

**ALASKA LEGISLATURE**

**2198**

**HOUSE and SENATE FINANCE COMMITTEE FILES,**

**2001 - 2002**

## Appendix D: A Legal Analysis of the Venetie Decision

Heather Kendall-Miller of the Native American Rights Fund wrote the following memorandum for the Alaska Federation of Natives. She argued *State of Alaska, et al. v. Native Village of Venetie Tribal Government, et al.* for the Village of Venetie before the U.S. Supreme Court. This memorandum describes the decision of the Supreme Court and its implications for Native Alaska.

Unincorporated Communities With Populations Greater Than 25 Within Organized Boroughs

BOROUGH/COMMUNITY POPULATION

Aleutians East Borough	
Nelson Lagoon	83
Bristol Bay Borough	
King Salmon	696
Naknek	575
South Naknek	136
Denali Borough	
Cantwell	147
Ferry	56
Healy	487
Lignite	99
McKinley Park	171
Fairbanks North Star Borough	
College	11249
Eielson AFB	5251
Ester	147
Fox	275
Harding Lake	27
Moose Creek	610
Pleasant Valley	401
Salcha	354
Two Rivers	453
Haines Borough	
Covenant Life	47
Lutak	45
Mosquito Lake	80
Kenai Peninsula Borough	
Anchor Point	866
Clam Gulch	79
Cohoe	508
Cooper Landing	243
Crown Point	62

Unincorporated Communities With Populations Greater Than 25 Within Organized Boroughs

Fox River	382
Fritz Creek	1426
Halibut Cove	78
Happy Valley	309
Hope	161
Jakolof Bay	28
Kalifonsky	285
Kasilof	383
Moose Pass	81
Nanwalek	158
Nikiski	2743
Nikolaevsk	371
Ninilckik	456
Port Graham	165
Primrose	63
Ridgeway	2018
Salamatof	999
Sterling	3802
Tyonek	154

Kodiak Island Borough

Chinlak	69
Karluk	710
Kodiak Station	2025
Womens Bay	620

Lake and Peninsula Borough

Chignik Lagoon	53
Chignik Lake	133
Igiugig	33
Iliamna	94
Ivanof Bay	35
Kokhanok	152
Levelook	105
Pedro Bay	42
Perryville	108
Port Alsworth	55

Unincorporated Communities With Populations Greater Than 25 Within Organized Boroughs

Matanuska-Susitna Borough

Alexander Creek	40
Big Lake	1477
Butte	2039
Chase	38
Chickaloon	145
Knik	272
Lazy Mountain	838
Meadow Lakes	2374
Skwentna	85
Sutton	308
Talkeetna	250
Trapper Creek	296
Willow	285

Municipality of Anchorage

Eklutna	381
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North Slope Borough

Deadhorse	26
Point Lay	139
Prudhoe Bay	47

Northwest Arctic Borough

Noatak	333
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total # = 76

# MEMORANDUM

# STATE OF ALASKA Community & Economic Development

To: Tena Young  
Grants Administrator  
DCBD

Date: July 10, 2000

File

Thru:

Phone: 465-4733

From: Bill Rolfzen  
Program Administrator  
DCBD

Subject: FY 02 Unincorporated  
Community Capital Project  
Matching Grant List

Following is a list of unincorporated communities that we have determined were entitled to receive state aid under AS 29.60.140 for FY 01.

Unincorporated communities entitled to receive funding under the state revenue sharing program must be 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 and in which there is either an incorporated nonprofit entity or Native village council.

Should you have any questions, please call me at 465-4733.

Akiachak	Arctic Village	Atmautluak
Beaver	Chalkyitsik	Chenega Bay
Klukwan	Chistochina	Chitina
Circle	Central	Elfin Cove
Glennallen	Crooked Creek	Delta Junction
Birch Creek	Dot Lake Services	Dot Lake
Dry Creek	Eagle Village	Edna Bay
Evansville	Four Mile Road	Gakona
Gulkana	Gustavus	Healy Lake
Hollis	Hyder	Kasigluk
Kenny Lake	Kipnuk	Koliganek
Kongiganak	Kwigillingok	Lake Minchumina
Lime Village	Manley Hot Springs	McCarthy
Mentasta Lake	Metlakatla	Minto
Copper Center	Naukati	Nelchina/Mendeltna
Newtok	Nikolski	Northway
Oscarville	Paxson	Pitka's Point
Point Baker	Port Protection	Rampart
Red Devil	Silver Springs	Slana Community
Slana League	Sleetmute	Stevens Village
Stony River	Takotna	Tanacross
Tatitlek	Tetlin	Tazlina
Tok	Tolsona	Tuluksak
Tuntutuliak	Tununak	Twin Hills
Venetie	Whale Pass	Wiseman

# FISCAL NOTE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: SSHB 16  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
Title "An Act relating to cities incorporated under BRU Civil Division  
state law that are home rule communities. . ." Component Governmental Affairs  
Sponsor Representative Dyson  
Requester House Community & Regional Affairs Component No. 2207

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	2.5	2.5	2.5	2.5	2.5	2.5
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.4	0.4	0.4	0.4	0.4	0.4
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	2.9	2.9	2.9	2.9	2.9	2.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

SSHB 16 allows an existing second class city or unincorporated area to form a "home rule community" government structure. This new classification would permit the city or area to choose a narrower scope of governing powers than current law requires.

The Department of Law will provide legal assistance in developing the new model charters for home rule communities during FY02, and provide advice to the Local Boundary Commission as charter petitions are received in the following years. We anticipate approximately 30 hours of attorney time per year will be required for these more routine functions. Any litigation arising from the new charter process would require additional time. Because we have no way of predicting how much, if any, new litigation there might be, these costs are not included in this fiscal note.

Based on the department's FY02 hourly attorney rate, which includes clerical support, communications, space, supplies, data processing, and other normal overhead expenses, the cost of SSHB 16 would be \$2,927.10 (30 hours x \$97.57/hour)

Prepared by: Joan M. Kasson Phone: 465-5370  
Division: Attorney General's Office Date/Time: 2/5/01 10:37 AM  
Approved by: Kathryn Daughhete for Bruce M. Botelho, Attorney General Date: 2/5/01  
Agency: Department of Law

For distribution information, call the Governor's Legislative Office



## Appendix C: Home Rule as a Native Self-Governance Option

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Alaska's constitution establishes a policy of maximizing local self-government.<sup>133</sup> This also is the goal the Native peoples of Alaska have for themselves. As shown in this report, Native communities have pursued different paths toward this goal of self-government, many participating in the state system, others staying outside it. Home rule for rural Native communities is a largely unexplored self-governance option. Implementing home rule in most Native communities would require some changes in home rule requirements, but in general, anything the state can do to facilitate the development of self-governing institutions will benefit not only Alaska's Natives but the state's overall system of governance and would come closer to realizing the state's constitutionally expressed self-governance objective.

The second class city status of many Native villages in Alaska does not carry with it any significant measure of local autonomy and control. Under this status, city governance and operations are carried out in accordance with state general law, with no leeway for adaptation to traditional values or local circumstances. The main benefits of this status have come from higher state revenue sharing payments and greater access to other state assistance programs than are possible for unincorporated areas. However, the state constitution provides the means to create local governments that could be far more adaptable and appropriate for rural Alaska than the existing municipal system.

Alaska's home rule provision is the most extensive in the United States. It provides that "a home rule borough or city may exercise all legislative powers not prohibited by law or by charter."<sup>134</sup> Exercising "legislative powers" essentially means that a home rule jurisdiction can have any powers that the Alaska state leg-

<sup>133</sup> Constitution of the State of Alaska, Article X, Section 1.

<sup>134</sup> Constitution of the State of Alaska, Article X, Section 11

islature has, subject only to limitations of the state constitution, state statutes, and the municipality's own charter. The legislature has enumerated a number of specific limits on home rule organization and powers, but beyond these, the community itself can determine how to design its own government.<sup>135</sup>

Under current law, first class cities and communities with a permanent population of over 400 people can attain home rule by an affirmative vote of the people and their adoption of a charter.<sup>136</sup> However, there is no particular reason to retain these classification and size constraints on this particular form of self-government. The constitution allows home rule to be extended to other classes of cities.<sup>137</sup> It would take only an act of the legislature to allow other communities in Alaska to adopt home rule charters.

Making home rule available to rural communities would be a significant step toward more effective local government. This is especially the case where Natives constitute a clear majority of the population and can expect continued control of the local government, and where tribal institutions and village corporations work together. Instead of having to follow everything that is spelled out in general law, as is now required in second class cities, a home rule community would be able to design its own government to meet its own needs, circumstances, and objectives. Along with the ability to create a more appropriate municipal governance structure, home rule could provide tools for the effective exercise of law enforcement and other police powers, management of land and resources, protection of subsistence habitat and environmental quality, and for carrying out other public responsibilities.

To accomplish some of these objectives, home rule city boundaries would need to include sufficient land, water, and subsistence resources to protect the community and its ways of making a living, and the state would need to remove existing statutory obstacles to effective local control and adaptation to local ways of self-governing. Finally, the state would need to abide by the constitutional directive that "A liberal construction shall be given to the powers of local government units."<sup>138</sup>

<sup>135</sup> The North Slope Borough provides an excellent example of the freedom that exists for a home rule municipality or borough to mold its own governance structure, take advantage of resource opportunities, and serve its population in ways appropriate to local goals, needs, and circumstances. Although not all areas have similar resources available to them, descriptions of the Northwest Arctic and Yakutat boroughs in Section IV of this report (see above) demonstrate the flexibility of the home rule tool.

<sup>136</sup> There currently are 20 home rule municipalities in Alaska, ranging in size from Nenana (population 450) to Anchorage (population 255,000).

<sup>137</sup> Constitution of the State of Alaska, Article X, Section 10.

<sup>138</sup> Constitution of the State of Alaska, Article X, Section 1.

proved by the voters as prescribed by law. Each bill for appropriations for capital projects in excess of the limit shall be confined to capital projects of the same type, and the voters shall, as provided by law, be informed of the cost of operations and maintenance of the capital projects. No other appropriation in excess of this limit may be made except to meet a state of disaster declared by the governor as prescribed by law. The governor shall cause any unexpended and unappropriated balance to be invested so as to yield competitive market rates to the treasury.

#### **SECTION 17. BUDGET RESERVE FUND.**

(a) There is established as a separate fund in the State treasury the budget reserve fund. Except for money deposited into the permanent fund under Section 15 of this article, all money received by the State after July 1, 1990, as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation in a State or federal court involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property, shall be deposited in the budget reserve fund. Money in the budget reserve fund shall be invested so as to yield competitive market rates to the fund. Income of the fund shall be retained in the fund. Section 7 of this article does not apply to deposits made to the fund under this subsection. Money may be appropriated from the fund only as authorized under (b) or (c) of this section.

(b) If the amount available for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year, an appropriation may be made from the budget reserve fund. However, the amount appropriated from the fund under this subsection may not exceed the amount necessary, when added to other funds available for appropriation, to provide for total appropriations equal to the amount of appropriations made in the previous calendar year for the previous fiscal year.

(c) An appropriation from the budget reserve fund may be made for any public purpose upon affirmative vote of three-fourths of the members of each house of the legislature.

(d) If an appropriation is made from the budget reserve fund, until the amount appropriated is repaid, the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund. The legislature shall implement this subsection by law.

### **ARTICLE X. LOCAL GOVERNMENT.**

**SECTION 1. PURPOSE AND CONSTRUCTION.** The purpose of this article is to provide for maximum local self-government with a minimum of local government units, and to prevent duplication of tax levying jurisdictions. A liberal construction shall be given to the powers of local government units.

**SECTION 2. LOCAL GOVERNMENT POWERS.** All local government powers shall be vested in boroughs and cities. The State may delegate taxing powers to organized boroughs and cities only.

**SECTION 3. BOROUGHIS.** The entire State shall be divided into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law. The standards shall include population, geography, economy, transportation, and other factors. Each borough shall embrace an area and population with common interests to the maximum degree possible. The legislature shall classify boroughs and prescribe their powers and functions. Methods by which boroughs may be organized, incorporated, merged, consolidated, reclassified, or dissolved shall be prescribed by law.

**SECTION 4. ASSEMBLY.** The governing body of the organized borough shall be the assembly, and its composition shall be established by law or charter.

**SECTION 5. SERVICE AREAS.** Service areas to provide special services within an organized borough may be established, altered, or abolished by the assembly, subject to the provisions of law or charter. A new service area shall not be established if, consistent with the purposes of this article, the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services.

**SECTION 6. UNORGANIZED BOROUGHIS.** The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough.

**SECTION 7. CITIES.** Cities shall be incorporated in a manner prescribed by law, and shall be a part of the borough in which they are located. Cities shall have the powers and functions conferred by law or charter. They may be merged, consolidated, classified, reclassified, or dissolved in the manner provided by law.

**SECTION 8. COUNCIL.** The governing body of a city shall be the council.

**SECTION 9. CHARTERS.** The qualified voters of any borough of the first class or city of the first class may adopt, amend, or repeal a home rule charter in a manner provided by law. In the absence of such legislation, the governing body of a borough or city of the first class shall provide the procedure for the preparation and adoption or rejection of the charter. All charters, or parts or amendments of charters, shall be sub-

mitted to the qualified voters of the borough or city, and shall become effective if approved by a majority of those who vote on the specific question.

**SECTION 10. EXTENDED HOME RULE.** The legislature may extend home rule to other boroughs and cities.

**SECTION 11. HOME RULE POWERS.** A home rule borough or city may exercise all legislative powers not prohibited by law or by charter.

**SECTION 12. BOUNDARIES.** A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

**SECTION 13. AGREEMENTS; TRANSFER OF POWERS.** Agreements, including those for cooperative or joint administration of any functions or powers, may be made by any local government with any other local government, with the State, or with the United States, unless otherwise provided by law or charter. A city may transfer to the borough in which it is located any of its powers or functions unless prohibited by law or charter, and may in like manner revoke the transfer.

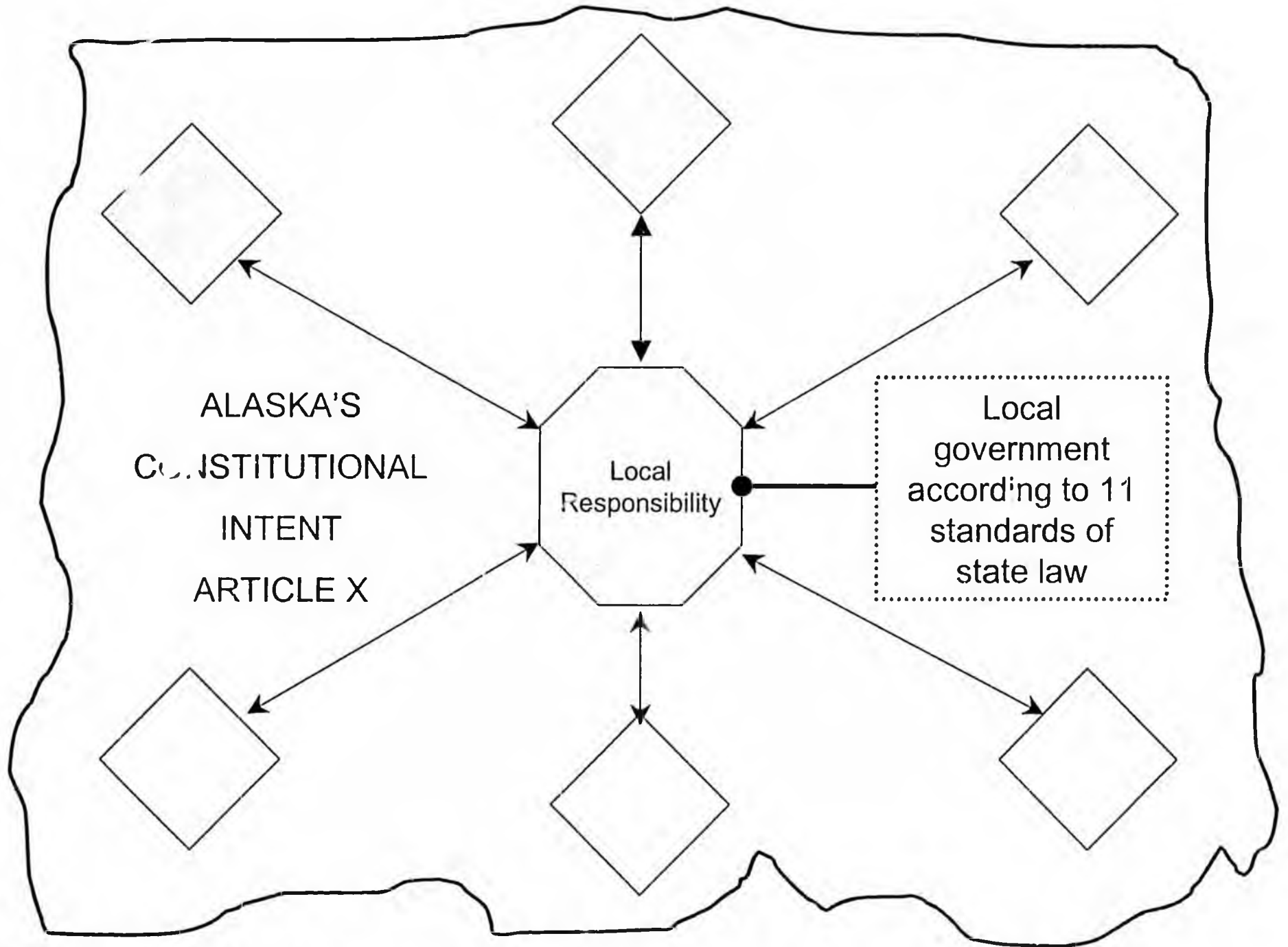
**SECTION 14. LOCAL GOVERNMENT AGENCY.** An agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities, collect and publish local

Provided by Gary Wilken

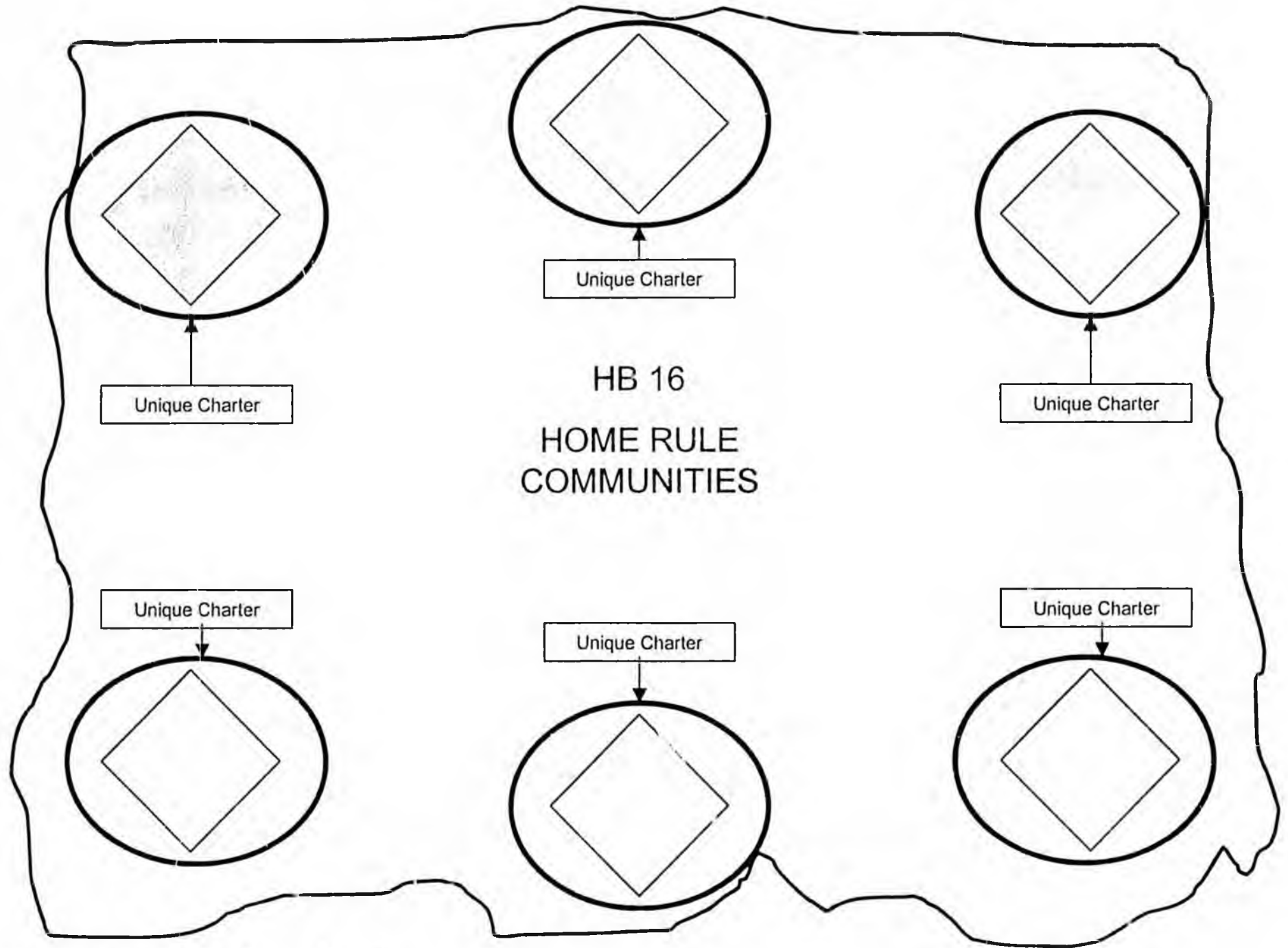
# Standards for Borough Incorporation

	Standard	Description	Authority			Citation
			Constitution	Statute	Regulation	
<input type="checkbox"/>	Adequate Facilities	Each area must have facilities that provide needed communication and integration of gov't.		X	X	AS 29.05.031(a)(4) 3 AAC 110.045(c)-(d)
<input type="checkbox"/>	Alaska must be divided into boroughs	Each area (organized or unorganized) should have a population and area with common interests.		X		AS 29.05.100
<input type="checkbox"/>	Best Interest	Borough incorporation must be in the best interest of the state.		X		AS 29.05.100
<input type="checkbox"/>	Conform to REAA Boundaries	Boundaries must conform to REAA boundaries, unless LBC allows otherwise.			X	3 AAC 110.060(c)
<input type="checkbox"/>	Financial/Human Resources	Each area must have the ability to support and provide government services.		X	X	AS 29.05.031(a)(3) 3 AAC 110.055
<input type="checkbox"/>	Incorporation Encouraged	Borough incorporation is encouraged under Alaska's Constitution.	X			Article X, Section 1
<input type="checkbox"/>	Interrelated & Integrated	Residents must be socially, culturally, and economically related		X	X	AS 20.05.031(a)(1) 3 AAC 110.045(a)-(b)
<input type="checkbox"/>	Large/Stable Populations	Formally presumed that each area will have at least 1,000 permanent residents.		X	X	AS 20.05.031(a)(3) 3 AAC 110.050
<input type="checkbox"/>	Larger Boroughs	Constitution favors larger boroughs in order to avoid proliferation of small boroughs.	X			Article X, Section 3
<input type="checkbox"/>	Model Borough Boundaries	Consideration must be given to boundaries adopted by the Local Boundary Commission.			X	3 AAC 110.060(b)
<input type="checkbox"/>	Similar Geography	Boundaries must conform to natural geography and include areas necessary for full services.		X	X	AS 29.05.031(a)(2) 3 AAC 110.060(a)

Prepared by Local Boundary Commission Staff  
Summarized by Senator Gary Wilken



Provided by Gary Wilken



Provided by Gary Wilken

## STRUCTURES of LOCAL GOVERNMENT in ALASKA

Type	No.	Requirement	Powers by	Jurisdiction-wide			Other Powers	Examples
				Educ	Plan <sup>1</sup>	Tax <sup>2</sup>		
Home Rule City (Organized Boro)	7	= or >400 residents	Charter	NO	MAY <sup>3</sup>	MAY	May exercise all legislative powers not prohibited by law or charter. (Art.X, Sec 11, AK. Constitution)	S&W; Fr; Pl; Rc; Ut; Lb; P&H; Rd; Pk
Home Rule City (Unorganized Boro)	5	= or >400 residents	Charter	MUST	MUST	MAY	May exercise all legislative powers not prohibited by law or charter. (Art.X, Sec 11, AK. Constitution)	S&W; Fr; Pl; Rc; Ut; Lb; P&H; Rd; Pk
First Class City (Organized Boro)	8	= or >400 residents	State Statutes	NO	MAY <sup>3</sup>	MAY	May exercise a power not otherwise prohibited by law (AS 29.35.250)	S&W; Fr; Pl; Rc; Lb; P&H; Rd; Hc
First Class City (Unorganized Boro)	13	= or >400 residents	State Statutes	MUST	MUST	MAY	May exercise a power not otherwise prohibited by law (AS 29.35.260)	S&W; Fr; Pl; Rc; Lb; P&H; Rd; Hc
Second Class City (Organized Boro)	34	= or >25 voters	State Statutes	NO	MAY <sup>3</sup>	MAY	May exercise a power not otherwise prohibited by law (AS 29.35.250)	S&W; Fr; PS; Rc; Lb; Hc;Ws; Pk
Second Class City (Unorganized Boro)	78	= or >25 voters	State Statutes	NO	MAY	MAY	May exercise a power not otherwise prohibited by law (AS 29.35.260)	S&W; Fr; PS; Rc; Lb; Hc;Ws; Pk
Home Rule Community (Organized Boro)	?	= or >25 voters	Charter	NO	MAY <sup>3</sup>	MAY	May exercise all legislative powers not prohibited by law or charter. (Home Rule Communities are not addressed in AK. Constitution)	
Home Rule Community (Unorganized Boro)	?	= or >25 voters	Charter	NO	MAY	MAY	May exercise all legislative powers not prohibited by law or charter. (Home Rule Communities are not addressed in AK. Constitution)	
Unified Municipalities (Unified Borough)	3	Area & population with same interests	Charter	MUST	MUST	MUST <sup>5</sup>	May exercise all legislative powers not prohibited by law or charter. (Art.X, Sec 11, AK. Constitution)	S&W; Fr; Pl; Rc; Ut; Lb; P&H; Rd; Pk; Pz; Ac
Home Rule Borough (Non-Unified)	5	Area & population with same interests	Charter	MUST	MUST	MUST <sup>5</sup>	May exercise all legislative powers not prohibited by law or charter. (Art.X, Sec 11, AK. Constitution)	S&W; Fr; Pl; Rc; Lb; P&H; Hc; Ws
First Class Borough (Non-Unified)	0	Area & population with same interests	State Statutes	MUST	MUST	MUST <sup>5</sup>	May exercise by ordinance (not voter approval) on a non-areawide basis any power not otherwise prohibited by law. (AS 29.35.200)	No First Class Boroughs Exist
Second Class Borough (Non-Unified)	7	Area & population with same interests	State Statutes	MUST	MUST	MUST <sup>5</sup>	May exercise by voter approval on a non-areawide basis any power not otherwise prohibited by law. (AS 29.35.200)	S&W; Fr; Pl; Rc; Lb; Rd; Pk; Pz; Ac; Hp
Third Class Borough (Non-Unified)	1	Area & population with same interests	State Statutes	MUST	NO	MUST <sup>5</sup>	May exercise any power not prohibited by law, but only on a service area basis. Home Rule/1st Class city within Boro has land use powers. <sup>4</sup>	Fr; Rc; Lb; Rd; Pz; Hc; P&H

<sup>1</sup> Plan means planning, platting and land use regulation.

<sup>2</sup> Tax means tax assessment and collection.

<sup>3</sup> Borough must assess/collect taxes IF levied thru local choice.

<sup>4</sup> This power requires delegation from the borough.

<sup>5</sup> State law prohibits formation of new third class boroughs - AS 29.05.031.

### Example of Other Powers -- Code Explanation

Ac - Animal Control	Lb - Library	P&H - Ports & Harbors	Ut - Utilities
Fr - Fire/Paid or Volunteer	Pk - Parks/Recreation	Rc - Refuse Collection/Landfill	Ws - Washeterias
Hc - Health Clinic	Pz - Planning/Zoning	Rd - Road Maintenance	
Hp - Hospital	Pl - Police/VPSO	S&W - Sewer/Water	

## STRUCTURES of LOCAL GOVERNMENT in ALASKA

Home Rule Cities							
Cordova	* Kenai	* Kodiak	* North Pole	Petersburg	Valdez		
* Fairbanks	* Ketchikan	Nenana	* Palmer	* Seward	Wrangell		
First Class Cities							
* Barrow	Galena	Hoonah	* King Cove	Pelican	* Seldovia	Tanana	
Craig	* Haines	Hydaburg	Klawock	St. Mary's	Skagway	Unalaska	
Dillingham	* Homer	Kake	Nome	* Sand Point	* Soldotna	* Wasilla	
Second Class Cities							
* Akhik	Bethel	Eagle	* Houston	Kupreanof	Nikolai	* Port Helden	Shishmaref
Akiak	Bettles	Eek	Hughes	Kwethluk	* Nondalton	* Port Lions	* Shungnak
* Akutan	Brevig Mission	* Egegik	Huslia	* Larsen Bay	* Noorvik	Quinhagak	Stebbins
Alakanuk	* Buckland	Ekwok	* Kachemak	Lower Klaskag	* Nuiqsut	Ruby	Teller
Aleknagik	Chefornak	Elim	* Kaktovik	Manokotak	Nulato	Russian Mission	Tenakee Sprg.
Allakaket	Chevak	Emmonak	Kaltag	Marshall	Nunam Iqua	St. George	Thorne Bay
* Ambler	* Chignik	* False Pass	Kasaan	McGrath	Nunapitchuk	St. Michael	Togiak
* Anaktuvuk Pass	Chuathbauk	Fort Yukon	* Kiana	Mekoryuk	* Old Harbor	St. Paul	Toksook Bay
* Anderson	Clark's Point	Gambell	* Kivalina	Mt. Village	* Quzinkie	Savoonga	Unalakleet
Angoon	Coffman Cove	Golovin	* Kobuk	Napakiak	* Pilot Point	* Saxman	Upper Kalskag
Aniak	* Cold Bay	Goodnews Bay	Kotlik	Napaskiak	Pilot Station	Scammon Bay	* Wainwright
Anvik	* Deering	Grayling	* Kotzebue	NewStuyahok	Platinum	* Selawik	Wales
Atka	Delta Jct.	Holy Cross	Koyuk	* Newhalen	* Point Hope	Shageluk	White Mt.
* Atkasuk	Diomedes	Hooper Bay	Koyukuk	Nightmute	Pt. Alexander	Shaktolik	Whittier

\*City is within an organized borough.

Unified Municipality
Municipality of Anchorage City & Borough of Juneau City & Borough of Sitka
Home Rule Borough
Denali Lake and Peninsula North Slope Northwest Arctic Yakutat
Second Class Borough
Aleutians East Bristol Bay Fairbanks North Star Kenai Peninsula Ketchikan Gateway Kodiak Island Matanuska-Susitna
Third Class Borough
Haines
(1st Class Boro = none)

Organized City Government				Organized Borough Government		Definitions	
Type	In Org. Boro	In Unorg. Boro	Total				
Home Rule	7	5	12	Unified Municipalities	3	<b>Areawide</b> - throughout the entire borough <b>Non areawide</b> - throughout the entire borough exclusive of the area lying within the corporate limits of city governments <b>Service Area</b> - an area in which the borough provides higher or different levels of service than it provides on an areawide or non-areawide basis.	
First Class	8	13	21	Home Rule Boroughs	5		
Second Class	34	78	112	First Class Boroughs	0		
				Second Class Boroughs	7		
<b>Total</b>	<b>49</b>	<b>96</b>	<b>145</b>	Third Class Boroughs	1		
				<b>Total</b>	<b>16</b>		

- \* Eight boroughs were formed under the 1963 Mandatory Borough Act. (Mat-Su, Kodiak Is., Ketchikan Gateway, Kenai Peninsula, Fairbanks North Star, Anchorage, Sitka, Juneau)
- \* In 2000, 87% of the total population resided in organized boroughs.
- \* Currently 83% of Alaskans live in mandated boroughs; 4% live in boros formed voluntarily.
- \* Denali, Lake and Peninsula, Northwest Arctic and Aleutians East Boroughs have no property tax.
- \* Three percent of Alaskans live outside any municipal government.
- \* Alaska is the only state in the union that has unorganized regions within its boundaries.

Tony Knowles, Governor



State of Alaska  
Local Boundary Commission

550 West Seventh Avenue, Suite 1770 • Anchorage, AK 99501  
Telephone: 907-269-4560 • Fax: 907-269-4539

March 22, 2002

The Honorable Pete Kelly  
Co-Chair  
Senate Finance Committee  
State Capitol, Room 518  
Juneau, Alaska 99801-1182

The Honorable Dave Donley  
Co-Chair  
Senate Finance Committee  
State Capitol, Room 506  
Juneau, Alaska 99801-1182

RE: House Bill Number 16

Dear Senators Kelly and Donley:

I am aware that the Senate Finance Committee has scheduled a hearing regarding *SENATE CS FOR CS FOR SS FOR HOUSE BILL NO. 16(JUD)* on March 25. The Local Boundary Commission reviewed that bill and other legislative proposals of interest at a meeting on March 9.

House Bill 16 would authorize a new form of local government in Alaska – a "home rule community", governed by its own charter. The sponsor's goal is "greater self-determination and a more locally relevant government structure."<sup>1</sup> The legislation is certainly well intended and the Local Boundary Commission commends the sponsor for seeking ways to improve the structure of local government in Alaska.

Nonetheless, the Commission has concerns about House Bill 16. Specifically, the Commission believes that a "home rule community" as proposed would, in practice, merely duplicate a general law second class city, but with the added burden of developing a home rule charter. A home rule community would have restrictions identical to those of a second class city government for such fundamental powers and duties as education, planning, platting, land use regulation, property taxation, financial reporting, and eminent domain.

<sup>1</sup> See Sponsor Statement for HB 16, updated February 9, 2001.

Senator Pete Kelly  
Senator Dave Donley  
March 22, 2002  
Page 2

Advocates for the legislation indicate that the proposed new form of local government would allow communities to choose to "provide police or fire protection while leaving transportation issues in the state purview." They note further that, "Under the provision of their charter, a local government may assume any of a wide range of powers, from alcohol and animal control to airport and public works management."

In fact, second class cities already enjoy these options. For example, a second class city is not obligated to exercise any particular function. It may exercise any power not otherwise prohibited by law (see AS 29.35.250(a) and 29.35.260(a)). Thus, under existing law, a second class city could provide police or fire protection without having to assume responsibility for transportation facilities and services, and choose or choose not to exercise other powers.

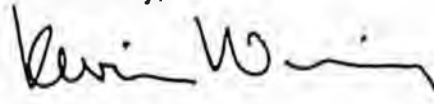
The fundamental distinction between a second class city and the proposed "home rule community" is that the latter would have a charter. Under current law, organized boroughs and first class cities may adopt charters. Additionally, an unincorporated community may now incorporate a home rule city if it has at least 400 permanent residents. Those limitations recognize that a community must have a substantial population in order to draft a proper charter.

The Commission's experience over the years has been that drafting a charter is a daunting task. A charter is, in effect, a constitution for the home rule local government. Accordingly, preparation of a charter requires substantial community expertise and commitment. In recent years, even communities and regions with substantial populations (e.g., Delta-Greely and Talkeetna) have had difficulty drafting a legally proper charter. Notwithstanding that record, House Bill 16 would permit any second class city, regardless of population, to adopt a charter.

In sum, the Commission is concerned that the "opportunity" to develop a charter would needlessly burden small communities for no purpose, since a "home rule community" would neither gain additional powers nor avoid any requirements applicable to second class cities.

For these reasons, the Local Boundary Commission at its March 9<sup>th</sup> meeting voted unanimously to not support House Bill No. 15.

Cordially,



Kevin Waring  
Chairman

cc: The Honorable Fred Dyson, State Representative, District 25

# SENATE COMMITTEE REPORT

DATE: 4/19/01

FURTHER: Finance

DATE TURNED IN TO OFFICE: 4-30-01

Judiciary Committee considered CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 16(CRA)  
HOME RULE COMMUNITIES

"An Act relating to cities incorporated under state law that are home rule communities; and providing for an effective date."

and recommends:

- be replaced with S CS C.S.S.H.B. 16 (JUD)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

- Senate Bill:**  
 same title  
 new title
- House Bill:**  
 same title  
 technical title  
 new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
<u>DeLaw</u>	<u>2/5/01</u>	<input checked="" type="checkbox"/>		<u>1</u>

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
CHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>			

# SENATE COMMITTEE REPORT

DATE: 2/20/01

FURTHER: Finance

DATE TURNED  
IN TO OFFICE: 2-18-01

C&RA Committee considered CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 16(CRA)

"An Act relating to cities incorporated under state law that are home rule communities; and providing for an effective date."

and recommends:

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

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
CRA	2/05	✓		1

APPROPRIATION - no fiscal note

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

3/25/02

HB 16-HOME RULE COMMUNITIES  
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: Kevin Ritchie Subject/Bill No: HB16  
Co./Dept./Title: ALASKA Municipal League Phone: 586 1325  
Address: 217 2nd St Seward AK Zip: 99801

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

*[Handwritten mark]*



**HB**

**20**

HFIN

FILE

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 26, 2001

FURTHER REFERRALS:

Date of Committee Action: 3/22/02

The FINANCE Committee considered:

HB 20

HOUSE BILL NO. 20

AID TO MUNICIPALITIES AND OTHERS

"An Act relating to state aid to municipalities and certain other recipients, and for the village public safety officer program; relating to municipal dividends; relating to the public safety foundation program; and providing for an effective date."

Recommends it be replaced with CS HB 20 (FIN) | Same Title  New Title  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_

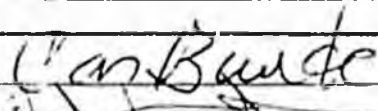
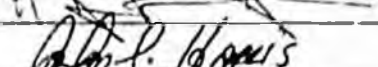
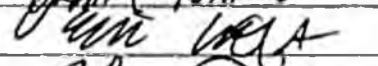
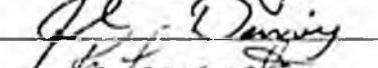
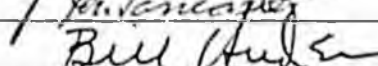

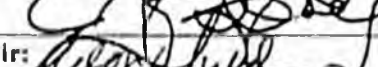




- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of  
Abbrev.  
For  
Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LAA
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
FN#	List by Dept(s):	Fiscal	Indet.	Zero
	CED	✓		
	CED	✓		
	CED	✓		
	COR	✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN #	Fiscal	Indet.	Zero
<del>CED</del>	<del>1</del>			
<del>REV</del>	<del>2</del>			

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Bunde	✓			
	Whitaker	✓			
	HARRIS	✓			
	CROFT				✓
	DAVIES				✓
	Lancaster	✓			
	Husson	✓			
	MOSES	✓			
	FOSTER	x			
Chair: 	MULDON	✓			
Chair: 	Williams	✓			

# FISCAL NOTE

**STATE OF ALASKA  
2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CS HB 20 (FIN)  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 03/25/2002 2:15 PM Dept. Affected: DCED  
 Title Aid to Municipalities and others BRU Community Assist & Econ. Dev. (405)  
 Component Municipal Dividend Program  
 Sponsor Representative Moses  
 Requester House Finance Component No. N/A

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	39,930.8	39,780.8	40,455.8	40,455.8	40,455.8	40,455.8
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>39,930.8</b>	<b>39,780.8</b>	<b>40,455.8</b>	<b>40,455.8</b>	<b>40,455.8</b>	<b>40,455.8</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGE IN REVENUES (1041)</b>	<b>59,333.3</b>	<b>60,000.0</b>	<b>60,666.0</b>	<b>61,333.3</b>	<b>62,000.0</b>	<b>62,666.6</b>
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
AIDEA Dividend	(15,000.0)	(15,000.0)	(15,000.0)	(15,000.0)	(15,000.0)	(15,000.0)
Other (Municipal Dividend Fund)	54,930.8	54,780.8	55,455.8	55,455.8	55,455.8	55,455.8
<b>TOTAL</b>	<b>39,930.8</b>	<b>39,780.8</b>	<b>40,455.8</b>	<b>40,455.8</b>	<b>40,455.8</b>	<b>40,455.8</b>

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

The bill establishes a new Municipal Dividend Fund within the Department funded from a portion of the excess earnings of the Permanent Fund. The Alaska Permanent Fund Corporation has estimated that the transfer to the Municipal Dividend Fund would be \$59.3 million in FY 03 and increase by \$666,667.0 annually thereafter. Each fiscal year the legislature may appropriate money in the Municipal Dividend Fund for the State Revenue Sharing and Safe Communities programs. The Legislature may also appropriate monies from the Municipal Dividend Fund to the Capital Matching Grant program through the capital budget (this amount was \$15.0 million in FY 02 funded by the AIDEA dividend) and for payment to municipalities for costs of confinement and care of state prisoners. This fiscal note reflects the replacement of \$15.0 million of AIDEA dividend funds with Municipal Dividend Program funds.

See page two for additional analysis.

Prepared by: Pat Poland, Director Phone 907-269-4580  
 Division Community and Business Development Date/Time 3/25/02 2:15 PM  
 Approved by: Deborah B. Sedwick, Commissioner Date 3/25/2002  
 Agency Department of Community & Economic Development

FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

BILL NO. CS HB 20 (FIN)

ANALYSIS CONTINUATION

This fiscal note was calculated assuming the FY 03 - 08 funding level for the State Revenue Sharing and Safe Communities Programs will be \$39,630,753, an increase of \$10 million over the FY 02 appropriation level. Additionally, the fiscal note was based upon an estimation that an additional 30 unincorporated communities located within organized boroughs would become eligible for funding under the Capital Matching Grants Program beginning in FY 05 and each would be fully funded at the \$25,000 statutory level. Finally, the fiscal note reflects one new city incorporation in FY 03 and one second class city reclassification to first class or home rule in FY 03.

DCED FY03 Distribution of Municipal Dividend Program Funds

Safe Communities	\$21,775.6
Revenue Sharing	17,855.2
New Eligible Communities	300.0
Capital Matching Grants	15,000.0
Total	\$54,930.8

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSHB 20  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 2/25/2002 Dept. Affected: DCED  
Title Aid to Municipalities and others BRU Safe Communities (449)  
Component Safe Communities  
Sponsor Representative Moses  
Requester House Finance Component No. 2579

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(16,775.5)	(16,775.5)	(16,775.5)	(16,775.5)	(16,775.5)	(16,775.5)
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>(16,775.5)</b>	<b>(16,775.5)</b>	<b>(16,775.5)</b>	<b>(16,775.5)</b>	<b>(16,775.5)</b>	<b>(16,775.5)</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(16,775.5)	(16,775.5)	(16,775.5)	(16,775.5)	(16,775.5)	(16,775.5)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>(16,775.5)</b>	<b>(16,775.5)</b>	<b>(16,775.5)</b>	<b>(16,775.5)</b>	<b>(16,775.5)</b>	<b>(16,775.5)</b>

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:  X

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This fiscal note shows the reduction to the General Fund of the Safe Communities component as result of the establishment of the new Public Safety Foundation Program.

Additional fiscal notes showing the reduction to General Fund of the State Revenue Sharing component and the establishment of the Municipal Dividend Fund are attached.

Prepared by: Pat Poland, Director Phone (907) 269-4580  
Division Community and Business Development Date/Time 2/26/02 9:22 AM  
Approved by: Doborah B. Sedwick, Commissioner Date 2/26/2002  
Agency Department of Community & Economic Development

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSHB 20  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 2/20/2002 Dept. Affected: DCED  
Title Aid to Municipalities and others B/RU State Revenue Sharing (217)  
Component State Revenue Sharing  
Sponsor Representative Moses  
Requester House Finance Component No. 689

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(12,855.2)	(12,855.2)	(12,855.2)	(12,855.2)	(12,855.2)	(12,855.2)
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>(12,855.2)</b>	<b>(12,855.2)</b>	<b>(12,855.2)</b>	<b>(12,855.2)</b>	<b>(12,855.2)</b>	<b>(12,855.2)</b>

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

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

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(12,855.2)	(12,855.2)	(12,855.2)	(12,855.2)	(12,855.2)	(12,855.2)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>(12,855.2)</b>	<b>(12,855.2)</b>	<b>(12,355.2)</b>	<b>(12,855.2)</b>	<b>(12,855.2)</b>	<b>(12,855.2)</b>

Estimate of any current year (FY2002) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This fiscal note shows the reduction to the General Fund of the State Revenue Sharing component as result of the establishment of the new Public Safety Foundation Program.

Additional fiscal notes showing the reduction to the General Fund of the Safe Communities Component, and the establishment of the Municipal Dividend Fund are attached.

Prepared by: Pat Poland, Director Phone (907) 269-4580  
Division Community and Business Development Date/Time 2/26/02 9:22 AM  
Approved by: Deborah B. Sedwick, Commissioner Date 2/26/2002  
Agency Department of Community & Economic Development

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CS HB20 (FIN)  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Corrections  
Title An Act relating to municipal BRU Administration and Operations  
dividends; and providing for an effective date Component Community Jails  
Sponsor Representative Moses, Davies,.....  
Requester Finance Component No. #2035

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

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

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	(4,844.9)	(4,844.9)	(4,844.9)	(4,844.9)	(4,844.9)	(4,844.9)
1156 Receipt Services						
1037 GF/Mental Health						
1041 PFD Earning Reserve Fund	4,844.9	4,844.9	4,844.9	4,844.9	4,844.9	4,844.9
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation establishes a municipal dividend fund from permanent fund dividend earnings that will fund among other things, the payments to municipalities for costs of confinement and care of state prisoners.

Section 1: The Department of Corrections currently contracts with fifteen (15) local community jails for the custody, care, and discipline of prisoners awaiting arraignment and commitment to a state correctional facility. They may also house inmates serving short sentences of 30 days or less.

(Continued on Page 2)

Prepared by: Joseph Reeves  
Division: Administrative Services  
Approved by: Margaret M. Pugh, Commissioner  
Agency: Department of Corrections

Phone 465-3315  
Date/Time 3/25/02 1:34 PM  
Date 3/25/02

FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

BILL NO. CS HB20

ANALYSIS CONTINUATION

The fifteen (15) local Community Jail contracts are as follows:

<u>Contractor</u>	<u># Beds</u>	<u>Capacity</u>	<u>Days Held</u>	<u>CONTRACTS</u>
Misc. Program Expenses				\$ 3,500.47
Bristol Bay Borough	4	1,460	15	\$103,376.56
Cordova	6	2,190	7	\$109,964.83
Craig	7	2,555	15	\$186,098.11
Dillingham	8	2,920	20	\$350,083.53
Haines	6	2,190	14	\$ 92,324.47
Homer	7	2,555	10	\$338,962.99
Kodiak	16	5,840	10	\$493,072.93
Kotzebue	14	5,110	30	\$580,963.90
North Slope Borough	9	3,285	30	\$830,229.41
Petersburg	12	4,380	15	\$164,638.11
Seward	14	5,110	30	\$366,012.70
Sitka	15	5,475	10	\$341,572.89
Unalaska	10	3,650	30	\$391,966.53
Valdez	13	4,745	10	\$260,883.07
Wrangell	<u>12</u>	<u>4,380</u>	30	<u>\$231,249.50</u>
<b>Total</b>	<b>153</b>	<b>55,845</b>		<b>\$4,844,900.00</b>

The FY02 Operating Request for the local Community Jails included a incremental request for \$400.0 GF to restore a 1.5% legislative cut (\$73.8) placed on the component in FY02 and to help stabilize the infrastructure costs of each of the local jails (\$326.2). Since the local Community Jails were transferred to the DOC on July 1, 1995, only \$200.0 has been added to the component, or a 4.2% increase which was added in FY02. The Anchorage Consumer Price Index for this same period was 14.2% or 10% less than the increase that was provided in FY02. Incremental program funds are crucial for local jail sites to meet existing infrastructure costs necessary to continue regional jail support capability for the State.

Additionally, on-going prison/jail expansion plans include Kotzebue, Kodiak, Dillingham, and the North Slope Borough Regional Jails. Upon completion of these local jail expansions efforts, the state will require an additional \$3,300.0 of operating funds to cover the increased contract costs of housing more state prisoners.

Adopted

31-22/02

22-LS0008J.7

Cook

3/21/02

AMENDMENT

8

OFFERED IN THE HOUSE

BY REPRESENTATIVES LANCASTER

TO: CSHB 20( ), Draft Version "J"

AND MOSES

1 Page 1, line 1, following "relating":

2 Insert "to state aid to unincorporated communities and"

3

4 Page 1, following line 2:

5 Insert new bill sections to read:

6 **\*\* Section. 1.** AS 29.60.140 is amended to read:

7 **Sec. 29.60.140. State aid to unincorporated communities.** (a) Subject to  
8 (c) of this section, the [THE] department shall pay to each unincorporated community  
9 an entitlement each fiscal year to be used for public purpose. The department with  
10 advice from the Department of Law shall determine whether there is in each  
11 unincorporated community an incorporated nonprofit entity or a Native village council  
12 that will agree to receive and spend the entitlement. If the community is located in a  
13 borough or a unified municipality, the department may pay the entitlement only  
14 to the entity that has been approved by the assembly, and the department must  
15 have written evidence of that approval. If there is more than one qualified entity in  
16 an unincorporated community in the unorganized borough, the department shall pay  
17 the money under the entitlement to the entity that the department finds most qualified  
18 to receive and spend the money. The department may not pay money under an  
19 entitlement to a Native village council unless the council waives immunity from suit  
20 for claims arising out of activities of the council related to the entitlement. A waiver  
21 of immunity from suit under this subsection must be on a form provided by the  
22 Department of Law. If there is no qualified incorporate ' nonprofit entity or Native  
23 village council in an unincorporated community that is willing to receive money under

1 an entitlement, the entitlement for that unincorporated community may not be paid.  
 2 Neither this subsection nor any action taken under it enlarges or diminishes the  
 3 governmental authority or jurisdiction of a Native village council. If at least  
 4 \$41,472,000 is appropriated for all entitlements under AS 29.60.010 - 29.60.310 for a  
 5 fiscal year, the entitlement for each unincorporated community under this subsection  
 6 for that year equals \$40,000. Otherwise, the entitlement equals \$25,000.

7 (b) In this section "unincorporated community" means a place [IN THE  
 8 UNORGANIZED BOROUGH] that is not incorporated as a city and in which 25 or  
 9 more persons reside as a social unit.

10 \* Sec. 2. AS 29.60.140 is amended by adding a new subsection to read:

11 (c) The department may pay an entitlement under (a) of this section for an  
 12 unincorporated community in a borough only to a qualified entity that provides at least  
 13 three of the following services within the community:

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

21  
 22 Page 1, line 3:

23 Delete "Section 1."

24 Insert "Sec. 3."

25  
 26 Renumber the following bill sections accordingly.

#6

Conceptual Amendment for HB 20

By Lancaster & Moses

1. Amend AS 29.60.140 (b) is amended by adding the following:

(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[.]; or

a place within an organized borough that is not incorporated as a city, in which 25 or more persons reside as a social unit, and the qualified entity approved under (a) of this section provides at least three of the following services:

- (i) fire protection services;
- (ii) emergency medical services;
- (iii) water and sewer services;
- (iv) solid waste management services;
- (v) public road or ice road maintenance;
- (vi) public health services; or
- (vii) search and rescue services.

2. Make a conforming title amendment.

#2

22-LS0008 C.2  
Cook  
2002

AMENDMENT

OFFERED IN THE HOUSE  
TO: CSHB 20(CRA)

BY REPRESENTATIVE BUNDE

1 Page 1, line 1, following "Act":

2 Insert "relating to organization grants to cities;"

3

4 Page 3, following line 4:

5 Insert new bill sections to read:

6 \*\* Sec. 3. AS 29.05.180(a) is amended to read:

7 (a) To defray the cost of transition to city government and to provide for  
8 interim government operations, each city incorporated after June 30, 2002,  
9 [DECEMBER 31, 1985] is entitled to [AN] organization grants [GRANT OF \$50,000  
10 FOR THE FIRST FULL OR PARTIAL FISCAL YEAR] after incorporation as  
11 follows:

12 (1) \$100,000 for the city's first full or partial fiscal year;

13 (2) \$50,000 for the city's second fiscal year; and

14 (3) \$25,000 for the city's third fiscal year.

15 \* Sec. 4. AS 29.05.180(b) is amended to read:

16 (b) To defray the cost of reclassification, each second class city in the  
17 unorganized borough incorporated before January 1, 1986, that reclassifies as a first  
18 class city or adopts a home rule charter after June 30, 2002, [DECEMBER 31, 1985]  
19 is entitled to [AN] organization grants [GRANT EQUAL TO \$50,000 FOR THE  
20 FIRST FULL OR PARTIAL FISCAL YEAR] after reclassification as follows:

21 (1) \$200,000 for the city's first full or partial fiscal year;

22 (2) \$100,000 for the city's second fiscal year;

23 (3) \$50,000 for the city's third fiscal year."

24

1 Renumber the following bill sections accordingly.

2

3 Page 5, line 20, following "for":

4       Insert "the organization grant program (AS 29.05.200) and for"

5

6 Page 15, line 15, before "AS 29.10.200(55)":

7       Insert "AS 29.05.180(d);"

8

9 Page 15, line 22:

10       Delete "sec. 8"

11       Insert "sec. 10"

Adopted

#2

22-LS0008(C)2  
Cook  
2/22/02

AMENDMENT

OFFERED IN THE HOUSE  
TO: CSHB 20(CRA)

BY REPRESENTATIVE BUNDE

1 Page 1, line 1, following "Act":

2 Insert "relating to organization grants to cities;"

3

4 Page 3, following line 4:

5 Insert new bill sections to read:

6 \*\* Sec. 3. AS 29.05.180(a) is amended to read:

7 (a) To defray the cost of transition to city government and to provide for  
8 interim government operations, each city incorporated after June 30, 2002,  
9 [DECEMBER 31, 1985] is entitled to [AN] organization grants [GRANT OF \$50,000  
10 FOR THE FIRST FULL OR PARTIAL FISCAL YEAR] after incorporation as  
11 follows:

12 (1) \$100,000 for the city's first full or partial fiscal year;

13 (2) \$50,000 for the city's second fiscal year; and

14 (3) \$25,000 for the city's third fiscal year.

15 \* Sec. 4. AS 29.05.180(b) is amended to read:

16 (b) To defray the cost of reclassification, each second class city in the  
17 unorganized borough incorporated before January 1, 1986, that reclassifies as a first  
18 class city or adopts a home rule charter after June 30, 2002, [DECEMBER 31, 1985]  
19 is entitled to [AN] organization grants [GRANT EQUAL TO \$50,000 FOR THE  
20 FIRST FULL OR PARTIAL FISCAL YEAR] after reclassification as follows:

21 (1) \$200,000 for the city's first full or partial fiscal year;

22 (2) \$100,000 for the city's second fiscal year;

23 (3) \$50,000 for the city's third fiscal year."

24

1 Renumber the following bill sections accordingly.

2

3 Page 5, line 20, following "for":

4       Insert "the organization grant program (AS 29.05.200) and for"

5

6 Page 15, line 15, before "AS 29.10.200(55)":

7       Insert "AS 29.05.180(d);"

8

9 Page 15, line 22:

10       Delete "sec. 8"

11       Insert "sec. 10"

#4

22-LS0008.C 4  
Cook  
2/25/02

AMENDMENT

OFFERED IN THE HOUSE  
TO: CSHB 20(CRA)

BY REPRESENTATIVE DAVIES

- 1 Page 15, line 30:
- 2 Delete "June 30, 2001"
- 3 Insert "on the effective date of a version of HB 225 enacted during 2002 and relating
- 4 to taxes."

Adopted 1/25/02

22-LS0008J  
Cook  
2/22/02

CS FOR HOUSE BILL NO. 20( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES MOSES, Davies, Foster, Wilson, Hudson, Mulder, Bunde, Stevens, Joulé, Lancaster, James, Kapsner

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to municipal dividends; and providing for an effective date."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 \* Section 1. AS 29.60 is amended by adding a new section to article 3 to read:

4 Sec. 29.60.330. Municipal dividend fund. There is established in the  
5 department the municipal dividend fund consisting of municipal dividends transferred  
6 to the fund under AS 37.13.145(e). Each fiscal year, the legislature may appropriate  
7 money in the municipal dividend fund for the municipal tax resource equalization  
8 program (AS 29.60.010 - 29.60.080), priority revenue sharing for municipal services  
9 program (AS 29.60.100 - 29.60.180), and revenue sharing for safe communities  
10 program (AS 29.60.350 - 29.60.375). Any balance in the fund may be appropriated  
11 for

- 12 (1) capital project matching grants (AS 37.06.010 - 37.06.090);
- 13 (2) payments to municipalities for costs of confinement and care of
- 14 state prisoners.

15 \* Sec. 2. AS 37.13.145 is amended by adding a new subsection to read:

1 (e) At the end of the fiscal year, after the transfers under (b) and (c) of this  
2 section and subject to appropriation, the corporation shall transfer a municipal  
3 dividend from the earnings reserve account to the municipal dividend fund established  
4 under AS 29.60.330. The municipal dividend equals the lesser of

5 (1) the amount calculated by multiplying \$100 by the number of  
6 permanent fund dividends paid by the Department of Revenue during the calendar  
7 year immediately preceding the year the transfer is made under this subsection; or

8 (2) the balance of the earnings reserve account on the date of the  
9 transfer under this subsection.

10 \* Sec. 3. This Act takes effect June 30, 2002.

failed

New #1

22-LS0008J.5

Cook

3/20/02

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVES WHITAKER

TO: CSHB 20( ), Draft Version "J"

AND LANCASTER

1 Page 1, line 1:

2 Delete "municipal dividends"

3 Insert "dividends for municipalities and education"

4

5 Page 1, line 4:

6 Delete "Municipal dividend fund"

7 Insert "Dividend fund for municipalities and education"

8

9 Page 1, line 5:

10 Delete "municipal dividend fund consisting of municipal dividends"

11 Insert "dividend fund for municipalities and education consisting of dividends"

12

13 Page 1, line 7:

14 Delete "municipal dividend"

15

16 Page 1, line 11:

17 Delete "for"

18

19 Page 1, following line 11:

20 Insert

21 "(1) to the University of Alaska to fund an increase in the total amount

22 of appropriations for the university when compared to the total amount of

23 appropriations to the university for fiscal year 2002;

1                   (2) to the Department of Education and Early Development for  
2 payment as learning opportunity grants to school districts based on the school district's  
3 average daily membership to pay for instructional programs intended to improve  
4 student performance; an amount equal to \$115 for each district adjusted ADM as  
5 defined in AS 14.17.990 for the immediately preceding fiscal year may be  
6 appropriated under this paragraph;"  
7

8 Renumber the following paragraphs accordingly.  
9

10 Page 1, line 12, before "capital":

11         Insert "for"

12  
13 Page 1, line 13, before "payments":

14         Insert "for"

15  
16 Page 2, line 2:

17         Delete "municipal"

18  
19 Page 2, line 3:

20         Delete "municipal dividend fund"

21         Insert "dividend fund for municipalities and education"

22  
23 Page 2, line 4:

24         Delete "municipal"

25  
26 Page 2, line 5:

27         Delete "\$100"

28         Insert "\$160"

#5

AMENDMENT

OFFERED IN HOUSE FINANCE      REPRESENTATIVE DAVIES

TO: HB 20

Page 1, line 14,

Insert a new line,  
(3) senior property tax exemption.

Page 2, line 5,

Delete      "\$100"  
Insert      "\$150"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE LANCASTER

1 Page 1, line 18, following "appropriated":

2 Insert

3 "(1) to K-12 education to fund an increase in the total amount of appropriations  
4 for K-12 education when compared to the total amount of appropriations.

5

6

7

8

*failed*

*#4*

22-LS0008/C.4  
Cook  
2/25/02

AMENDMENT

OFFERED IN THE HOUSE  
TO: CSHB 20(CRA)

BY REPRESENTATIVE DAVIES

- 1 Page <sup>2</sup>~~15~~, line <sup>10</sup>~~36~~:
- 2 Delete "June 30, 2001"
- 3 Insert "on the effective date of a version of HB 225 enacted during 2002 and relating
- 4 to taxes."

#5  
failed

AMENDMENT

OFFERED IN HOUSE FINANCE      REPRESENTATIVE DAVIES

TO: HB 20

Page 1, line 14,

Insert a new line,  
(3) senior property tax exemption.

Page 2, line 5,

Delete	“\$100”
Insert	“\$150”

#7

3/20/02  
Withdrawn

22-LS0008V.1  
Cook  
3/15/02

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE HUDSON  
TO: CSHB 20( ), Draft Version "J"

1 Page 1, line 1, following "dividends;":

2 Insert "relating to the market value of the permanent fund and to distribution of  
3 the income of the permanent fund;"

4

5 Page 1, following line 14:

6 Insert new bill sections to read:

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

8 Sec. 37.13.140. Income available for distribution. The market value [NET  
9 INCOME] of the fund includes the market value [INCOME] of the earnings reserve  
10 account established under AS 37.13.145. The market value [NET INCOME] of the  
11 fund shall be computed annually as of the last day of the fiscal year in accordance with  
12 generally accepted accounting principles [, EXCLUDING ANY UNREALIZED  
13 GAINS OR LOSSES]. Income available for distribution equals 5 [21] percent of the  
14 average year-end market value [NET INCOME] of the fund for the last five fiscal  
15 years, including the fiscal year just ended, but may not exceed [NET INCOME OF  
16 THE FUND FOR THE FISCAL YEAR JUST ENDED PLUS] the balance in the  
17 earnings reserve account described in AS 37.13.145.

18 \* Sec. 3. AS 37.13.145(b) is amended to read:

19 (b) By October 1 [AT THE END] of each fiscal year, the corporation shall  
20 transfer from the earnings reserve account to the dividend fund established under  
21 AS 43.23.045, 50 percent of the income available for distribution under AS 37.13.140,  
22 or the balance in the account, whichever is less.

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

24 (d) Notwithstanding (b) of this section, income earned on money awarded in

1 or received as a result of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior  
 2 Court, First Judicial District), including settlement, summary judgment, or adjustment  
 3 to a royalty-in-kind contract that is tied to the outcome of this case, or interest earned  
 4 on the money, or on the earnings of the money shall be treated in the same manner as  
 5 other income of the Alaska permanent fund, except that it is not available for  
 6 distribution [TO THE DIVIDEND FUND], and shall be annually deposited into the  
 7 principal of the Alaska permanent fund."  
 8

9 Renumber the following bill sections accordingly.

10  
 11 Page 1, line 15:

12 Delete "a new subsection"

13 Insert "new subsections"

14  
 15 Page 2, line 1:

16 Delete "At the end of the"

17 Insert "By October 1 of each"

18 Delete "transfers under (b) and (c)"

19 Insert "transfer under (b)"  
 20

21 Page 2, following line 9:

22 Insert new material to read:

23 "(f) By October 1 of each fiscal year after the transfers under (b) and (e) of  
 24 this section, the corporation shall transfer from the earnings reserve account to the  
 25 general fund an amount equal to 50 percent of the income available for distribution  
 26 under AS 37.13.140 minus the amount transferred under (e) of this section, or the  
 27 balance in the earnings reserve account, whichever is less.

28 \* Sec. 6. AS 37.13.150 is amended to read:

29 Sec. 37.13.150. Corporation budget. The revenue generated by the fund's  
 30 investments must be identified as the source of the operating budget of the corporation  
 31 in the state's operating budget under AS 37.07 (Executive Budget Act). The

1 unexpended balance of the corporation's annual operating budget does not lapse at the  
 2 end of the fiscal year but shall be treated as income from the fund under  
 3 AS 37.13.145(a) [AS 37.13.140].

4 \* Sec. 7. AS 37.13.300(c) is amended to read:

5 (c) Income or other money [NET INCOME] from the mental health trust  
 6 fund may not be included in the computation of [NET] income available for  
 7 distribution under AS 37.13.140.

8 \* Sec. 8. AS 37.14.031(c) is amended to read:

9 (c) The net income of the fund shall be determined by the Alaska Permanent  
 10 Fund Corporation annually as of the last day of the fiscal year in accordance with  
 11 generally accepted accounting principles, excluding any unrealized gains or losses  
 12 [IN THE SAME MANNER THE CORPORATION DETERMINES THE NET  
 13 INCOME OF THE ALASKA PERMANENT FUND UNDER AS 37.13.140].

14 \* Sec. 9. AS 37.17.020(b) is amended to read:

15 (b) The endowment shall be held and invested by the Alaska Permanent Fund  
 16 Corporation subject to AS 37.13.120; however, net income from the endowment shall  
 17 be distributed under AS 37.17.010 - 37.17.110 and 37.17.225. Income or other  
 18 money [NET INCOME] from the endowment may not be included in the computation  
 19 of [NET] income available for distribution under AS 37.13.140.

20 \* Sec. 10. AS 37.17.440(b) is amended to read:

21 (b) The principal and income of the endowment shall be held and invested by  
 22 the Alaska Permanent Fund Corporation subject to AS 37.13.120; however, net  
 23 income from the endowment and subsequent income earned on net income from the  
 24 endowment shall be held in a separate account until appropriated by the legislature.  
 25 Income or other money [NET INCOME] from the endowment may not be included  
 26 in the computation of [NET] income available for distribution under AS 37.13.140.

27 \* Sec. 11. AS 37.13.145(c) is repealed.

28 \* Sec. 12. The uncodified law of the State of Alaska is amended by adding a new section to  
 29 read:

30 TRANSITION. Notwithstanding AS 37.13.140, as amended in sec. 2 of this Act, the  
 31 income available for distribution following the end of fiscal year

1                   (1) 2002 is equal to seven percent of the average year-end market value of the  
2 fund for the last five fiscal years, including fiscal year 2002;

3                   (2) 2003 is equal to six percent of the average year-end market value of the  
4 fund for the last five fiscal years, including fiscal year 2003."

5

6 Renumber the following bill section accordingly.

7

8 Page 2, line 10:

9           Delete "June 30, 2002"

10          Insert "June 29, 2002"

Failed

New # 6

22-LS0008 J.6  
Cook  
3/20/02

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVES LANCASTER

TO: CSHB 20( ), Draft Version "J"

AND MOSES

1 Page 1, line 1, following "relating":

2 Insert "to state aid to unincorporated communities and"

3

4 Page 1, following line 2:

5 Insert new bill sections to read:

6 "\* Section. 1. AS 29.60.140 is amended to read:

7 Sec. 29.60.140. State aid to unincorporated communities. (a) Subject to  
8 (c) of this section, the [THE] department shall pay to each unincorporated community  
9 an entitlement each fiscal year to be used for a public purpose. The department with  
10 advice from the Department of Law shall determine whether there is in each  
11 unincorporated community an incorporated nonprofit entity or a Native village council  
12 that will agree to receive and spend the entitlement. If there is more than one qualified  
13 entity in an unincorporated community, the department shall pay the money under the  
14 entitlement to the entity that the department finds most qualified to receive and spend  
15 the money. The department may not pay money under an entitlement to a Native  
16 village council unless the council waives immunity from suit for claims arising out of  
17 activities of the council related to the entitlement. A waiver of immunity from suit  
18 under this subsection must be on a form provided by the Department of Law. If there  
19 is no qualified incorporated nonprofit entity or Native village council in an  
20 unincorporated community that is willing to receive money under an entitlement, the  
21 entitlement for that unincorporated community may not be paid. Neither this  
22 subsection nor any action taken under it enlarges or diminishes the governmental  
23 authority or jurisdiction of a Native village council. If at least \$41,472,000 is  
24 appropriated for all entitlements under us 29.60.010 - 29.60.310 for a fiscal year, the

1 entitlement for each unincorporated community under this subsection for that year  
2 equals \$40,000. Otherwise, the entitlement equals \$25,000.

3 (b) In this section "unincorporated community" means a place [IN THE  
4 UNORGANIZED BOROUGH] that is not incorporated as a city and in which 25 or  
5 more persons reside as a social unit.

6 \* Sec. 2. AS 29.60.140 is amended by adding a new subsection to read:

7 (c) The department may pay an entitlement under (a) of this section for an  
8 unincorporated community in a borough only to a qualified entity that provides at least  
9 three of the following services within the 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

18 Page 1, line 3:

19 Delete "Section 1."

20 Insert "Sec. 3."

21

22 Renumber the following bill sections accordingly.

Payment Estimates Based on FY02 SRS/SC Data  
 CSIB20 Work Draft J/Dated 2/22/02  
 State Revenue Sharing Funded at FY 02 Plus \$5 Million  
 Safe Communities Funded at FY 02 Plus \$5 Million

Municipalities	Actual Total FY 02 Payment Muni Services @ \$4.3 M Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M	Estimated FY 03 Payment Muni Services @ \$5.952 M Tax Equalization @ \$11.903 M Safe Communities @ \$21.775 M	Difference in Total Payment
City of Adak	\$2,911	\$30,916	\$28,005
City of Akhiok	\$22,821	\$29,612	\$6,791
City of Akiak	\$31,652	\$35,940	\$4,288
City of Akutan	\$32,510	\$37,237	\$4,727
City of Alakanuk	\$42,397	\$49,260	\$6,863
City of Aleknagik	\$28,812	\$32,576	\$3,764
Aleutians East Borough	\$37,734	\$56,546	\$18,812
City of Allakaket	\$31,807	\$35,443	\$3,636
City of Ambler	\$35,682	\$39,805	\$4,123
City of Anaktuvuk Pass	\$31,986	\$36,324	\$4,338
Municipality of Anchorage	\$10,490,419	\$14,236,831	\$3,746,412
City of Anderson	\$39,515	\$45,357	\$5,842
City of Angoon	\$32,282	\$37,860	\$5,578
City of Aniak	\$43,693	\$49,685	\$5,992
City of Anvik	\$29,491	\$32,606	\$3,115
City of Atka	\$28,516	\$31,429	\$2,913
City of Atkasuk	\$41,114	\$48,157	\$7,043
City of Barrow	\$119,142	\$153,210	\$34,068
City of Bethel	\$287,047	\$396,149	\$109,102
City of Bettles	\$30,014	\$32,834	\$2,820
City of Brevig Mission	\$32,300	\$36,501	\$4,201
Bristol Bay Borough	\$57,212	\$74,300	\$17,088
City of Buckland	\$38,402	\$43,206	\$4,804
City of Chefornak	\$32,797	\$37,583	\$4,786
City of Chevak	\$40,131	\$46,681	\$6,550
City of Chignik	\$27,119	\$30,150	\$3,031
City of Chuathbaluk	\$29,784	\$33,152	\$3,368
City of Clark's Point	\$25,960	\$29,620	\$3,660
City of Coffman Cove	\$30,662	\$42,292	\$11,630
City of Cold Bay	\$32,656	\$36,161	\$3,505
City of Cordova	\$180,240	\$252,476	\$72,236
City of Craig	\$72,318	\$100,080	\$27,762
City of Deering	\$34,564	\$39,837	\$5,273
City of Delta Junction	\$57,369	\$69,010	\$11,641
Denali Borough	\$58,570	\$70,786	\$12,216
City of Dillingham	\$106,685	\$147,177	\$40,492
City of Diomedea	\$28,866	\$32,280	\$3,414
City of Eagle	\$26,026	\$29,615	\$3,589
City of Eek	\$31,327	\$35,440	\$4,113
City of Egegik	\$31,409	\$34,449	\$3,040
City of Ekwok	\$28,314	\$31,384	\$3,070
City of Elm	\$34,136	\$38,414	\$4,278
City of Emmonak	\$66,380	\$96,478	\$30,098
City of Fairbanks	\$1,409,574	\$1,869,752	\$460,178
Fairbanks North Star Borough	\$1,977,675	\$2,711,367	\$733,692

Payment Estimates Based on FY02 SRS/SC Data  
 CSIB20 Work Draft J/Dated 2/22/02  
 State Revenue Sharing Funded at FY 02 Plus \$5 Million  
 Safe Communities Funded at FY 02 Plus \$5 Million

Municipalities	Actual Total FY 02 Payment	Estimated FY 03 Payment	Difference in Total Payment
	Muni Services @ \$4.3 M	Muni Services @ \$5.952 M	
	Tax Equalization @ \$8.6 M	Tax Equalization @ \$11.903 M	
	Safe Communities @ \$16.8 M	Safe Communities @ \$21.775 M	
City of False Pass	\$26,358	\$29,620	\$3,262
City of Fort Yukon	\$42,244	\$48,869	\$6,625
City of Galena	\$43,203	\$49,984	\$6,781
City of Gambell	\$40,109	\$46,337	\$6,228
City of Golovin	\$31,482	\$34,900	\$3,418
City of Goodnews Bay	\$29,667	\$33,505	\$3,838
City of Grayling	\$29,984	\$33,728	\$3,744
City of Haines	\$65,127	\$83,386	\$18,259
Haines Borough	\$40,714	\$55,234	\$14,520
City of Holy Cross	\$31,021	\$35,099	\$4,078
City of Homer	\$162,173	\$220,711	\$58,538
City of Hoonah	\$66,038	\$92,162	\$26,124
City of Hooper Bay	\$45,884	\$65,171	\$19,287
City of Houston	\$41,004	\$47,961	\$6,957
City of Hughes	\$28,988	\$32,042	\$3,054
City of Huslia	\$34,424	\$38,539	\$4,115
City of Hydaburg	\$27,706	\$31,926	\$4,220
City and Borough of Juneau	\$1,469,301	\$2,048,736	\$579,435
City of Kachemak	\$28,150	\$32,519	\$4,369
City of Kake	\$34,495	\$40,448	\$5,953
City of Kaktovik	\$31,537	\$35,742	\$4,205
City of Kaltag	\$32,658	\$36,551	\$3,893
City of Kasaan	\$22,821	\$29,610	\$6,789
City of Kenai	\$303,076	\$408,867	\$105,791
Kenai Peninsula Borough	\$1,561,066	\$2,172,810	\$611,744
City of Ketchikan	\$442,253	\$605,680	\$163,427
Ketchikan Gateway Borough	\$200,057	\$279,994	\$79,937
City of Kiana	\$36,937	\$41,555	\$4,618
City of King Cove	\$38,596	\$44,804	\$6,208
City of Kivalina	\$36,785	\$53,900	\$17,115
City of Klawock	\$33,853	\$39,868	\$6,015
City of Kobuk	\$30,277	\$33,359	\$3,082
City of Kodiak	\$280,014	\$377,651	\$97,637
Kodiak Island Borough	\$280,899	\$389,845	\$108,946
City of Kotlik	\$36,406	\$42,102	\$5,696
City of Kotzebue	\$198,950	\$280,852	\$81,902
City of Koyuk	\$32,589	\$36,776	\$4,187
City of Koyukuk	\$28,863	\$32,109	\$3,246
City of Kupreanof	\$22,821	\$29,610	\$6,789
City of Kwethluk	\$40,206	\$46,948	\$6,742
Lake and Peninsula Borough	\$113,594	\$158,401	\$44,807
City of Larsen Bay	\$22,821	\$29,611	\$6,790
City of Lower Kalskag	\$31,929	\$36,198	\$4,269
City of Manokotak	\$33,093	\$37,674	\$4,581
City of Marshall	\$32,132	\$36,563	\$4,431

**Payment Estimates Based on FY02 SRS/SC Data**  
**CSHB20 Work Draft J/Dated 2/22/02**  
**State Revenue Sharing Funded at FY 02 Plus \$5 Million**  
**Safe Communities Funded at FY 02 Plus \$5 Million**

Municipalities	Actual Total FY 02 Payment	Estimated FY 03 Payment	Difference in Total Payment
	Muni Services @ \$4.3 M	Muni Services @ \$5.952 M	
	Tax Equalization @ \$8.6 M	Tax Equalization @ \$11.903 M	
	Safe Communities @ \$16.8 M	Safe Communities @ \$21.775 M	
Matanuska-Susitna Borough	\$1,714,948	\$2,352,985	\$638,037
City of McGrath	\$38,981	\$44,141	\$5,160
City of Mekoryuk	\$29,770	\$33,360	\$3,590
Metlakatla Community Dev. Corp.	\$42,757	\$55,429	\$12,672
City of Mountain Village	\$41,341	\$48,162	\$6,821
City of Napakiak	\$31,821	\$36,537	\$4,716
City of Napaskiak	\$32,421	\$37,074	\$4,653
City of Nenana	\$43,464	\$50,338	\$6,874
City of New Stuyahok	\$33,257	\$38,236	\$4,979
City of Newhalen	\$28,975	\$32,407	\$3,432
City of Nightmute	\$29,276	\$32,999	\$3,723
City of Nikolai	\$28,882	\$32,080	\$3,198
City of Nome	\$217,839	\$300,078	\$82,239
City of Nondalton	\$31,945	\$35,439	\$3,494
City of Noorvik	\$66,899	\$97,140	\$30,241
City of North Pole	\$68,545	\$84,020	\$15,475
North Slope Borough	\$881,470	\$1,163,702	\$282,232
Northwest Arctic Borough	\$145,874	\$205,203	\$59,329
City of Nuiqsut	\$34,655	\$39,784	\$5,129
City of Nulato	\$34,800	\$39,291	\$4,491
City of Nunam Iqua	\$29,105	\$32,775	\$3,670
City of Nunapitchuk	\$39,268	\$44,076	\$4,808
City of Old Harbor	\$25,628	\$29,612	\$3,984
City of Ouzinkie	\$25,516	\$29,612	\$4,096
City of Palmer	\$219,836	\$302,196	\$82,360
City of Pelican	\$24,875	\$29,612	\$4,737
City of Petersburg	\$191,191	\$265,921	\$74,730
City of Pilot Point	\$26,916	\$29,848	\$2,932
City of Pilot Station	\$36,783	\$42,382	\$5,599
City of Platinum	\$27,533	\$30,354	\$2,821
City of Point Hope	\$42,240	\$49,617	\$7,377
City of Port Alexander	\$22,820	\$29,610	\$6,790
City of Port Heiden	\$30,358	\$33,318	\$2,960
City of Port Lions	\$25,356	\$29,613	\$4,257
City of Quinhagak	\$36,926	\$42,601	\$5,675
City of Ruby	\$31,185	\$34,876	\$3,691
City of Russian Mission	\$31,521	\$35,686	\$4,165
City of Saint George	\$29,345	\$32,591	\$3,246
City of Saint Mary's	\$36,367	\$52,797	\$16,430
City of Saint Michael	\$36,598	\$41,815	\$5,217
City of Saint Paul	\$39,929	\$51,514	\$11,585
City of Sand Point	\$43,978	\$60,316	\$16,338
City of Savoonga	\$39,172	\$45,638	\$6,466
City of Saxman	\$26,479	\$30,501	\$4,022
City of Scammon Bay	\$35,073	\$40,315	\$5,242

Payment Estimates Based on FY02 SRS/SC Data  
 CSIB20 Work Draft J/Dated 2/22/02  
 State Revenue Sharing Funded at FY 02 Plus \$5 Million  
 Safe Communities Funded at FY 02 Plus \$5 Million

Municipalities	Actual Total FY 02 Payment	Estimated FY 03 Payment	Difference in Total Payment
	Muni Services @ \$4.3 M Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M	Muni Services @ \$5.952 M Tax Equalization @ \$11.903 M Safe Communities @ \$21.775 M	
City of Selawik	\$39,773	\$56,973	\$17,200
City of Seldovia	\$30,165	\$34,586	\$4,421
City of Seward	\$168,834	\$232,826	\$63,992
City of Shageluk	\$28,824	\$32,225	\$3,401
City of Shaktoolik	\$31,334	\$35,183	\$3,849
City of Shishmaref	\$37,168	\$42,824	\$5,656
City of Shungnak	\$34,900	\$38,939	\$4,039
City and Borough of Sitka	\$425,527	\$588,745	\$163,218
City of Skagway	\$49,534	\$59,719	\$10,185
City of Soldotna	\$196,795	\$266,198	\$69,403
City of Stebbins	\$37,521	\$42,995	\$5,474
City of Tanana	\$37,024	\$41,435	\$4,411
City of Teller	\$31,816	\$35,985	\$4,169
City of Tenakee Springs	\$22,821	\$29,610	\$6,789
City of Thorne Bay	\$33,439	\$38,475	\$5,036
City of Togiak	\$42,244	\$49,434	\$7,190
City of Toksook Bay	\$35,221	\$40,704	\$5,483
City of Unalakleet	\$44,007	\$51,186	\$7,179
City of Unalaska	\$185,183	\$261,964	\$76,781
City of Upper Kalskag	\$37,237	\$41,168	\$3,931
City of Valdez	\$376,605	\$501,281	\$124,676
City of Wainwright	\$36,203	\$41,790	\$5,587
City of Wales	\$29,576	\$33,057	\$3,481
City of Wasilla	\$194,562	\$264,232	\$69,670
City of White Mountain	\$30,851	\$34,589	\$3,738
City of Whittier	\$29,210	\$33,156	\$3,946
City of Wrangell	\$182,369	\$257,149	\$74,780
City and Borough of Yakutat	\$43,268	\$51,441	\$8,173
<b>Total Municipal Payments</b>	<b>\$29,376,255</b>	<b>\$39,277,395</b>	<b>\$9,901,140</b>
<b>Unincorporated Communities</b>			
Arctic Village Traditional Council	\$3,681	\$5,110	\$1,429
Atmautluak Traditional Council	\$3,681	\$5,110	\$1,429
Beaver Tribal Village Council	\$3,681	\$5,110	\$1,429
Big Salt Community Association	\$3,681	\$5,110	\$1,429
Chalkyitsik Village Council	\$3,681	\$5,110	\$1,429
Chilkat Indian Village Council	\$3,681	\$5,110	\$1,429
Cheesh-Na Tribe	\$3,681	\$5,110	\$1,429
Chitna Traditional Village Council	\$3,681	\$5,110	\$1,429
Circle Civic Community Association	\$3,681	\$5,110	\$1,429
Community of Elfin Cove	\$3,681	\$5,110	\$1,429
Copper Valley Community Library As	\$3,681	\$5,110	\$1,429
Deltana Community Corporation	\$3,681	\$5,110	\$1,429
Denduu Gwich'in Tribal Council	\$3,681	\$5,110	\$1,429

**Payment Estimates Based on FY02 SRS/SC Data**  
**CSHB20 Work Draft J/Dated 2/22/02**  
**State Revenue Sharing Funded at FY 02 Plus \$5 Million**  
**Safe Communities Funded at FY 02 Plus \$5 Million**

Municipalities	Actual Total FY 02 Payment Muni Services @ \$4.3 M Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M	Estimated FY 03 Payment Muni Services @ \$5.952 M Tax Equalization @ \$11.903 M Safe Communities @ \$21.775 M	Difference in Total Payment
Dot Lake Village Council	\$3,681	\$5,110	\$1,429
Dry Creek Community, Inc.	\$3,681	\$5,110	\$1,429
Eagle Village Council	\$3,681	\$5,110	\$1,429
Edna Bay Community Association	\$3,681	\$5,110	\$1,429
Evansville Tribal Council	\$3,681	\$5,110	\$1,429
Four Mile Road Community Council	\$3,681	\$5,110	\$1,429
Gakona Volunteer Fire Department	\$3,681	\$5,110	\$1,429
Goldstream Community Association	\$3,681	\$5,110	\$1,429
Gulkana Village Council	\$3,681	\$5,110	\$1,429
Gustavus Community Association	\$3,681	\$5,110	\$1,429
Hollis Community Council	\$3,681	\$5,110	\$1,429
Hyder Community Association, Inc.	\$3,681	\$5,110	\$1,429
Kasigluk Traditional Council	\$3,681	\$5,110	\$1,429
Kenny Lake Community League	\$3,681	\$5,110	\$1,429
Kipnuk Village Council	\$3,681	\$5,110	\$1,429
Koliganek Village Council	\$3,681	\$5,110	\$1,429
Kongiganak Traditional Council	\$3,681	\$5,110	\$1,429
Kwigillingok IRA Council	\$3,681	\$5,110	\$1,429
Lime Village Traditional Council	\$3,681	\$5,110	\$1,429
Manley Hot Springs Community Asso	\$3,681	\$5,110	\$1,429
McCarthy Area Council	\$3,681	\$5,110	\$1,429
Mentasta Lake Village Council	\$3,681	\$5,110	\$1,429
Metlakatla Indian Village	\$3,681	\$5,110	\$1,429
Minto IRA Council	\$3,681	\$5,110	\$1,429
Native Village of Kluti-Kaah	\$3,681	\$5,110	\$1,429
Naukati West Inc.	\$3,681	\$5,110	\$1,429
Nelchina/Mendeltna Corporation	\$3,681	\$5,110	\$1,429
Newtok Traditional Council	\$3,681	\$5,110	\$1,429
Northway Village Council	\$3,681	\$5,110	\$1,429
Oscarville Village Council	\$3,681	\$5,110	\$1,429
Paxson Community Affairs	\$3,681	\$5,110	\$1,429
Pitka's Point Village Council	\$3,681	\$5,110	\$1,429
Point Baker Community	\$3,681	\$5,110	\$1,429
Port Protection Community Associatic	\$3,681	\$5,110	\$1,429
Rampart Village Council	\$3,681	\$5,110	\$1,429
Red Devil People and Community, Inc	\$3,681	\$5,110	\$1,429
Silver Springs Residents Association	\$3,681	\$5,110	\$1,429
Slana Community Corporation	\$3,681	\$5,110	\$1,429
Slana League	\$3,681	\$5,110	\$1,429
Sleetmute Traditional Council	\$3,681	\$5,110	\$1,429
Stevens Village IRA Council	\$3,681	\$5,110	\$1,429
Takotna Community Association, Inc.	\$3,681	\$5,110	\$1,429
Tanacross Village Council	\$3,681	\$5,110	\$1,429

Payment Estimates Based on FY02 SRS/SC Data  
 CSIB20 Work Draft J/Dated 2/22/02  
 State Revenue Sharing Funded at FY 02 Plus \$5 Million  
 Safe Communities Funded at FY 02 Plus \$5 Million

Municipalities	Actual Total FY 02 Payment Muni Services @ \$4.3 M Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M	Estimated FY 03 Payment Muni Services @ \$5.952 M Tax Equalization @ \$11.903 M Safe Communities @ \$21.775 M	Difference in Total Payment
Tatitlek Village IRA Council	\$3,681	\$5,110	\$1,429
Tetlin Village Council	\$3,681	\$5,110	\$1,429
The Association of Tazlina Residents	\$3,681	\$5,110	\$1,429
Tok Community Umbrella Corporation	\$3,681	\$5,110	\$1,429
Tolsona Community Corporation	\$3,681	\$5,110	\$1,429
Tuluksak Native Community	\$3,681	\$5,110	\$1,429
Twin Hills Village Council	\$3,681	\$5,110	\$1,429
Whale Pass Homeowner's Association	\$3,681	\$5,110	\$1,429
Wiseman Community Association	\$3,681	\$5,110	\$1,429
<b>Total Unincorporated Communities</b>	<b>\$239,265</b>	<b>\$332,150</b>	<b>\$92,885</b>
<b>Volunteer Fire Departments</b>			
Chistochina Volunteer Fire Department	\$177	\$246	\$69
Chitina Volunteer Fire Department	\$255	\$355	\$100
Copper Center Volunteer Fire Department	\$805	\$1,118	\$313
Craig Volunteer Fire Department	\$380	\$528	\$148
Eagle Volunteer Fire Department	\$160	\$222	\$62
Edna Bay Volunteer Fire Department	\$72	\$100	\$28
Eiifin Cove Volunteer Fire Department	\$87	\$121	\$34
Gakona Volunteer Fire Department	\$480	\$666	\$186
Glennallen Volunteer Fire Department	\$1,625	\$2,256	\$631
Gustavus Emergency Response	\$596	\$827	\$231
Klawock Volunteer Fire Department	\$175	\$243	\$68
Kongiganak Volunteer Fire Department	\$710	\$985	\$275
Metlakatla Volunteer Fire Department	\$2,206	\$3,063	\$857
Naukati Volunteer Fire Department	\$153	\$212	\$59
Nenana Volunteer Fire Department	\$479	\$664	\$185
Point Baker Volunteer Fire Dept.	\$84	\$116	\$32
Port Protection Volunteer Fire Dept.	\$134	\$186	\$52
Rural Deltana Fire Protection District	\$3,797	\$5,272	\$1,475
Tok Volunteer Fire Department	\$2,748	\$3,815	\$1,067
Whale Pass Volunteer Fire Department	\$110	\$153	\$43
<b>Total Volunteer Fire Department Payments</b>	<b>\$15,233</b>	<b>\$21,148</b>	<b>\$5,915</b>
<b>Grand Total All Payments</b>	<b>\$29,630,753</b>	<b>\$39,630,693</b>	<b>\$9,999,940</b>

Municipality/ Community	Municipal Population	Actual Total FY 02 Payment		FY02 Community Full Approps	FY02 Capital Matching Grants	Total All Grants
		Muni Services @ \$4.3 M Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M				
City of Adak	316	\$2,911				\$2,911
City of Akhiok	80	\$22,821			\$25,000	\$47,821
City of Akiak	309	\$31,652			\$25,000	\$56,652
City of Akutan	713	\$32,510			\$25,000	\$57,510
City of Alakanuk	652	\$42,397			\$25,000	\$67,397
City of Aleknagik	221	\$28,812			\$25,000	\$53,812
Aleutians East Borough	2,697	\$37,734			\$25,000	\$62,734
City of Allakaket	97	\$31,807			\$25,000	\$56,807
City of Ambler	309	\$35,682			\$25,000	\$60,682
City of Anaktuvuk Pass	282	\$31,986			\$25,000	\$56,986
Municipality of Anchorage	260,283	\$10,490,419			\$4,299,521	\$14,789,940
City of Anderson	513	\$39,515			\$25,000	\$64,515
City of Angoon	572	\$32,282			\$25,000	\$57,282
City of Aniak	572	\$43,693			\$25,000	\$68,693
City of Anvik	104	\$29,491			\$25,000	\$54,491
City of Atka	92	\$28,516			\$25,000	\$53,516
City of Atkasuk	228	\$41,114			\$25,000	\$66,114
City of Barrow	4,581	\$119,142			\$108,597	\$227,739
City of Bethel	5,471	\$287,047			\$112,278	\$399,325
City of Bettles	43	\$30,014			\$25,000	\$55,014
City of Brevig Mission	276	\$32,300			\$25,000	\$57,300
Bristol Bay Borough	1,258	\$57,212		\$104,829	\$30,780	\$192,821
City of Buckland	406	\$38,402			\$25,000	\$63,402
City of Chefornak	394	\$32,797			\$25,000	\$57,797
City of Chevak	765	\$40,131			\$25,000	\$65,131
City of Chignik	79	\$27,119			\$25,000	\$52,119
City of Chuathbaluk	119	\$29,784			\$25,000	\$54,784
City of Clark's Point	75	\$25,960			\$25,000	\$50,960
City of Collman Cove	199	\$30,662			\$25,000	\$55,662
City of Cold Bay	88	\$32,656			\$25,000	\$57,656
City of Cordova	2,454	\$180,240		\$111,518	\$59,586	\$351,344
City of Craig	1,397	\$72,318		\$188,810	\$52,261	\$313,389

Municipality/ Community	Municipal Population	Actual Total FY 02 Payment		FY02 Community Jail Approps	FY02 Capital Matching Grants	Total All Grants
		Muni Services @ \$4.3 M Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M				
City of Deering	136	\$34,564			\$25,000	\$59,564
City of Delta Junction	840	\$57,369			\$25,000	\$82,369
Denali Borough	2,039	\$58,570			\$33,121	\$91,691
City of Dillingham	2,466	\$106,685		\$354,515	\$56,315	\$517,515
City of Diomedea	146	\$28,866			\$25,000	\$53,866
City of Eagle	129	\$20,026			\$25,000	\$51,026
City of Eek	280	\$31,327			\$25,000	\$56,327
City of Egegik	116	\$31,409			\$25,000	\$56,409
City of Ekwok	130	\$28,314			\$25,000	\$53,314
City of Elim	318	\$34,136			\$25,000	\$59,136
City of Emmonak	767	\$66,380			\$25,000	\$91,380
City of Fairbanks	30,224	\$1,409,574			\$525,392	\$1,934,966
Fairbanks North Star Borough	82,840	\$1,977,675			\$836,397	\$2,814,072
City of False Pass	76	\$26,358			\$25,000	\$51,358
City of Fort Yukon	595	\$42,244			\$25,000	\$67,244
City of Galena	675	\$43,203			\$25,000	\$68,203
City of Gambell	649	\$40,109			\$25,000	\$65,109
City of Golovin	144	\$31,482			\$25,000	\$56,482
City of Goodnews Bay	230	\$29,667			\$25,000	\$54,667
City of Grayling	194	\$29,984			\$25,000	\$54,984
City of Haines	1,811	\$65,127		\$93,609	\$43,435	\$202,171
Haines Borough	2,392	\$40,714			\$25,000	\$65,714
City of Holy Cross	227	\$31,021			\$25,000	\$56,021
City of Homer	3,946	\$162,173		\$344,003	\$101,639	\$607,815
City of Hoonah	860	\$66,038			\$25,000	\$91,038
City of Hooper Bay	1,014	\$45,884			\$25,152	\$71,036
City of Houston	1202	\$41,004			\$25,000	\$66,004
City of Hughes	78	\$28,988			\$25,000	\$53,988
City of Hushia	293	\$34,424			\$25,000	\$59,424
City of Hydaburg	382	\$27,706			\$25,000	\$52,706
City and Borough of Juneau	30,903	\$1,469,301			\$511,386	\$1,980,687
City of Kachemak	431	\$28,150			\$25,000	\$53,150

Municipality/ Community	Municipal Population	Actual Total FY 02 Payment		FY02 Community Juli Approps	FY02 Capital Matchlag Grants	Total All Grants
		Muni Services @ \$4.3 M	Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M			
City of Kake	710		\$34,495		\$25,000	\$59,495
City of Kaktovik	293		\$31,537		\$25,000	\$56,537
City of Kaltag	230		\$32,658		\$25,000	\$57,658
City of Kasaan	39		\$22,821		\$25,000	\$47,821
City of Kenai	6,942		\$303,076		\$143,764	\$446,840
Kenai Peninsula Borough	49,691		\$1,561,066		\$496,269	\$2,057,335
City of Ketchikan	7,922		\$442,253		\$170,751	\$613,004
Ketchikan Gateway Borough	14,070		\$200,057		\$108,156	\$308,213
City of Kiana	388		\$36,937		\$25,000	\$61,937
City of King Cove	792		\$38,596		\$25,000	\$63,596
City of Kivalina	377		\$36,785		\$25,000	\$61,785
City of Klawock	854		\$33,853		\$25,000	\$58,853
City of Kobuk	109		\$30,277		\$25,000	\$55,277
City of Kodiak	6,334		\$280,014	\$500,277	\$141,452	\$921,743
Kodiak Island Borough	13,913		\$280,899		\$124,829	\$405,728
City of Kouik	591		\$36,406		\$25,000	\$61,406
City of Kotzebue	3,082		\$198,950	\$589,507	\$71,732	\$860,189
City of Koyuk	297		\$32,589		\$25,000	\$57,589
City of Koyukuk	101		\$28,863		\$25,000	\$53,863
City of Kupreanof	23		\$22,821		\$25,000	\$47,821
City of Kwethluk	713		\$40,206		\$25,000	\$65,206
Lake and Peninsula Borough	1,823		\$113,594		\$25,826	\$139,420
City of Larsen Bay	115		\$22,821		\$25,000	\$47,821
City of Lower Kalskag	267		\$31,929		\$25,000	\$56,929
City of Manokotak	399		\$33,093		\$25,000	\$58,093
City of Marshall	349		\$32,132		\$25,000	\$57,132
Matanuska-Susitna Borough	59,322		\$1,714,948		\$776,625	\$2,491,573
City of McGrath	401		\$38,981		\$25,000	\$63,981
City of Mekoryuk	210		\$29,770		\$25,000	\$54,770
Mellakta Community Dev. Corp.			\$42,757			\$42,757
City of Mountain Village	755		\$41,341		\$25,000	\$66,341
City of Napakiak	353		\$31,821		\$25,000	\$56,821

Actual Total FY 02 Payment

Municipality/ Community	Municipal Population	Actual Total FY 02 Payment		FY02 Community Jull Approps	FY02 Capital Matching Grants	Total All Grants
		Muni Services @ \$4.3 M Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M				
City of Napaskiak	390	\$32,421			\$25,000	\$57,421
City of Nenana	486	\$43,464			\$25,000	\$68,464
City of New Stuyahok	471	\$33,257			\$25,000	\$58,257
City of Newhalen	160	\$28,975			\$25,000	\$53,975
City of Nightmute	208	\$29,276			\$25,000	\$54,276
City of Nikolai	104	\$28,882			\$25,000	\$53,882
City of Nome	3,505	\$217,839			\$88,461	\$306,300
City of Nondalton	221	\$31,945			\$25,000	\$56,945
City of Norvik	634	\$66,899			\$25,000	\$91,899
City of North Pole	1,570	\$68,545			\$39,536	\$108,081
North Slope Borough	9,430	\$881,470	\$842,751		\$61,698	\$1,785,919
Northwest Arctic Borough	7,208	\$145,874			\$25,000	\$170,874
City of Nuiqsut	433	\$34,655			\$25,000	\$59,655
City of Nulato	336	\$34,800			\$25,000	\$59,800
City of Nunam Iqua	201	\$29,105			\$25,000	\$54,105
City of Nunapitchuk	466	\$39,268			\$25,000	\$64,268
City of Old Harbor	237	\$25,628			\$25,000	\$50,628
City of Ouzinkie	225	\$25,516			\$25,000	\$50,516
City of Palmer	4,533	\$219,836			\$107,303	\$327,139
City of Pelican	163	\$24,875			\$25,000	\$49,875
City of Petersburg	3,224	\$191,191	\$167,023		\$83,567	\$441,781
City of Pilot Point	100	\$26,916			\$25,000	\$51,916
City of Pilot Station	550	\$36,783			\$25,000	\$61,783
City of Platinum	41	\$27,533			\$25,000	\$52,533
City of Point Hope	757	\$42,240			\$25,000	\$67,240
City of Port Alexander	81	\$22,820			\$25,000	\$47,820
City of Port Heiden	119	\$30,358			\$25,000	\$55,358
City of Port Lions	256	\$25,356			\$25,000	\$50,356
City of Quinhagak	580	\$36,926			\$25,000	\$61,926
City of Ruby	188	\$31,185			\$25,000	\$56,185
City of Russian Mission	296	\$31,521			\$25,000	\$56,521
City of Saint George	152	\$29,345			\$25,000	\$54,345

Actual Total FY 02 Payment

Municipality/ Community	Municipal Population	Actual Total FY 02 Payment		FY02 Community Jail Approps	FY02 Capital Matching Grants	Total All Grants
		Muni Services @ \$4.3 M Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M				
City of Saint Mary's	500	\$36,367			\$25,000	\$61,367
City of Saint Michael	368	\$36,598			\$25,000	\$61,598
City of Saint Paul	532	\$39,929			\$25,000	\$64,929
City of Sand Point	952	\$43,978			\$25,000	\$68,978
City of Savoonga	643	\$39,172			\$25,000	\$64,172
City of Saxman	431	\$26,479			\$25,000	\$51,479
City of Scammon Bay	465	\$35,073			\$25,000	\$60,073
City of Selawik	772	\$39,773			\$25,000	\$64,773
City of Seldovia	286	\$30,165			\$25,000	\$55,165
City of Seward	2,830	\$168,834	\$371,465		\$73,656	\$613,955
City of Shageluk	129	\$28,824			\$25,000	\$53,824
City of Shaktoolik	230	\$31,334			\$25,000	\$56,334
City of Shishmaref	562	\$37,168			\$25,000	\$62,168
City of Shungnak	256	\$34,900			\$25,000	\$59,900
City and Borough of Sitka	8,835	\$425,527	\$346,653		\$178,157	\$950,337
City of Skagway	862	\$49,534			\$25,000	\$74,534
City of Soldotna	3,759	\$196,795			\$101,308	\$298,103
City of Stebbins	547	\$37,521			\$25,000	\$62,521
City of Tanana	308	\$37,024			\$25,000	\$62,024
City of Teller	268	\$31,816			\$25,000	\$56,816
City of Tenakee Springs	104	\$22,821			\$25,000	\$47,821
City of Thorne Bay	557	\$33,439			\$25,000	\$58,439
City of Togiak	809	\$42,244			\$25,000	\$67,244
City of Toksook Bay	532	\$35,221			\$25,000	\$60,221
City of Unalakleet	747	\$44,007			\$25,000	\$69,007
City of Unalaska	4,283	\$185,183	\$397,811		\$102,233	\$685,230
City of Upper Kalskag	230	\$37,237			\$25,000	\$62,237
City of Valdez	4,336	\$376,605	\$264,734		\$101,884	\$743,223
City of Wainwright	536	\$36,203			\$25,000	\$61,203
City of Wales	152	\$29,576			\$25,000	\$54,576
City of Wasilla	5,469	\$194,562			\$106,974	\$301,536
City of White Mountain	203	\$30,851			\$25,000	\$55,851

Actual Total FY 02 Payment

Municipality/ Community	Municipal Population	Actual Total FY 02 Payment			Total All Grants
		Muni Services @ \$4.3 M Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M	FY02 Community Jail Approps	FY02 Capital Matching Grants	
City of Whittier	182	\$29,210		\$25,000	\$54,210
City of Wrangell	2,308	\$182,369	\$234,649	\$62,364	\$479,382
City and Borough of Yakutat	808	\$43,268		\$25,000	\$68,268
Misc. Program Expenses			\$6,544		\$6,544
<b>Municipal Sub-Total</b>	<b>705,769</b>	<b>\$29,376,255</b>	<b>\$4,918,700</b>	<b>\$13,112,405</b>	<b>\$47,407,360</b>
Akiachak				\$25,000	\$25,000
Arctic Village	152	\$3,681		\$25,000	\$28,681
Atmautluak	294	\$3,681		\$25,000	\$28,681
Beaver	84	\$3,681		\$25,000	\$28,681
Big Salt	26	\$3,681			\$3,681
Birch Creek	28	\$3,681		\$25,000	\$28,681
Chalkyitsik	83	\$3,681		\$25,000	\$28,681
Chilkat	139	\$3,681			\$3,681
Chistochina	93	\$3,681		\$25,000	\$28,681
Chitina	123	\$3,681		\$25,000	\$28,681
Circle	100	\$3,681		\$25,000	\$28,681
Copper Center	362	\$3,681		\$25,000	\$28,681
Crooked Creek		\$3,681		\$25,000	\$28,681
Deltana	1570	\$3,681		\$25,000	\$28,681
Dot Lake	38	\$3,681		\$50,000	\$53,681
Dry Creek	128	\$3,681		\$25,000	\$28,681
Eagle	68	\$3,681		\$25,000	\$28,681
Edna Bay	49	\$3,681		\$25,000	\$28,681
Elfin Cove	32			\$25,000	\$25,000
Evansville	28	\$3,681		\$25,000	\$28,681
Four Mile	40	\$3,681		\$25,000	\$28,681
Gakona	215	\$3,681		\$25,000	\$28,681
Glennallen	554			\$25,000	\$25,000
Goldstream	28	\$3,681			\$3,681
Gulkana	88	\$3,681		\$25,000	\$28,681
Gustavus	429	\$3,681		\$25,000	\$28,681

Actual Total FY 02 Payment

Municipality/ Community	Municipal Population	Actual Total FY 02 Payment		FY02 Community Jail Approps	FY02 Capital Matching Grants	Total All Grants
		Muni Services @ \$4.3 M	Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M			
Hollis	139		\$3,681		\$25,000	\$28,681
Hyder	97		\$3,681		\$25,000	\$28,681
Kasigluk	543		\$3,681		\$25,000	\$28,681
Kenny Lake	410		\$3,681		\$25,000	\$28,681
Kipnuk	644		\$3,681		\$25,000	\$28,681
Klukwan					\$25,000	\$25,000
Koliganek	182		\$3,681		\$25,000	\$28,681
Kongiganek	359		\$3,681		\$25,000	\$28,681
Kwigillingok	338		\$3,681		\$25,000	\$28,681
Lime Village	59		\$3,681		\$25,000	\$28,681
Manley Hot Springs	72		\$3,681		\$25,000	\$28,681
McCarthy	42		\$3,681		\$25,000	\$28,681
Mentasta	142		\$3,681		\$25,000	\$28,681
Metlakatla	1447		\$3,681		\$37,595	\$41,276
Minto	258		\$3,681		\$25,000	\$28,681
Native Village of Kluti-Kaah			\$3,681			\$3,681
Naukati	135		\$3,681		\$25,000	\$28,681
Nelchina/Mendeltna	71		\$3,681		\$25,000	\$28,681
Newtok	321		\$3,681		\$25,000	\$28,681
Nikolski					\$25,000	\$25,000
Northway	274		\$3,681		\$25,000	\$28,681
Oscarville	61		\$3,681		\$25,000	\$28,681
Paxson	43		\$3,681		\$25,000	\$28,681
Pitka's Point	125		\$3,681		\$25,000	\$28,681
Point Baker	57		\$3,681		\$25,000	\$28,681
Port Protection	91		\$3,681		\$25,000	\$28,681
Rampart	45		\$3,681		\$25,000	\$28,681
Red Devil	48		\$3,681		\$25,000	\$28,681
Silver Springs	130		\$3,681		\$25,000	\$28,681
Slana Community	80		\$3,681		\$25,000	\$28,681
Slana League	35		\$3,681		\$25,000	\$28,681
Sleetmute	100		\$3,681		\$25,000	\$28,681

Municipality/ Community	Municipal Population	Actual Total FY 02 Payment			Total All Grants
		Muni Services @ \$4.3 M Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M	FY02 Community Jail Approps	FY02 Capital Matching Grants	
Stevens Village	87	\$3,681		\$25,000	\$28,681
Stony River				\$25,000	\$25,000
Takotna	50	\$3,681		\$25,000	\$28,681
Tanacross	140	\$3,681		\$25,000	\$28,681
Tatitlek	107	\$3,681		\$25,000	\$28,681
Tazlina	149	\$3,681		\$25,000	\$28,681
Tetlin	117	\$3,681		\$25,000	\$28,681
Tok	1393	\$3,681		\$25,000	\$28,681
Tolsona	27	\$3,681		\$25,000	\$28,681
Tuluksak	428	\$3,681		\$25,000	\$28,681
Tununak				\$25,000	\$25,000
Tuntutuliak				\$25,000	\$25,000
Twin Hills	69	\$3,681		\$25,000	\$28,681
Venetie				\$25,000	\$25,000
Whale Pass	58	\$3,681		\$25,000	\$28,681
Wiseman	29	\$3,681		\$25,000	\$28,681
Noatak	428	\$3,681			\$3,681
Cantwell	222				\$0
Iliamna	102				\$0
Healy	1000			\$25,000	\$25,000
Saleha	854				\$0
Cooper Landing	369				\$0
Nimilchik	772				\$0
Port Graham	171				\$0
Central	134			\$25,000	\$25,000
Lake Minchumina	32			\$25,000	\$25,000
Two Rivers	482				\$0
Meyers Chuck	21				\$0
Chenega Bay	86			\$25,000	\$25,000
Chignik Lagoon	103				\$0
Chignik Lake	145				\$0
Chiniak	50				\$0

Municipality/ Community	Municipal Population	Actual Total FY 02 Payment			Total All Grants
		Muni Services @ \$4.3 M Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M	FY02 Community Jail Approps	FY02 Capital Matching Grants	
Glacier View	249				\$0
Hope/Sunrise	429				\$0
Igiugig	53				\$0
Ivanoff Bay	22				\$0
Karluk	27				\$0
Kokhanok	174				\$0
Skwentna	111				\$0
Lake Louise	88				\$0
Levelock	122				\$0
Moose Pass	206				\$0
Nanwalek	177				\$0
Nelson Lagoon	83				\$0
Pedro Bay	50				\$0
Perryville	107				\$0
Port Alsworth	104				\$0
Tyonek	193				\$0
					\$0
<b>Community Sub-Totals</b>	<b>20,919</b>	<b>\$242,946</b>	<b>\$0</b>	<b>\$1,887,595</b>	<b>\$2,130,541</b>
					\$0
<b>Municipality/Community Totals</b>	<b>726,688</b>	<b>\$29,619,201</b>	<b>\$4,910,700</b>	<b>\$15,000,000</b>	<b>\$49,537,901</b>
<b>Volunteer Fire Departments</b>					
Chistochina Volunteer Fire Department		\$177			\$177
Chitina Volunteer Fire Department		\$255			\$255
Copper Center Volunteer Fire Department		\$805			\$805
Craig Volunteer Fire Department		\$380			\$380
Eagle Volunteer Fire Department		\$160			\$160
Edna Bay Volunteer Fire Department		\$72			\$72
Elfin Cove Volunteer Fire Department		\$87			\$87
Gakona Volunteer Fire Department		\$480			\$480
Glennallen Volunteer Fire Department		\$1,625			\$1,625
Gustavus Emergency Response		\$596			\$596

Actual Total FY 02 Payment

Municipality/ Community	Municipal Population	Actual Total FY 02 Payment			Total All Grants
		Muni Services @ \$4.3 M Tax Equalization @ \$8.6 M Safe Communities @ \$16.8 M	FY02 Community Jail Approps	FY02 Capital Matching Grants	
Klawock Volunteer Fire Department		\$175			\$175
Kongiganak Volunteer Fire Department		\$710			\$710
Mettakatla Volunteer Fire Department		\$2,206			\$2,206
Naukati Volunteer Fire Department		\$153			\$153
Nenana Volunteer Fire Department		\$479			\$479
Point Baker Volunteer Fire Dept.		\$84			\$84
Port Protection Volunteer Fire Dept.		\$134			\$134
Rural Deltana Fire Protection District		\$3,797			\$3,797
Tok Volunteer Fire Department		\$2,748			\$2,748
Whale Pass Volunteer Fire Department		\$110			\$110
<b>Total Volunteer Fire Department Payments</b>		<b>\$15,233</b>			<b>\$15,233</b>

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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. (§ 5 ch 18 SLA 1980; am § 8 ch 81 SLA 1982; am § 1 ch 28 SLA 1986; am § 18 ch 134 SLA 1992)

**Effect of amendments.** — The 1992 amendment, effective July 1, 1992, inserted near the beginning "fund includes income of the earnings reserve account established under AS 37.13.145. Net income of the" and substituted "fund" for "corporation" in three places.

**Sec. 37.13.145. Disposition of income.** (a) The earnings reserve account is established as a separate account in the fund. Income from the fund shall be deposited by the corporation into the account as soon as it is received. Money in the account shall be invested in investments authorized under AS 37.13.120.

(b) At the end of each fiscal year, the corporation shall transfer from the earnings reserve account to the dividend fund established under AS 43.23.045, 50 percent of the income available for distribution under AS 37.13.140.

(c) After the transfer under (b) of this section, the corporation shall transfer from the earnings reserve account to the principal of the fund an amount sufficient to offset the effect of inflation on principal of the fund during that fiscal year. The corporation shall calculate the amount to transfer to the principal under this subsection by

(1) computing the average of the monthly United States Consumer Price Index for all urban consumers for each of the two previous calendar years;

(2) computing the percentage change between the first and second calendar year average; and

(3) applying that rate to the value of the principal of the fund on the last day of the fiscal year just ended.

(d) Notwithstanding (b) of this section, income earned on money awarded in or received as a result of *State v. Amerada Hess, et al.*, 1JU-77-847 Civ. (Superior Court, First Judicial District), including settlement, summary judgment or adjustment to a royalty-in-kind contract that is tied to the outcome of this case, or interest earned on the money, or on the earnings of the money shall be treated in the same manner as other income of the Alaska permanent fund, except that it is not available for distribution to the dividend fund, and shall be annually deposited into the principal of the Alaska permanent fund. (§ 9 ch 81 SLA 1982; am § 2 ch 28 SLA 1986; am § 19 ch 134 SLA 1992)

**Conditional repeal of subsection (d).** — Under § 28, ch. 134, SLA 1992, subsection (d) "is repealed on the day that the revisor of statutes certifies to the legislature that the Alaska Supreme Court has made a final determination that, in the absence of AS 43.23.045(e), repealed by sec. 29 of this Act, or AS 37.13.145(d), added by sec. 19 of this Act, no judge or juror is disqualified from serving as a judge or juror

solely because the judge or juror may qualify to receive a permanent fund dividend."

**Cross references.** — For transfer of certain income earned by the Alaska permanent fund prior to July 1, 1982, to the undistributed income account, see § 15, ch. 81, SLA 1992.

**Effect of amendments.** — The 1992 amendment, effective July 1, 1992, rewrote this section.

#### NOTES TO DECISIONS

Stated in *State, Dep't of Revenue v. Cosio*, 858 P.2d 621 (Alaska 1993); *Exxon Corp. v. Heinze*, 32 F.3d 1399 (9th Cir. 1994).

**Sec. 37.13.150. Corporation budget.** The revenue generated by the fund's investments must be identified as the source of the operating budget of the corporation in the state's operating budget under AS 37.07 (Executive Budget Act). The unexpended balance of the corporation's annual operating budget does not lapse at the end of the fiscal year

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
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## MEMORANDUM

January 22, 2001

**SUBJECT:** Municipal Dividends (HB 20)

**TO:** Representative Carl Moses  
Attn: Tim Benintendi

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

Here is the summary explanation you asked for of bill sections 7 and 8 from HB 20.

Section 7. Adds a new municipal assistance program, the Public Safety Foundation Program which takes the place of the existing program commonly referred to as "municipal revenue sharing" (AS 29.60.010 - 29.60.310) and the existing safe communities program (AS 29.60.350 - 29.60.375), both repealed in bill sec. 13.

Sec. 29.60.655: establishes the municipal dividend fund and suggests the legislature may appropriate money from the fund for the public safety foundation program, and, if there is a balance in the fund, for capital project matching grants.

Sec. 29.60.660: sets out general eligibility requirements a municipality must meet to qualify for a public safety foundation entitlement for a fiscal year. Permits the Department of Community and Economic Development to adopt regulations to implement the public safety foundation program. Addresses the determination of population for purposes of the program and requires payments to be made by July 31, based on entitlement calculations made during the preceding fiscal year. (Compare AS 29.60.020; 29.60.070; 29.60.150; 29.60.290; 29.60.310)

Sec. 29.60.665: municipal minimum entitlements of \$25,000 are to be distributed to each municipality. A supplemental minimum entitlement is available to each municipality that would otherwise receive less than \$45,000 from the public safety foundation program. A municipality is also entitled to a supplemental minimum entitlement if the amount it would receive from the public safety foundation program is less than the amount it received for fiscal year 2001 under the "municipal revenue sharing" and safe communities programs. (Compare AS 29.60.290; 29.60.372)

Sec. 29.60.670: provides for road maintenance entitlements, frozen waterway entitlements, and driver usage entitlements. Permits a municipality to use for education up to 55 percent of a road maintenance entitlement. (Compare 29.60.110)

Sec. 29.60.675: provides for emergency medical and fire protection services entitlements to municipalities and permits a municipality to use up to 55 percent of the entitlement for education. Also provides for these entitlements to fire departments and

Representative Carl Moses  
January 22, 2001  
Page 2

organizations that provide emergency medical services in areas not served by a municipality. (Compare AS 29.60.130)

Sec. 29.60.680: provides for police protection services entitlements to municipalities.

Sec. 29.60.685: provides entitlements to municipalities for health facilities and hospitals. (Compare AS 29.60.120)

Sec. 29.60.690: provides entitlements to unincorporated communities in the unorganized borough. (Compare AS 29.60.140)

Sec. 29.60.695: provides an entitlement to the Department of Public Safety for the village public safety officer program.

Sec. 29.60.699: makes limitations and requirements of the public safety foundation program binding on home rule municipalities.

Section 8. This is a technical amendment changing for purposes of determining eligibility for unincorporated community capital project matching grants the statutory reference to the existing law that provides entitlements to unincorporated communities to the new section that will be added in this bill. The transition between these two statutes is dealt with in bill sec. 14 to ensure that communities continue uninterrupted eligibility for the matching grants.

TBC:glc  
01-043.glc

# Alaska State Legislature

## Representative Carl E. Moses



Member  
House Finance Committee



SESSION  
State Capitol Building  
Juneau, Alaska 99801-1182  
Phone: (907) 465-4451  
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### SPONSOR STATEMENT / SECTIONAL ANALYSIS

#### CSHB 20 (CRA) - Municipal Dividend Program

The establishment of a Municipal Dividend program would provide Alaskan municipalities with a predictable and reliable source of income with which to address basic community needs. Currently, full funding for essential services is going unmet, in part, due to declining state municipal assistance / revenue sharing General Fund allocations. Increases in local property taxes are not always the answer, especially in many communities where there is insufficient tax base to draw upon.

HB 20 would repeal the current revenue sharing and safe communities programs, thus allowing for a General Fund cut of approximately \$51 million. It would fund defined basic services from the surplus earnings of the Permanent Fund at a rate of \$150 per dividend recipient, only after inflation-proofing and only after payment of individual dividends. This plan would provide approximately \$89 million to municipalities in the next fiscal year (FY03), a very modest draw from the surplus earnings. It clearly defines the uses to which funding may be applied, and provides minimum amounts for small municipalities (\$45,000) and unincorporated communities (\$10,000).

It does not require a constitutional amendment, nor does it require a vote of the public. Approval of this Municipal Dividend plan is fully within the authority of the legislature. Within HB 20, annual legislative powers of appropriation remain intact. The bill's impact on an individual dividend check is slight over time, with estimates by the Permanent Fund Corporation at approximately \$20 in nine years (see PFC chart). Measure this against the value of adequate local police, fire, EMT, health care, and road maintenance services of benefit to individual residents over the same time period.

Given our inability to substantially cut the state operating budget, and given our apprehension for raising new revenues, we need to look at using surplus earnings of the Permanent Fund in some effective way. This is, in part, what the earnings of the Permanent Fund were destined for. The Municipal Dividend program responds to the continued reduction in state funding to municipalities, and would be an effective counter to the popularity of a local tax cap solution. It is effective, reliable, and accountable. HB 20 is a plausible component of a long-range fiscal plan.

W/D

Amendment 3

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE LANCASTER

1 Page 1, line 28, following "appropriated":

2 Insert

3 "(1) to K-12 education to fund an increase in the total amount of appropriations  
4 for K-12 education when compared to the total amount of appropriations.

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AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVES WHITAKER

TO: CSHB 20( ), Draft Version "J"

AND LANCASTER

1 Page 1, line 1:

2 Delete "municipal dividends"

3 Insert "dividends for municipalities and education"

4

5 Page 1, line 4:

6 Delete "Municipal dividend fund"

7 Insert "Dividend fund for municipalities and education"

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9 Page 1, line 5:

10 Delete "municipal dividend fund consisting of municipal dividends"

11 Insert "dividend fund for municipalities and education consisting of dividends"

12

13 Page 1, line 7:

14 Delete "municipal dividend"

15

16 Page 1, line 11:

17 Delete "for"

18

19 Page 1, following line 11:

20 Insert

21 "(1) to the University of Alaska to fund an increase in the total amount

22 of appropriations for the university when compared to the total amount of

23 appropriations to the university for fiscal year 2002;

1                   (2) to the Department of Education and Early Development for  
2 payment as learning opportunity grants to school districts based on the school district's  
3 average daily membership to pay for instructional programs intended to improve  
4 student performance; an amount equal to \$115 for each district adjusted ADM as  
5 defined in AS 14.17.990 for the immediately preceding fiscal year may be  
6 appropriated under this paragraph;"  
7

8 Renumber the following paragraphs accordingly.  
9

10 Page 1, line 12, before "capital":

11           Insert "for"

12

13 Page 1, line 13, before "payments":

14           Insert "for"

15

16 Page 2, line 2:

17           Delete "municipal"

18

19 Page 2, line 3:

20           Delete "municipal dividend fund"

21           Insert "dividend fund for municipalities and education"

22

23 Page 2, line 4:

24           Delete "municipal"

25

26 Page 2, line 5:

27           Delete "\$100"

28           Insert "\$160"

#6

Conceptual Amendment for HB 20

By Lancaster & Moses

1. Amend AS 29.60.140 (b) is amended by adding the following:

(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(.); or

a place within an organized borough that is not incorporated as a city, in which 25 or more persons reside as a social unit, and the qualified entity approved under (a) of this section provides at least three of the following services:

- (i) fire protection services;
- (ii) emergency medical services;
- (iii) water and sewer services;
- (iv) solid waste management services;
- (v) public road or ice road maintenance;
- (vi) public health services; or
- (vii) search and rescue services.

2. Make a conforming title amendment.

**BILL SECTION 1:** Sets out findings which provide guidelines for the bill, including identifying the basic services of police, fire, EMT, health and road maintenance, recognizing the Public Safety Foundation Program, recognizing municipal accountability, and protecting the integrity of the Permanent Fund's inflation-proofing and individual dividend payment program.

**BILL SECTION 2:** Defines those fire-fighting and EMT organizations eligible to receive payments under new section AS 29.60.730 (in Bill Section 7).

**BILL SECTION 3:** Adds the Public Safety Foundation Program to those programs that apply to Home Rule communities.

**BILL SECTION 4:** Adds the Public Safety Foundation Program to the compliance language necessary for municipalities to receive program funds.

**BILL SECTION 5:** Adds the Public Safety Foundation Program to the list of programs through which funds are allocated to a municipality, that a municipality must report to its taxpayers.

**BILL SECTION 6:** Declares that compliance with AS 29.45.660(b) is necessary for receipt of funds under the Public Safety Foundation Program.

**BILL SECTION 7:** The heart of the bill. Establishes the Public Safety Foundation Program; establishes the Municipal Dividend Fund in the Department of Community and Economic Development; **retains legislative powers of annual appropriation**; sets out the qualifications of municipalities for eligibility and minimum municipal entitlements (\$45,000); creates the road maintenance entitlement (\$2,000/mile) and per capita supplement (\$10/head); provides for automotive public transportation (\$1,000/mile) for frozen waterways; sets out the formula for the fire and emergency medical services entitlement (\$20/head for fire and \$20/head for EMT); allows usage for public education purposes of up to 55% of the fire, EMT, and road entitlements (combined); establishes the entitlement for police protection services (\$20/head); creates the hospital and health services entitlement for municipalities which provide these services; establishes the minimum entitlement for unincorporated communities (\$10,000); and provides payments for VPSO services (\$15/head).

**BILL SECTION 8:** Adds minimum entitlement provisions of AS 29.60.690 (in Bill Section 7), to the Unincorporated Community Capital Project Matching Grant Fund program.

**BILL SECTION 9:** Amends the Municipal Capital Project Matching Grant Program by adding the Public Safety Foundation Program as a source for local share match funding for municipalities.

**BILL SECTION 10:** Amends the Unincorporated Community Capital Project Matching Grant Program by adding the Public Safety Foundation Program as a source for local share match funding for unincorporated communities in the unincorporated borough.

**BILL SECTION 11:** Adds new subsection to AS 37.13.145 to provide for the transfer of funds from the Earnings Reserve account to a new Municipal Dividend Fund account, limited to \$150 per each individual PFD distributed the previous year, or less if the E.R. account balance is less than would accommodate the \$150 level. This happens after AS 37.13.145 (b), the set-aside for individual dividend payments, and (c), the set-aside for inflation-proofing.

**BILL SECTION 12:** Technical provision which prorates payments under the road maintenance entitlement, for circumstances where a municipality may receive other funds for road maintenance upon roads it may not own, but for which it may have maintenance responsibility.