0800

>>Dear Community Leaders,

>>>
>>>I am writing to ask for your support for HB 202, a bill on community
>>>revenue sharing. Gabrielle's committee, the House Committee on
>>>Community & Regional Affairs (CRA), sponsored the bill. The bill
>>>includes special terms to ensure that unincorporated communities in
>>>organized boroughs get a portion of the shared funds.

>>>
>>>The CRA is scheduled to hold the first public hearing on the bill on
>>>Tuesday, March 20, from 8 to 10 a.m.

>>>
>>>Here is a link to the bill and hearing schedule:

>>>
>>>(<
>>><http://www.legis.state.ak.us/basis/get_complete_bill.asp?session=25&bill=hb202>
>>>il
>>>1
>>>=HB202
>>><http://www.legis.state.ak.us/basis/get_bill.asp?session=25&bill=hb202>
>>>2>
>>>)>

>>>
>>>Our press release is attached to this email.

>>>
>>>Please help us in getting the word out to the people in our
>>>communities.

>>>
>>>
>>>We really hope that you can participate in the meeting. You can call
>>>in

>>>
>>>to testify at the meeting at the following number: 1 888 295 4546.
>>>Please call me if you have any questions or if you would like more

> >information on the bill.
> >
> >Best regards,
> >Sonya
> >
> >Sonya Hymer, Legislative Aide
> >Representative Gabrielle LeDoux
> >State Capitol
> >District 36
> >phone: (800) 865 2487; (907) 465-2487
> >fax: (907) 465-4956
> >
> >
> ><< MuniRevSharingCRAPressRelease.doc >>
> >

>Mortgage refinance is hot 1) Rates near 30-yr lows 2) Good credit get
>intro-rate 4.625%*
><https://www2.nextag.com/goto.jsp?product=100000035&url=%2fst.jsp&tm=y&s>
>e
>arch=mortgage_text_links_88_h2a5f&s=4056&p=5117&disc=y&vers=743
>

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**A RESOLUTION OF THE KODIAK MAYORS CONFERENCE
URGING THE GOVERNOR AND LEGISLATURE TO ESTABLISH A PERMANENT
MUNICIPAL REVENUE SHARING PROGRAM**

WHEREAS, the economic health and viability of Alaska is only as strong as the economic health and viability of the communities within Alaska; and

WHEREAS, healthy communities should be a high priority for the State of Alaska; and

WHEREAS, Alaska's communities have suffered severe economic hardship for the past few years when no assistance has been provided by the State of Alaska; and

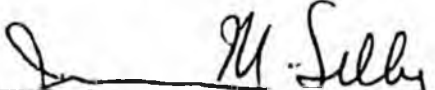
WHEREAS, the cost of delivery services has greatly increased due to the cost of fuel, electric, retirement (PERS), and other costs; and

WHEREAS, the natural resource revenue received by the State of Alaska belongs to the people of Alaska as stated in the constitution; and


WHEREAS, a portion of the Alaskan peoples' revenue should be provided to the governments in the communities that are closest to the people, provide services to the people on a daily basis and provide for maximum public input on how to use these revenues for the largest public good; and

NOW THEREFORE, BE IT RESOLVED BY THE KODIAK ISLAND MAYORS CONFERENCE THAT the Governor and Legislature of the State of Alaska are urged to establish a permanent Municipal Revenue Sharing Program funded with 6% (six percent) of all natural resource revenue received by the State of Alaska with an allocation base of \$100,000 per community and per capita allocation of the remainder of the funds all for the purpose of providing services at the local level.

PASSED AND APPROVED on this 3rd day of November, 2006.



Mayor Jerome Selby, Chairman
Kodiak Island Mayors Conference



Attest:

11/09/06

Date:

KOKHANOK VILLAGE COUNCIL

P.O. BOX 1007

KOKHANOK, ALASKA 99606-1007

(907) 282-2202 - Telephone

(907) 282-2264 - Facsimile

To: House Committee of House Bill 202
From: John Nelson; President - Kokhanok Village Council
Date: March 19, 2007
Re: Written Testimony of HB 202

FAX: 907 465-4956

Mr. Chairman & Members of the Committee:

Good Morning or Good Afternoon: For the record, my name is: John Nelson; currently the Supervisor and President of the "federally recognized entity" of the Native Village of Kokhanok.

The organization; I represent today, is in support of this bill; HB 202. Basically, our tribal governing entity provides public services to our tribal members of our village, as well, as conducting administrative services; of its tribal governing entity.

Purpose of my support of this bill, is because the Village of Kokhanok; provides public services and administrative services; such as: Administration; providing basic power to the village and school; provide fuel sales to our tribal members and residents, as well, as customers, such as lodges and individuals and providing public services to our village; such as: providing public services such as: water and sewer and provides maintenance operations of that department and provides supervisory levels of its program operations; such as: North American Housing & Self Determination Act (NAHASDA) and Environmental Protection Act; Indian General Assistance Program; and maintaining of its power plant and clinic; for providing health services to tribal and resident members, as well, as non-beneficiaries.

In addition, our Kokhanok Village Council maintain its office for conducting its Administrative services on behalf of the Village of Kokhanok. We basically, operate the same type of services; as a City government; State government; federal government and local government. Therefore, I, as President of the Kokhanok Village Council hereby provides its notice of support of HB 202.

Thank you for your consideration of this.

*John Nelson; President
Kokhanok Village Council*



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Community & Regional Affairs
 Committee on HB 202 Committee Name
Bill / Subject Dated 3-18-07

Please support HB 202. It meets the sustainable issue so that new monies will not have to be found to meet this need.

This allows communities to provide basic services as well as give tax relief to others. As a taxpayer I have seen my taxes go up every year. I applaud the municipalities who have committed all their revenue sharing funds to go toward relief of property taxes.

I also believe that PERS/TERS is a separate issue & should be dealt in that matter

SIGNED: Jammie Wilson
 Testifier

Resident Fairbanks North Star Borough
 Representing

571 Canow Rd. N.P. 490-0312
 Address / Phone Number

State of Alaska

Legislative Affairs Agency Division of Public Services

Wrangell Teleconference Center

Fax cover sheet

To: House Community & Regional Affairs Phone: _____
 From: Sarah Merritt Phone: 874-3013
 Instructions: The following is testimony on HB202

from Jeff Gabusch City of Wrangell Finance Director

Received: Date _____ Time _____

Sent: Date 03/20/07 Time 8:23 am

By: Wrangell Teleconference Center

Disposal of Original: Throw Away _____

Hold for Pick Up _____

Number of pages 1 (not counting this cover sheet)

Jeff Jabusch
CITY OF WRANGELL

Revenue Sharing Points for Wrangell:

- ❖ Wrangell is down to ~~just~~ ^{TRYING TO} supporting essential services such as police, fire, roads, and schools.
- ❖ Wrangell's Sales Tax is at 7% and our property tax is at 12 mills and likely will be 12.75 in 2007.
- ❖ Over the years, many state functions in Wrangell have been turned over to the city without a long term compensation plan from the state to help offset the on going costs. These include such things as trooper service, roads and harbors.
- ❖ The state property tax exemption for seniors and disabled vets once was reimbursed by the state at 100%, now it is nothing. In addition, there are several bills this year that, if passed, would add additional property exemptions. Wrangell's Taxable property has not materially increased in several years. Part of the reason is that the economy has been depressed in our community and part is that we are getting more and more seniors here eligible for the exemption. Without property values keeping pace with inflation, we lose ground each year.
- ❖ Currently, the city operates a jail and we receive funding from the state which falls short of the actual cost to operate the jail. This is not an essential city function, but a state function. This too is under funded.
- ❖ The City of Wrangell is currently supporting our school at the maximum amount allowed because of shortfalls in education funding for our school.
- ❖ Even if there is a PERS fix which allows the cities to pay the same amount they are paying this year, for Wrangell that is still approximately a 100% increase over what we have averaged over the last 10 years.
- ❖ Although it is important and essential that there is a capital budget, it is also important to keep our cities operational with revenue sharing. This is needed to keep schools operating at acceptable levels, to keep roads drivable, to have police and fire protection and to be able to provide the basic services that are needed in a small community.
- ❖ Without some help from the state, Wrangell will likely have to reduce or eliminate some combination of the following: reduce Library staff and hours, close our swimming pool completely or part of the year, reduce road maintenance and snow removal, reduce police and jail services, reduce some combination of wages, benefits or employees overall, reduce funding to the schools, reduce maintenance on parks and cemeteries, and reduce or eliminate many other smaller functions the city now does.
- ❖ Over the last 7 years, Wrangell has done many things and spent millions of dollars to help make businesses in the tourism, timber and fishing industries be successful. We believe that we have a chance in turning our economy around slowly over the next several years because of this. We need state operating help to keep all of our current essential services in place to be able to make this progress. With a 7% Sales Tax rate and a 12.75 mill rate and supporting our schools at the maximum, we feel Wrangell is doing our part and our citizens are taxed to their limit within our existing economy. We need some sort of state revenue sharing targeted at supporting these essential services. Thank you.



CITY OF HOUSTON
of
MAYOR
DALE ADAMS

March 15, 2007

RE: *Revenue Sharing*

Dear Members of the Senate:

Please consider this letter as part of public testimony during the March 16th meeting scheduled in Juneau. I write to you on behalf of over 1600 residence in Houston Alaska alone. Thousands more in over 94 cities in Alaska will also hear the logic of my words. As Mayor for the City of Houston I can clearly state that we have and are continuing to be overlooked by our chosen and elected representatives.

- 1) Without Revenue Sharing smaller communities will suffer from necessary local government cut-backs such as services and employees. Communities such as ours currently operate with minimal staffing. No Revenue Sharing will result in Unemployment rates skyrocketing within these smaller communities. Putting undo stress on the government to help subsidize the local governments and residents.
- 2) To have Revenue Sharing tied into the PERS/TRS assistance is not benefiting the majority when the majority cannot afford and does not participate in these programs. This program benefits only those with large local government whom can afford to participate, which is clearly the minority.
- 3) Cleary the benefits of Revenue Sharing effect large and small communities differently. For smaller communities it is a matter of survival and it is up to our Senators, Congressmen and Legislatures to finally take our needs into consideration by giving thought to HB95. By making us stronger we will make the State stronger and better able to care for it fully represented people.

Thank you


Dale Adams

Mayor



Skagway Development Corporation

March 15, 2007

Alaska State Legislators
State Capitol
Juneau, AK 99801-1182

Re: State Revenue Sharing

Dear State Legislator:

Alaska's communities have been endeavoring for some time to have the municipal revenue sharing program reinstated. These efforts were rewarded somewhat last year through assistance with energy costs and the covering of PERS/TRS increases. This small, but much appreciated, economic assistance helped some small communities keep the doors open one more year, and indirectly provided property tax relief in communities across the state.

As an economic development organization we are concerned with how state and local actions impact the business climate in our community and we are especially concerned on how they impact small businesses. In Skagway, and in most communities across the state, our residents and our businesses have seen their property taxes increase over time with little relief in sight.

I see this increasing tax burden as a serious concern for the state's small businesses. Doing business in Alaska is difficult at the best of times for many reasons, many of which are beyond our control, and it is even more difficult in the state's rural areas. In recent years we have seen significant increases in fuel, heating oil, construction costs, materials, and other essential goods and services. These, coupled with the increasing property tax burden, continue to add to the cost of doing business and we find our business' bottom line continuing to rise.

It is imperative that legislators support our business community as they are the foundation on which this state is built. Without their active participation in the state's economy we would not have an economy as developed as it is today. Supporting municipal revenue sharing as described in SB72 and HB202 will not only bring long term relief to property tax payers across the state but it will be a prudent investment in essential local services and in the small businesses on which many communities depend on for their economic well being. These bills represent a sustainable investment in the people and infrastructure that make this state a great place to live and do business.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Michael Catsi'.

Michael Catsi
Executive Director

DENALI BOROUGH, ALASKA
RESOLUTION 07-04

A RESOLUTION SUPPORTING EFFORTS TO ENCOURAGE THE STATE OF ALASKA TO COMMIT 6% OF ALL NATURAL RESOURCE REVENUE TO ALASKA'S COMMUNITIES.

WHEREAS, the State of Alaska has failed to share the revenue generated by natural resources that belong to all of Alaska's people; and

WHEREAS, in the past, the elimination of Revenue Sharing has had a significant impact on all of Alaska's communities; and

WHEREAS, the lack of Revenue Sharing has either caused communities to raise taxes or to cut essential service; and

WHEREAS, the restoration of Revenue Sharing would provide communities with funding to reduce local taxes, build infrastructure, provide for increased quality of life, and in some cases provide for the basic survival of the community itself.

NOW, THEREFORE BE IT RESOLVED: the Denali Borough supports the Alaska Municipal League Legislative Committee and the Alaska Municipal League Board of Directors in their adoption of a sustainable Revenue Sharing plan which is as follows:

- * The State of Alaska is urged to adopt a sustainable Revenue Sharing program by annually appropriating 6% of natural resource revenues earned by the state to municipalities with a \$100,000 per community minimum.

- * This sharing of state revenues is consistent with the Owner State concept, intergovernmental cooperation and constitutional provisions which provide for the natural resource ownership by all the people of the State of Alaska.

- * Delivery of service at the local level is part of the annual state responsibility to citizen/owners for the betterment of the State of Alaska; and

BE IT FURTHER RESOLVED: that the Denali Borough joins the Alaska Municipal League in urging the Alaska State Legislature to commit to sharing Alaska's natural resource revenues through the provision of 6% of all the natural resource revenue earned by the state to be appropriated to Alaska's communities with a minimum of \$100,000 per community.

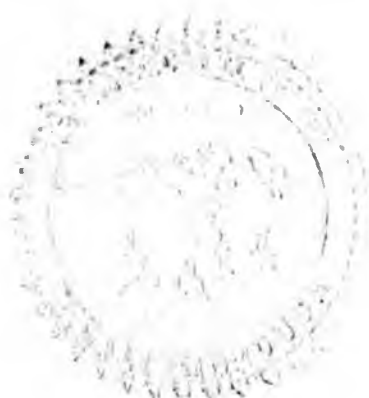
PASSED and APPROVED by the Denali Borough Assembly this 14th day of February, 2007.



Mayor Denali Borough

ATTEST: 

Denali Borough Clerk



Companion

Bill

(SB 72)

CS FOR SENATE BILL NO. 72(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 2/26/07

Referred: Finance

Sponsor(s): SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the community revenue sharing program; and providing for an
2 effective 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 11. Community Revenue Sharing Program.**

6 **Sec. 29.60.850. Community revenue sharing fund.** (a) The community
7 revenue sharing fund is established in the general fund. By August 1 of each fiscal
8 year, the Department of Revenue shall transfer to the fund an amount equal to six
9 percent of the money received by the state during the immediately preceding fiscal
10 year from all mineral lease rentals, royalties, royalty sale proceeds, federal mineral
11 revenue sharing payments, and bonuses.

12 (b) Each fiscal year, the legislature may appropriate money in the community
13 revenue sharing fund to the department for community revenue sharing payments or
14 appropriate it for other public purposes.

1 (c) Nothing in this section creates a dedicated fund.

2 **Sec. 29.60.860. Amount of community revenue sharing payments.** (a) The
3 basic community revenue sharing payment for a fiscal year equals

4 (1) \$250,000 for a borough or unified municipality;

5 (2) \$75,000 for a city or reserve eligible under (c) of this section; and

6 (3) \$25,000 for an unincorporated community eligible under (c) of this
7 section.

8 (b) If the amount appropriated for a fiscal year

9 (1) is not sufficient to fully fund all the basic payments, the amount
10 paid to each recipient shall be reduced on a pro rata basis so that the entire amount
11 appropriated is distributed;

12 (2) exceeds the amount needed to fully fund all the basic payments, the
13 balance shall be distributed on a per capita basis to each recipient of a basic payment
14 under (a)(1) or (2) of this section.

15 (c) The department, with advice from the Department of Law, shall determine
16 whether there is, in each reserve or unincorporated community, an incorporated
17 nonprofit entity or a Native village council that will agree to receive and spend the
18 community revenue sharing payment for the benefit of the reserve or unincorporated
19 community. If there is more than one qualified entity in a reserve or unincorporated
20 community, the department shall pay the dividend to the entity that the department
21 finds most qualified to receive and spend the money. The department may not make
22 the payment unless the incorporated nonprofit entity or Native village council waives
23 immunity from suit for claims arising out of activities of the corporation or council
24 related to the payment. A waiver of immunity from suit under this subsection must be
25 on a form provided by the Department of Law. If there is not a qualified incorporated
26 nonprofit entity or Native village council in a reserve or unincorporated community
27 that is willing to receive and spend the community revenue sharing payment for the
28 benefit of the reserve or unincorporated community, that reserve or unincorporated
29 community is not eligible for the payment, and the payment may not be made.

30 **Sec. 29.60.870. Determination of population.** For purposes of determining
31 the amount of a revenue sharing payment under AS 29.60.860(b)(2), the population of

1 the municipality or reserve shall be determined by using the numbers of permanent
2 fund dividend recipients or other population data that the department determines is
3 reliable. For purposes of determining the population of a borough, the population of
4 each city and reserve in the borough shall be deducted from the total population of the
5 borough. For purposes of determining the population of a unified municipality, the
6 population of each reserve in the unified municipality shall be deducted from the total
7 population of the unified municipality.

8 **Sec. 29.60.879 Definitions.** In AS 29.60.850 - 29.60.879,

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

12 (2) "unincorporated community" has the meaning given in
13 AS 29.60.140.

14 * **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: SB072CSCRA-DNR-CO-02-23-07
 Bill Version: CS SB72 CRA
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title Community Revenue Sharing RDU Resource Development
 Component Commissioner's Office
 Sponsor Senate Community & Regional Affairs committee
 Requester S FIN Component No. 423

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013

CHANGE IN REVENUES (multiple)	(124,750.9)	(107,338.9)	(105,400.9)	(103,168.9)	(103,564.9)	(96,622.9)

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See Page two for detail on estimate of revenue that would be redirected from the general fund to the community revenue sharing fund under this legislation.

Prepared by: Nico Bus, Administrative Services Director Phone 465-2406
 Division: Support Services Date/Time 2/23/2007
 Approved by: Tom Irwin, Commissioner Date 2/23/2007
 Agency: Natural Resources

FISCAL NOTE

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

BILL NO. CS SB72 CRA

ANALYSIS CONTINUATION

Fiscal Year	Unrestricted	Restricted	Other Mineral	TOTAL	
	Oil & Gas Royalties *	Oil & Gas Royalties **	Lease Rentals & Royalties ***	Estimated Revenue	**** 6%
FY07	1,555,400.0	518,600.0	5,181.6	2,079,181.6	124,750.9
FY08	1,336,000.0	447,800.0	5,181.6	1,788,981.6	107,338.9
FY09	1,303,700.0	447,800.0	5,181.6	1,756,681.6	105,400.9
FY10	1,266,500.0	447,800.0	5,181.6	1,719,481.6	103,168.9
FY11	1,273,100.0	447,800.0	5,181.6	1,726,081.6	103,564.9
FY12	1,157,400.0	447,800.0	5,181.6	1,610,381.6	96,622.9
FY13	1,035,200.0	447,800.0	5,181.6	1,488,181.6	89,290.9

Assumptions/Notes:

Dollars in thousands for fiscal note formatting.

* Forecast from Dept. of Revenue Fall 2006 Revenue Sources book, figure 4-4.

** FY08 forecast from Dept. of Revenue Fall 2006 Revenue Sources Book, figure 4-13. They do not include forecasts beyond FY08; for purposes of this fiscal note we have assumed the same level.

*** Other Mineral Lease Rentals & Royalties includes: Mining rentals and leases; Coal rentals, leases and royalties. These numbers are available as FY06 Actuals; for purposes of this fiscal note we have assumed the same level.

**** Fiscal note shows estimate of money available in each fiscal year based on money received by the state in the immediately preceding fiscal year.

AS 29.60.140. State aid to unincorporated communities.

(a) The department shall pay to each unincorporated community an entitlement each fiscal year to be used for a public purpose. The department with advice from the Department of Law shall determine whether there is in each unincorporated community an incorporated nonprofit entity or a Native village council that will agree to receive and spend the entitlement. If there is more than one qualified entity in an unincorporated community, the department shall pay the money under the entitlement to the entity that the department finds most qualified to receive and spend the money. The department may not pay money under an entitlement to a Native village council unless the council waives immunity from suit for claims arising out of activities of the council related to the entitlement. A waiver of immunity from suit under this subsection must be on a form provided by the Department of Law. If there is no qualified incorporated nonprofit entity or Native village council in an unincorporated community that is willing to receive money under an entitlement, the entitlement for that unincorporated community may not be paid. Neither this subsection nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council. If at least \$41,472,000 is appropriated for all entitlements under AS 29.60.010 - 29.60.310 for a fiscal year, the entitlement for each unincorporated community under this subsection for that year equals \$40,000. Otherwise, the entitlement equals \$25,000.

(b) In this section "unincorporated community" means a place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit.

North Slope Borough

OFFICE OF THE MAYOR

P.O. Box 69
BARROW, ALASKA 99723
☎ 907 852-2611 ext. 200
Fax: 907 852-0337



Edward S. Ina, Mayor

May 10, 2007

Representative Anna Fairclough, Co-Chair
Representative Gabrielle LeDoux, Co-Chair
Community & Regional Affairs Committee
Alaska State Legislature

Via.Fax 465-2819
Via.Fax 465-4956

Representative Kevin Meyer, Co-Chair
Representative Mike Chenault, Co-Chair
House Finance Committee
Alaska State Legislature
Juneau, Alaska

Via.Fax 465-3476
Via.Fax 465-2833

Dear Chairman Fairclough and Chairman LeDoux:
Dear Chairman Meyer and Chairman Chenault:

As the legislative session comes to a close I want to thank you for your personal dedication and hard work on a number of issues that affect all Alaskans. One of the issues, however, that still needs your attention is the revenue sharing program. As you know, for much of the state's history revenues generated from our vast resources have been shared with all the people in Alaska through two main programs, revenue sharing to all communities and permanent fund dividends to all individuals. These programs have encouraged priorities and allowed concerns in our vastly different communities and families to be addressed.

The revenue sharing program is a great way for the state to support prioritized local concerns. For so many of the small rural communities, it is crucial for keeping the lights on and doors open, paying the sky-high fuel bills, maintaining operational water and sewer systems, ever-increasing costs of insurance, etc. Other communities may use the money to fix up potholes, improve parks and recreation opportunities, strengthen public safety forces or to address other basic local government concerns. I understand our largest city is very interested in using these funds for property tax relief. In the North Slope Borough, it is most likely that some of these funds will be used to continue to support and promote our "Healthy Community Initiative".

The federal government and every other state have some form of revenue sharing program. Alaska is a very rich state and I am hopeful that you will see fit to reinstate a revenue sharing program that is sustainable, predictable, flexible and inclusive of all communities and the populations they serve.

I appreciate the hard work you are doing. As an elected official I understand how difficult it is to balance competing interests. Good luck the rest of session. If you have questions for my administration please feel free to contact my office.

Sincerely,



Edward S. Itta
Mayor

cc: Mayor Elizabeth Hollingsworth, City of Atkasuk
Mayor George O. Paneak, City of Anaktuvuk Pass
Mayor Nate Olemaun, City of Barrow
Mayor Lon Sonsalla, City of Kaktovik
Mayor Carl Brower, City of Nuiqsut
Mayor George Kingik, City of Point Hope
Mayor Leo Ferreira, Native Village of Point Lay
Mayor John Hopson, Jr., City of Wainwright



Alaska Municipal League • 217 Second Street, Suite 200, Juneau, Alaska 99801

Tel (907) 586-1325 Fax • (907) 463-5480 • www.akml.org

Revenue Sharing Funding to Cities and Boroughs 1985 to 2007

“ALL Revenue Sharing” includes the “State Revenue Sharing program” and the “Municipal Assistance (Safe Communities) program”

Fiscal Year	Total ALL Revenue Sharing	Other Related Programs
1985	\$141,656,800	
1986	\$140,939,000	
1987	\$113,737,600	
1988	\$96,857,800	
1989	\$96,857,800	
1990	\$91,094,000	
1991	\$87,450,200	
1992	\$84,995,000	
1993	\$78,195,400	
1994	\$72,721,800	
1995	\$62,613,500	
1996	\$58,230,700	
1997	\$53,572,300	
1998	\$50,358,000	
1999	\$47,840,100	
2000	\$31,893,400	
2001	\$28,493,400	
2002	\$29,630,700	
2003	\$29,630,700	
2004	\$17,933,200	One time Federal Funds
2005	\$6,450,000	Rural energy assistance
2006	\$18,426,923	PERS assistance
2007*	\$66,675,087	PERS/Energy Assistance

*Note: In 2007 the legislature appropriated \$18,581,921 for PERS Relief and \$48,093,166 to offset the impacts of rising energy costs, with a minimum of \$40,000 to any municipality.

Note: In addition to the above, traditionally, Municipal Capital Matching Grants were funded at \$15 to \$20 million with a \$25,000 community minimum. This program was eliminated in 2004.

Note: The amounts above are not adjusted for inflation. For example, the \$141.6 million provided as revenue sharing in 1985 would have been worth about twice that amount, or \$280 million, in 2005.

Dist By Rep GARA



Alaska Municipal League • 217 Second Street, Suite 200, Juneau, Alaska 99801

Tel (907) 586-1325 Fax • (907) 463-5480 • www.akml.org

AML REVENUE SHARING TALKING POINTS

Any testimony you give to the legislature, whether written or verbal, will be most effective if it is relevant to your own community, so be sure to talk about how revenue sharing affects your situation. For instance, what specific costs are now being born by your municipality that the state should be covering? What services are no longer being provided? With that in mind, below are some points that could be made in support of revenue sharing. If you are preparing verbal testimony, be sure to keep it short because the time allotted for each witness to speak will probably be limited.

1. **General points regarding revenue sharing:**
 - a. Revenue sharing should be in the operating budget – it's an operating cost, not a capital cost
 - b. All other states contribute revenue sharing to local governments
 - c. Alaska ranked 49th among all the states in the U.S. in 2003 (the last year revenue sharing was funded) in the percentage of total expenditures allocated to revenue sharing
 - d. The resources of the State of Alaska belong to the Citizens
 - e. Lack of revenue sharing to local communities increases liability to the State of Alaska
2. **Many state costs have been largely shifted to local governments over the past two decades, including but not limited to:**
 - a. The Senior Citizen/Disabled Veterans' property tax exemption is no longer reimbursed
 - b. The Farm Use Land Assessment Program is no longer reimbursed
 - c. School costs have been shifted to municipalities, with the state continuing to cover less and less of the cost of educating our children
 - d. Municipalities are not fully reimbursed for state costs incurred in municipal corrections facilities
 - e. Municipalities have been forced to pay for maintenance and repairs on shared facilities, because of the failure of the state to fund necessary maintenance and repairs
3. **Revenue Sharing allows for tax relief in larger communities:**
 - a. Larger communities have a larger, more stable economic base, so revenue sharing is more likely to enable them to decrease local taxes
4. **Revenue Sharing allows for continuation of basic services in smaller communities:**
 - a. Smaller communities have less of a tax base, so revenue sharing is more likely to enable the continuation of basic services in small communities
 - b. The resources of the state come primarily from rural areas, so it is ironic that the state has been reluctant the last few years to share revenue from those resources with communities, particularly communities in rural areas
5. **Revenue Sharing should be separate from the funding of the PERS/TRS past service cost:**
 - a. 94 second class cities don't participate in PERS/TRS, so would receive little or no benefit from PERS/TRS assistance



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2008 LEGISLATIVE PRIORITY

MUNICIPAL REVENUE SHARING

The Alaska Municipal League urges the State to adopt a sustainable Revenue Sharing program by annually appropriating 6% of all natural resource revenues to municipalities with a minimum of \$25,000 to unorganized communities, \$75,000 to all municipalities, \$250,000 to boroughs, and have the remaining revenue allocated on a per capita basis.

The resources of this State belong to all of Alaska's people. Cities and boroughs were formed by the State as political subdivisions and are the entities responsible for providing local services to those people. Without municipal revenue sharing, the entire cost of all local services must be entirely on the backs of the local taxpayers. With increasing fuel costs, increasing benefit costs and inflation, as well as the lack of a tax base for smaller communities, local services are being seriously curtailed or stopped. Larger communities are seeing tax increases that are having serious, negative impacts on their residents. The sharing of state revenues is consistent with the "owner" state concept, intergovernmental cooperation and constitutional provisions which provide for natural resource ownership by all the people of the State of Alaska.

- Downloads
- Revenue Sharing Comparison Chart
- Revenue Sharing Talking Points

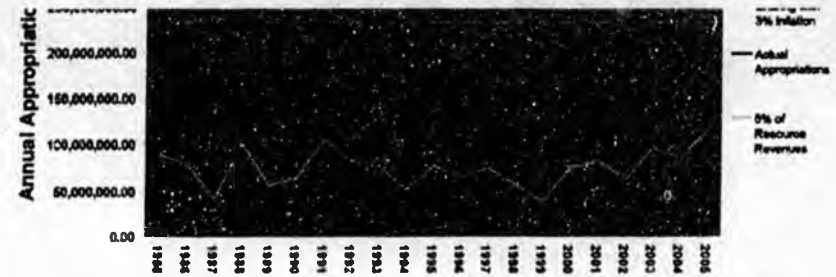
During years of high resource revenues, Alaska's municipalities would realize benefits that would be directly passed on to local residents. During lean years, Alaska's municipalities would be required to rein in many expenses and/or services, such as the State would have to do under those same circumstances.

While capital funds help communities build needed infrastructure, revenue sharing is the money that helps fund the day-to-day operation of local government. A new water system, funded through the capital budget, will not fulfill its goals if there are no trained operators to maintain the system, city clerks to bill for the system or much-needed fuel to heat the governmental buildings. Cities and boroughs that must impose large tax bills will realize less spending in the community as taxpayers tighten their belts.

Delivery of services at the local level to citizen/owners is part of annual state responsibility to those citizen/owners for the betterment of the State of Alaska.

Municipal Revenue Sharing Comparison



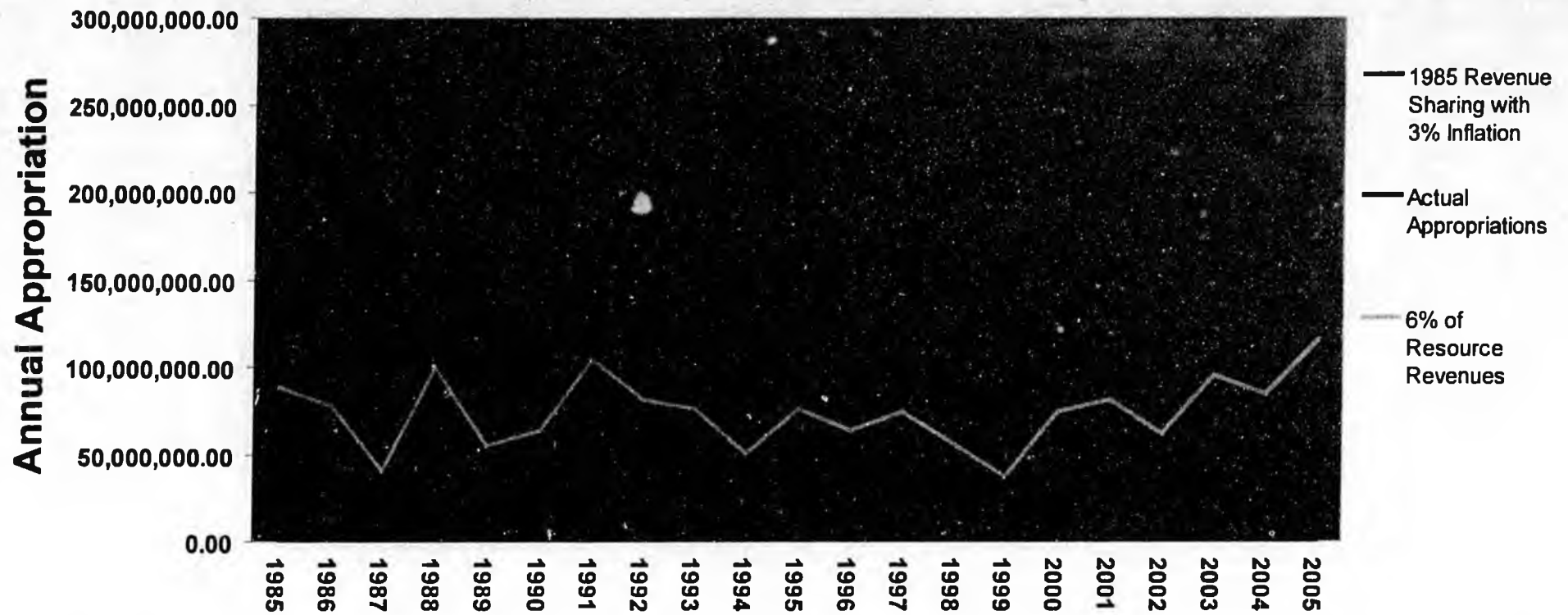


Year	Actual Appropriations	1983 Revenue Sharing with 3% Inflation	6% of Resource Revenues	Year	Actual Appropriations	1983 Revenue Sharing with 3% Inflation	6% of Resource Revenues
1986	141,656,000.00	141,808,000.00	88,320,000.00	1991	80,258,000.00	208,027,790.54	80,330,000.00
1986	140,936,000.00	146,808,304.00	77,810,000.00	1990	47,848,100.00	214,218,820.14	37,320,000.00
1987	113,737,000.00	150,283,996.72	40,964,000.00	2000	31,883,400.00	220,636,878.74	74,820,000.00
1988	98,857,000.00	154,782,216.00	100,200,000.00	2001	38,493,400.00	227,117,870.10	81,432,000.00
1989	96,857,000.00	156,430,978.40	94,818,000.00	2002	29,834,700.00	234,117,198.48	81,848,000.00
1990	81,694,100.00	164,219,858.00	64,104,000.00	2003	28,838,700.00	241,161,219.67	80,424,000.00
1991	87,450,200.00	188,146,827.36	104,400,000.00	2004	17,808,000.00	248,398,088.28	84,744,000.00
1992	84,800,000.00	174,219,808.16	81,872,000.00	2005	0.00	255,247,837.95	118,320,000.00
1993	78,196,400.00	176,441,888.07	75,871,000.00	Total	1,214,868,398.00	4,862,319,292.86	1,357,158,968.59
1994	72,721,800.00	184,829,884.95	50,304,000.00				
1995	62,813,200.00	192,374,893.77	78,344,000.00				
1996	68,232,700.00	198,888,140.58	83,238,000.00				
1997	63,572,300.00	201,888,724.80	74,616,000.00				



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Municipal Revenue Sharing Comparison



Year	Actual Appropriations	1985 Revenue Sharing with 3% Inflation	6% of Resource Revenues
1985	141,656,800.00	141,656,800.00	88,320,000.00
1986	140,939,000.00	145,906,504.00	77,616,000.00
1987	113,737,600.00	150,283,699.12	40,944,000.00
1988	96,857,800.00	154,792,210.09	100,296,000.00
1989	96,857,800.00	159,435,976.40	54,816,000.00
1990	91,094,000.00	164,219,055.69	64,104,000.00
1991	87,450,200.00	169,145,627.36	104,400,000.00
1992	84,995,000.00	174,219,996.18	81,072,000.00
1993	78,195,400.00	179,446,596.07	75,672,000.00
1994	72,721,800.00	184,829,993.95	50,304,000.00
1995	62,613,500.00	190,374,893.77	76,344,000.00
1996	58,230,700.00	196,086,140.58	63,288,000.00
1997	53,572,300.00	201,968,724.80	74,016,000.00

Year	Actual Appropriations	1985 Revenue Sharing with 3% Inflation	6% of Resource Revenues
1998	50,358,000.00	208,027,786.54	55,320,000.00
1999	47,840,100.00	214,268,620.14	37,320,000.00
2000	31,893,400.00	220,696,678.74	74,520,000.00
2001	28,493,400.00	227,317,579.10	81,432,000.00
2002	29,630,700.00	234,137,106.48	61,848,000.00
2003	29,630,700.00	241,161,219.67	95,424,000.00
2004	17,900,000.00	248,396,056.26	84,744,000.00
2005	0.00	255,847,937.95	115,320,000.00
TOTAL	1,414,668,200.00	4,062,219,202.86	1,557,120,000.00



Alaska Municipal League
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Unincorporated Communities "No Borough" w/ DIFFERENCE

	Community	Pop. 2005 Base	Per Capita	Total	Rep.	Difference*	
1	Koliganek	167	\$25,000	\$6,850	\$31,850	Edgmon	\$1,159
2	Nikolski	31	\$25,000	\$1,272	\$26,272	Edgmon	\$215
3	Twin Hills	71	\$25,000	\$2,912	\$27,912	Edgmon	\$493
4	Pitkas Point	103	\$25,000	\$4,225	\$29,225	Foster	\$715
5	Glennallen	589	\$25,000	\$24,161	\$49,161	Harris	\$4,088
6	Nelchina	139	\$25,000	\$5,702	\$30,702	Harris	\$965
7	Paxson	37	\$25,000	\$1,518	\$26,518	Harris	\$257
8	Hollis	137	\$25,000	\$5,620	\$30,620	Johansen	\$951
9	Goldstream	34	\$25,000	\$1,395	\$26,395	Kelly	\$236
10	Akiachak	644	\$25,000	\$26,417	\$51,417	Nelson	\$4,469
11	Atmaultuak	304	\$25,000	\$12,470	\$37,470	Nelson	\$2,110
12	Kasigluk	534	\$25,000	\$21,905	\$46,905	Nelson	\$3,706
13	Kipnuk	688	\$25,000	\$23,222	\$53,222	Nelson	\$4,775
14	Kongiganak	427	\$25,000	\$17,516	\$42,516	Nelson	\$2,963
15	Kwigillingok	361	\$25,000	\$14,808	\$39,808	Nelson	\$2,505
16	Newtok	315	\$25,000	\$12,921	\$37,921	Nelson	\$2,186
17	Oscarville	59	\$25,000	\$2,420	\$27,420	Nelson	\$409
18	Tuluksak	466	\$25,000	\$19,115	\$44,115	Nelson	\$3,234
19	Tuntutuliak	399	\$25,000	\$16,367	\$41,367	Nelson	\$2,769
20	Tununak	328	\$25,000	\$13,455	\$38,455	Nelson	\$2,276
21	Alatna	41	\$25,000	\$1,682	\$26,682	Salmon	\$285
22	Arctic village	147	\$25,000	\$6,030	\$31,030	Salmon	\$1,020
23	Beaver	64	\$25,000	\$2,625	\$27,625	Salmon	\$444
24	Birch Creek	33	\$25,000	\$1,354	\$26,354	Salmon	\$229
25	Central	97	\$25,000	\$3,979	\$28,979	Salmon	\$673
26	Chalkyitsik	79	\$25,000	\$3,241	\$28,241	Salmon	\$548
27	Chistochina	104	\$25,000	\$4,266	\$29,266	Salmon	\$722
28	Chitina	110	\$25,000	\$4,512	\$29,512	Salmon	\$763
29	Circle	90	\$25,000	\$3,692	\$28,692	Salmon	\$625
30	Copper Center	452	\$25,000	\$18,541	\$43,541	Salmon	\$3,137
31	Crooked Creek	145	\$25,000	\$5,948	\$30,948	Salmon	\$1,006
32	Deltana	1939	\$25,000	\$79,538	\$104,538	Salmon	same
33	Dot Lake	60	\$25,000	\$2,461	\$27,461	Salmon	\$416
34	Dry Creek	107	\$25,000	\$4,389	\$29,389	Salmon	\$743
35	Eagle Village	68	\$25,000	\$2,789	\$27,789	Salmon	\$472
36	Four Mile Road	31	\$25,000	\$1,272	\$26,272	Salmon	\$215
37	Gakona	214	\$25,000	\$8,778	\$33,778	Salmon	\$1,485
38	Gulkana	195	\$25,000	\$7,999	\$32,999	Salmon	\$1,353
39	Healy Lake	29	\$25,000	\$1,190	\$26,190	Salmon	\$201
40	Kenny Lake	417	\$25,000	\$17,105	\$42,105	Salmon	\$2,894
41	Lime Village	28	\$25,000	\$1,149	\$26,149	Salmon	\$194
42	Manley Hot Springs	74	\$25,000	\$3,035	\$28,035	Salmon	\$514
43	McCarthy	70	\$25,000	\$2,871	\$27,871	Salmon	\$486
44	Mentasta lake	126	\$25,000	\$5,169	\$30,169	Salmon	\$874
45	Minto	202	\$25,000	\$8,286	\$33,286	Salmon	\$1,402
46	Northway	177	\$25,000	\$7,261	\$32,261	Salmon	\$1,228

Nelson
\$31,404

Unincorporated Communities "No Borough" w/ DIFFERENCE

	Community	Pop. 2005 Base	Per Capita	Total	Rep.	Difference*	
47	Red Devil	36	\$25,000	\$1,477	\$26,477	Salmon	\$250
48	Silver Springs	107	\$25,000	\$4,389	\$29,389	Salmon	\$743
49	Slana	103	\$25,000	\$4,225	\$29,225	Salmon	\$715
50	Sleetmute	92	\$25,000	\$3,774	\$28,774	Salmon	\$638
51	Stevens village	68	\$25,000	\$2,789	\$27,789	Salmon	\$472
52	Stony river	42	\$25,000	\$1,723	\$26,723	Salmon	\$291
53	Takotna	39	\$25,000	\$1,600	\$26,600	Salmon	\$271
54	Tanacross	149	\$25,000	\$6,112	\$31,112	Salmon	\$1,034
55	Tazlina	185	\$25,000	\$7,589	\$32,589	Salmon	\$1,284
56	Tetlin	150	\$25,000	\$6,153	\$31,153	Salmon	\$1,041
57	Tok	1459	\$25,000	\$59,848	\$84,848	Salmon	same
58	Venetie	184	\$25,000	\$7,548	\$32,548	Salmon	\$1,277
59	chenega Bay	82	\$25,000	\$3,364	\$28,364	Thomas	\$569
60	Edna Bay	41	\$25,000	\$1,682	\$26,682	Thomas	\$285
61	Hyder	91	\$25,000	\$3,733	\$28,733	Thomas	\$632
62	Klukwan	109	\$25,000	\$4,471	\$29,471	Thomas	\$756
63	Naukati Bay	106	\$25,000	\$4,348	\$29,348	Thomas	\$736
64	Port Protection	54	\$25,000	\$2,215	\$27,215	Thomas	\$375
65	Tatitlek	102	\$25,000	\$4,184	\$29,184	Thomas	\$708
66	whale pass	76	\$25,000	\$3,118	\$28,118	Thomas	\$527
67	Whitestone	176	\$25,000	\$7,220	\$32,220	Thomas	\$1,221
68	Elfin cove	29	\$25,000	\$1,190	\$26,190	Wilson	\$201
	Total	14412	\$1,700,000	\$591,180	\$2,291,180		\$76,437

Salmon
\$38,226

*Difference between per capita distribution "only unincorporated communities outside organized boroughs" (\$70.77) and per capita "all unincorporated communities" (\$45.29) not to exceed \$50,000.