

SB

3

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 1/16/07

FURTHER: Judiciary
Finance

Date of 5-Day Notice: Apr. 12, 2007
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: Apr. 17, 2007

Community and Regional Affairs Committee considered

SENATE BILL NO. 3

SB 3 COMMUNITY DIVIDEND PROGRAM

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

and recommends:

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

SENATE BILL:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Fiscal Year	Zero	EN
DCCED.COM	2/1/07	✓	

PREVIOUS FISCAL NOTE(S):

Department	Fiscal Year	Zero	EN

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS	PRINTED NAME	DO NOT PASS	NO REC	AMEND
	Thomas	✓		
	Waagner	✓		
	Kookesh	✓		
CHAIR:	Olson		✓	

FISCAL NOTE

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

Fiscal Note Number: SB3-COM-DCA-02-12-07
 Bill Version: SB 3
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title: Community Dividend Program RDU: Revenue Sharing (217)
 Component: New
 Sponsor: Wilken
 Requester: Senate 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	64,573.4	64,573.4	64,573.4	64,573.4	64,573.4	64,573.4
Miscellaneous						
TOTAL OPERATING	64,573.4	64,573.4	64,573.4	64,573.4	64,573.4	64,573.4

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1001,1197,1041)	(64,573.4)	(64,573.4)	(64,573.4)	(64,573.4)	(64,573.4)	(64,573.4)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1001 BudRes, 1197 AKCap, 1041 EmrgsRes	64,573.4	64,573.4	64,573.4	64,573.4	64,573.4	64,573.4
TOTAL	64,573.4	64,573.4	64,573.4	64,573.4	64,573.4	64,573.4

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: (Attach a separate page if necessary)

This legislation funds an annual community dividend program from the general fund or from the following funds in this order: budget reserve fund, Alaska capital income fund, and the earnings reserve fund. Municipalities and unincorporated communities would be funded at \$70 per capita and municipalities that are also a school district would receive an additional \$30 per capita. The department estimates that full funding based on the 2005 population count would require approximately \$64.6 million. The amount of full funding would change annually due to changes in population, changes to municipal classification, new municipalities becoming school districts and new communities becoming eligible. The legislation includes a provision to pro rate payments in the event more funds or fewer funds are available. The department anticipates implementing and administering this program with existing staff.

Prepared by: Michael Black, Director Phone: 907.269.4758
 Division: Community Advocacy Date/Time: 2/12/07 6:13 PM
 Approved by: Emil Notti, Commissioner Date: 2/12/2007
 Agency: Commerce, Community, and Economic Development

GARY WILKEN
SENATOR
Fairbanks



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SPONSOR STATEMENT

Senate Bill 3 Community Dividend Program

"Meets our Needs – Shares our Wealth"

Senate Bill 3 creates a sustainable community dividend program to share state revenue with Alaska's local municipal governments and unincorporated communities. The proposed community dividend program is in response to concerns expressed by communities throughout Alaska. Higher costs of basic living and government needs, coupled with diminished traditional state support, have placed greater financial burdens on all local governments, large and small alike.

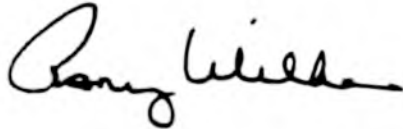
Senate Bill 3 funds the new community dividend program from the general fund. However, if the Legislature considers the general fund insufficient to support the community dividend, the following funding sources may be considered, in the following order: 1) Constitutional Budget Reserve, 2) Alaska Capital Income Fund, and 3) the Permanent Fund Earnings Reserve Account.

Senate Bill 3 provides \$70 per person for all local municipalities and unincorporated communities. Additionally, each municipality that is a school district and is meeting the 4-mill local contribution school requirement will receive an additional \$30 for a total of \$100 per resident.

The Department of Commerce, Community, and Economic Development will issue the dividends to Alaskan communities on July 1 of the year following the actual legislative appropriation. This one-year delay will allow local

governments to build an operating budget based on firm numbers. There will be no need for the budget writers to wait for the legislature to take action before drafting and passing their annual budgets.

The revenue-sharing program established under Senate Bill 3 distributes the state's wealth equally among all Alaskans on a per person basis. I respectfully request your support.

A handwritten signature in cursive script, appearing to read "Tony Wilton".

February 8, 2007

2003 Community Dividend Estimate

Municipalities	2003 Population	Community Dividend at \$70 Per Capita	2003 School Support Population	Municipal School Support Dividend at \$30 Per Capita	Total Community Dividend
Adak	167	\$11,690		\$0	\$11,690
Akhiok	41	\$2,870		\$0	\$2,870
Akiak	378	\$26,460		\$0	\$26,460
Akutan	773	\$54,110		\$0	\$54,110
Alakanuk	678	\$47,460		\$0	\$47,460
Aleknagik	241	\$16,870		\$0	\$16,870
Aleutians East Borough	72	\$5,040	2,659	\$79,770	\$84,810
Allakaket	87	\$6,090		\$0	\$6,090
Ambler	283	\$19,810		\$0	\$19,810
Anaktuvuk Pass	308	\$21,560		\$0	\$21,560
Anchorage	278,241	\$19,476,870	278,241	\$8,347,230	\$27,824,100
Anderson	280	\$19,600		\$0	\$19,600
Angoon	497	\$34,790		\$0	\$34,790
Aniak	528	\$36,960		\$0	\$36,960
Anvik	99	\$6,930		\$0	\$6,930
Atka	90	\$6,300		\$0	\$6,300
Atkasuk	227	\$15,890		\$0	\$15,890
Barrow	4,199	\$293,930		\$0	\$293,930
Bethel	5,960	\$417,200		\$0	\$417,200
Bettles	31	\$2,170		\$0	\$2,170
Brevig Mission	327	\$22,890		\$0	\$22,890
Bristol Bay Borough	1,073	\$75,110	1,073	\$32,190	\$107,300
Buckland	434	\$30,380		\$0	\$30,380
Cheformak	457	\$31,990		\$0	\$31,990
Chevak	916	\$64,120		\$0	\$64,120
Chignik	95	\$6,650		\$0	\$6,650
Chuathbaluk	95	\$6,650		\$0	\$6,650
Clark's Point	65	\$4,550		\$0	\$4,550
Coffman Cove	156	\$10,920		\$0	\$10,920
Cold Bay	89	\$6,230		\$0	\$6,230
Cordova	2,288	\$160,160	2,288	\$68,640	\$228,800
Craig	1,102	\$77,140	1,102	\$33,060	\$110,200
Deering	139	\$9,730		\$0	\$9,730
Delta Junction	1,047	\$73,290		\$0	\$73,290
Denali Borough	1,277	\$89,390	1,823	\$54,690	\$144,080
Dillingham	2,370	\$165,900	2,370	\$71,100	\$237,000
Diomede	132	\$9,240		\$0	\$9,240
Eagle	137	\$9,590		\$0	\$9,590
Eek	291	\$20,370		\$0	\$20,370
Egegik	81	\$5,670		\$0	\$5,670
Ekwok	118	\$8,260		\$0	\$8,260
Elim	302	\$21,140		\$0	\$21,140
Emmonak	740	\$51,800		\$0	\$51,800
Fairbanks	31,182	\$2,182,740		\$0	\$2,182,740
Fairbanks North Star Borough	54,873	\$3,841,110	87,650	\$2,629,500	\$6,470,610
False Pass	63	\$4,410		\$0	\$4,410
Fort Yukon	570	\$39,900		\$0	\$39,900
Galena	654	\$45,780	654	\$19,620	\$65,400
Gambell	660	\$46,200		\$0	\$46,200
Golovin	150	\$10,500		\$0	\$10,500
Goodnews Bay	238	\$16,660		\$0	\$16,660
Grayling	171	\$11,970		\$0	\$11,970

SB 3 Community Dividend Estimates

Municipalities	2005 Population	Community Dividend at \$70 Per Capita	2005 School Support Population	Municipal School Support Dividend at \$30 Per Capita	Total Community Dividend
Oustavus	459	\$32,130		\$0	\$32,130
Haines Borough	2,207	\$154,490	2,207	\$66,210	\$220,700
Holy Cross	205	\$14,350		\$0	\$14,350
Homer	5,435	\$380,450		\$0	\$380,450
Hoonah	861	\$60,270	861	\$25,930	\$86,100
Hooper Bay	1,133	\$79,310		\$0	\$79,310
Houston	1,447	\$101,290		\$0	\$101,290
Hughes	69	\$4,830		\$0	\$4,830
Huslia	265	\$18,550		\$0	\$18,550
Hydaburg	369	\$25,830	369	\$11,070	\$36,900
Juneau	31,193	\$2,183,510	31,193	\$935,790	\$3,119,300
Kachemak	457	\$31,990		\$0	\$31,990
Kake	598	\$41,860	598	\$17,940	\$59,800
Kaktovik	276	\$19,320		\$0	\$19,320
Kaltag	227	\$15,890		\$0	\$15,890
Kasaan	61	\$4,270		\$0	\$4,270
Kenai	6,777	\$474,390		\$0	\$474,390
Kenai Peninsula Borough	31,837	\$2,228,590	51,268	\$1,538,040	\$3,766,630
Ketchikan	7,685	\$537,950		\$0	\$537,950
Ketchikan Gateway Borough	5,035	\$352,450	13,125	\$393,750	\$746,200
Kiana	380	\$26,600		\$0	\$26,600
King Cove	723	\$50,610		\$0	\$50,610
Kivalina	385	\$26,950		\$0	\$26,950
Klawock	780	\$54,600	780	\$23,400	\$78,000
Kobuk	130	\$9,100		\$0	\$9,100
Kodiak	6,088	\$426,160		\$0	\$426,160
Kodiak Island Borough	6,801	\$476,070	13,638	\$409,140	\$885,210
Kotlik	609	\$42,630		\$0	\$42,630
Kotzebue	3,120	\$218,400		\$0	\$218,400
Koyuk	350	\$24,500		\$0	\$24,500
Koyukuk	97	\$6,790		\$0	\$6,790
Kupreanof	37	\$2,590		\$0	\$2,590
Kwethluk	721	\$50,470		\$0	\$50,470
Lake & Peninsula Borough	899	\$62,930	1,620	\$48,600	\$111,530
Larsen Bay	97	\$6,790		\$0	\$6,790
Lower Kalskag	252	\$17,640		\$0	\$17,640
Manokotak	437	\$30,590		\$0	\$30,590
Marshall	370	\$25,900		\$0	\$25,900
Matanuska-Susitna Borough	60,799	\$4,255,930	74,041	\$2,221,230	\$6,477,160
McGrath	347	\$24,290		\$0	\$24,290
Mekoryuk	192	\$13,440		\$0	\$13,440
Metlakatla	1,397	\$97,790		\$0	\$97,790
Mountain Village	786	\$55,020		\$0	\$55,020
Napakiak	373	\$26,110		\$0	\$26,110
Napaskiak	428	\$29,960		\$0	\$29,960
Nenana	549	\$38,430	549	\$16,470	\$54,900
New Stuyahok	461	\$32,270		\$0	\$32,270
Newhalen	180	\$12,600		\$0	\$12,600
Nightmute	234	\$16,380		\$0	\$16,380
Nikolai	109	\$7,630		\$0	\$7,630
Nome	3,508	\$245,560	3,508	\$105,240	\$350,800
Nondalton	203	\$14,210		\$0	\$14,210

2005 Community Dividend Estimates

Municipalities	2005 Population	Community Dividend at \$70 Per Capita	2005 School Support Population	Municipal School Support Dividend at \$30 Per Capita	Total Community Dividend
Noorvik	628	\$43,960		\$0	\$43,960
North Pole	1,595	\$111,650		\$0	\$111,650
North Slope Borough	251	\$17,570	6,894	\$206,820	\$224,390
Northwest Arctic Borough	735	\$51,450	7,323	\$219,690	\$271,140
Nuiqsut	411	\$28,770		\$0	\$28,770
Nulato	310	\$21,700		\$0	\$21,700
Nunam Iqna	204	\$14,280		\$0	\$14,280
Nunapitchuk	516	\$36,120		\$0	\$36,120
Old Harbor	200	\$14,000		\$0	\$14,000
Ouzinkie	191	\$13,370		\$0	\$13,370
Palmer	5,382	\$376,740		\$0	\$376,740
Pelican	115	\$8,050	115	\$3,450	\$11,500
Petersburg	3,155	\$220,850	3,155	\$94,650	\$315,500
Pilot Point	73	\$5,110		\$0	\$5,110
Pilot Station	565	\$39,550		\$0	\$39,550
Platinum	38	\$2,660		\$0	\$2,660
Point Hope	702	\$49,140		\$0	\$49,140
Port Alexander	75	\$5,250		\$0	\$5,250
Port Heiden	89	\$6,230		\$0	\$6,230
Port Lions	220	\$15,400		\$0	\$15,400
Quinhagak	642	\$44,940		\$0	\$44,940
Ruby	185	\$12,950		\$0	\$12,950
Russian Mission	329	\$23,030		\$0	\$23,030
Saint George	128	\$8,960		\$0	\$8,960
Saint Mary's	570	\$39,900	570	\$17,100	\$57,000
Saint Michael	427	\$29,890		\$0	\$29,890
Saint Paul	488	\$34,160		\$0	\$34,160
Sand Point	939	\$65,730		\$0	\$65,730
Savoonga	695	\$48,650		\$0	\$48,650
Saxman	405	\$28,350		\$0	\$28,350
Scammon Bay	509	\$35,630		\$0	\$35,630
Selewik	830	\$58,100		\$0	\$58,100
Seldovia	287	\$20,090		\$0	\$20,090
Seward	2,606	\$182,420		\$0	\$182,420
Shageluk	129	\$9,030		\$0	\$9,030
Shaktolik	224	\$15,680		\$0	\$15,680
Shishmaref	581	\$40,670		\$0	\$40,670
Shungnak	259	\$18,130		\$0	\$18,130
Sitka	8,947	\$626,290	8,947	\$268,410	\$894,700
Skagway	834	\$58,380	834	\$25,020	\$83,400
Soldotna	3,869	\$270,830		\$0	\$270,830
Stebbins	596	\$41,720		\$0	\$41,720
Tanana	281	\$19,670	281	\$8,430	\$28,100
Teller	263	\$18,410		\$0	\$18,410
Tenakee Springs	98	\$6,860		\$0	\$6,860
Thorne Bay	486	\$34,020		\$0	\$34,020
Togiak	779	\$54,530		\$0	\$54,530
Toksook Bay	596	\$41,720		\$0	\$41,720
Unalakleet	710	\$49,700		\$0	\$49,700
Unalaska	4,297	\$300,790	4,297	\$128,910	\$429,700
Upper Kalskag	276	\$19,320		\$0	\$19,320
Valdez	4,454	\$311,780	4,454	\$133,620	\$445,400

SR 3 Community Dividend Estimates

Municipalities	2005 Population	Community Dividend at \$70 Per Capita	2005 School Support Population	Municipal School Support Dividend at \$30 Per Capita	Total Community Dividend
Wainwright	520	\$36,400		\$0	\$36,400
Wales	151	\$10,570		\$0	\$10,570
Wasilla	6,413	\$448,910		\$0	\$448,910
White Mountain	224	\$15,680		\$0	\$15,680
Whittier	188	\$13,160		\$0	\$13,160
Wrangell	1,974	\$138,180	1,974	\$59,220	\$197,400
Yakutat	619	\$43,330	619	\$18,570	\$61,900
Municipal Totals	646,173	\$45,232,110	611,000	\$18,332,400	\$63,564,510



Alaska State Legislature

Senate Republican Minority

Web: www.aksenateminority.com

Sponsor: Senator Gary Wilken
Contact: Sheila Peterson, 465-3709
Bill Version: SB 3

Fact Sheet for: Senate Bill 3

Short Title: COMMUNITY DIVIDEND PROGRAM

Summary:

- Establishes the community dividend fund and allows the Legislature to appropriate to the community dividend fund from the general fund the amount necessary to fully fund community dividends.
- Allows the Legislature to consider making the appropriation from the following sources in the following order, if the legislature determines that amounts in the general fund are insufficient:
 - constitutional budget reserve fund
 - Alaska capital income fund
 - earnings reserve account of the permanent fund
- Provides \$70 per person for all municipalities and unincorporated communities.
- Provides an additional \$30 per person residing in a municipality that contributes locally to its school district.
- Allows the dividend to be reduced or increased on a pro-rata basis if funds are not sufficient or exceed the amount necessary for full funding.

Benefits:

- Creates a sustainable community dividend program that shares the state's wealth with local communities.
- Establishes a revenue-sharing program that distributes state funds equally among all its residents on a per person basis.
- Provides funds to local communities to help in the operation of local governments.
- Recognizes the extra costs borne by residents who provide financial support for their local schools.

Background:

- The Legislature created revenue sharing in 1969 to help ease fiscal problems facing local governments, reduce local property taxes, and encourage local governments to provide adequate levels of public services. In 2003, in the face of a possible revenue deficit, Governor Frank Murkowski vetoed state revenue-sharing funds for local governments. Historically, as state support for municipal governments decreases, local property and sales taxes increase. Nationwide most states offer some financial aid, through revenue-sharing programs, to their respective local communities.

SB 3 Community Dividend Estimates

Unincorporated Communities	2005 Population	Community Dividend at \$70 Per Capita	2005 School Support Population	Municipal School Support Dividend at \$30 Per Capita	Total Community Dividend
Akiachak	644	\$45,080			\$45,080
Alatna	41	\$2,870			\$2,870
Arctic Village	147	\$10,290			\$10,290
Atmautluak	304	\$21,280			\$21,280
Beaver	64	\$4,480			\$4,480
Birch Creek	33	\$2,310			\$2,310
Central	97	\$6,790			\$6,790
Chalkyitsik	79	\$5,530			\$5,530
Chenega Bay	82	\$5,740			\$5,740
Chistochina	104	\$7,280			\$7,280
Chitina	110	\$7,700			\$7,700
Circle	90	\$6,300			\$6,300
Copper Center	452	\$31,640			\$31,640
Crooked Creek	145	\$10,150			\$10,150
Deltana	1,939	\$135,730			\$135,730
Dot Lake	60	\$4,200			\$4,200
Dry Creek	107	\$7,490			\$7,490
Eagle Village	68	\$4,760			\$4,760
Edna Bay	41	\$2,870			\$2,870
Elfin Cove	29	\$2,030			\$2,030
Four Mile Road	31	\$2,170			\$2,170
Gakona	214	\$14,980			\$14,980
Glennallen	589	\$41,230			\$41,230
Goldstream	34	\$2,380			\$2,380
Gulkana	195	\$13,650			\$13,650
Healy Lake	29	\$2,030			\$2,030
Hollis	137	\$9,590			\$9,590
Hyder	91	\$6,370			\$6,370
Kasigluk	534	\$37,380			\$37,380
Kenny Lake	417	\$29,190			\$29,190
Kipnuk	688	\$48,160			\$48,160
Klukwan	109	\$7,630			\$7,630
Koliganek	167	\$11,690			\$11,690
Kongiganak	427	\$29,890			\$29,890
Kwigillingok	361	\$25,270			\$25,270
Lime Village	28	\$1,960			\$1,960
Manley Hot Springs	74	\$5,180			\$5,180
McCarthy	70	\$4,900			\$4,900
Mentasta	126	\$8,820			\$8,820
Minto	202	\$14,140			\$14,140
Naukati Bay	106	\$7,420			\$7,420
Nelchina/Mendeltna	139	\$9,730			\$9,730
Newtok	315	\$22,050			\$22,050
Nikolski	31	\$2,170			\$2,170
Northway	177	\$12,390			\$12,390
Oscarville	59	\$4,130			\$4,130
Paxson	37	\$2,590			\$2,590
Pitka's Point	103	\$7,210			\$7,210
Port Protection	54	\$3,780			\$3,780
R_d Devil	36	\$2,520			\$2,520
Silver Springs	107	\$7,490			\$7,490
Slana	103	\$7,210			\$7,210

SB 3 Community Dividend Estimates

Unincorporated Communities	2005 Population	Community Dividend at \$70 Per Capita	2005 School Support Population	Municipal School Support Dividend at \$30 Per Capita	Total Community Dividend
Sleetmute	92	\$6,440			\$6,440
Stevens Village	68	\$4,760			\$4,760
Stony River	42	\$2,940			\$2,940
Takotna	39	\$2,730			\$2,730
Tanacross	149	\$10,430			\$10,430
Tatitlek	102	\$7,140			\$7,140
Tazlina	185	\$12,950			\$12,950
Tetlin	150	\$10,500			\$10,500
Tok	1,459	\$102,130			\$102,130
Tuluksak	466	\$32,620			\$32,620
Tuntutuliak	399	\$27,930			\$27,930
Tununak	328	\$22,960			\$22,960
Twin Hills	71	\$4,970			\$4,970
Venetie	184	\$12,880			\$12,880
Whale Pass	76	\$5,320			\$5,320
Whitestone	176	\$12,320			\$12,320
Total Unincorporated	14,412	\$1,006,840			\$1,006,840
Grand Total					\$64,573,350