

778

SCRA

HB 192

19

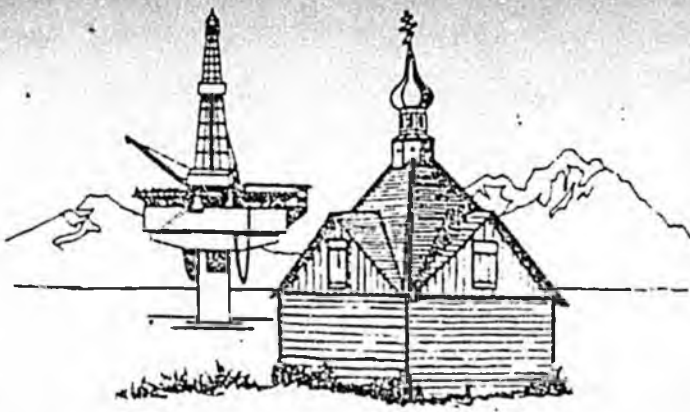
2 for the filing of the individual income tax return.

3 * Sec. 2. AS 43.20 is amended by adding a new section to read: 1/1/79

4 Sec. 43.20.016. SHARING OF CORPORATE INCOME TAX REVENUE WITH MUNI-
5 CIPALITIES. (a) There is established within the Department of Revenue
6 the municipal assistance fund. The legislature may appropriate to the
7 fund during each fiscal year an amount equal to or greater than 10 per
8 cent of the income tax revenue received by the state under sec. 11(e) of
9 this chapter and ch. 21 of this title for the previous fiscal year. The
10 Department of Revenue shall distribute money from the fund to each
11 organized borough and each city of any class on an annual basis as
12 provided in (b) and (c) of this section.

13 (b) The base amount to be distributed from the fund to each bor-
14 ough and city for the fiscal year shall be the amount received by the
15 borough or city during fiscal year 1978 under AS 43.70.080; however, if
16 the amount appropriated to the fund by the legislature under (a) of this
17 section is insufficient for distribution of the full base amount, the
18 Department of Revenue shall prorate the amount available for distribu-
19 tion on the basis of amounts received during fiscal year 1978 under AS
20 43.70.080. A city incorporated within an organized borough after
21 June 30, 1977 shall receive as a base amount a share of the amount
22 distributed to the borough in which it is located based on the ratio of
23 population in the city to the total population in the borough. A city
24 incorporated outside an organized borough after June 30, 1977 shall
25 receive as a base amount the amount received by the city in the state
26 most closely approximating it in population at the time of its incor-
27 poration. A borough incorporated after June 30, 1977 shall receive as
28 base amount the amount received by the borough in the state most closel
29 approximating it in population at the time of its incorporation.

part (c) says if there's additional
money, it's distributed on the basis
of population.



CITY OF KENAI
"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611
TELEPHONE 283 - 7535

March 7, 1980

Honorable Russ Meekins
Chairman, House Finance Committee
Pouch V
Juneau, AK 99811

Dear Representative Meekins:

The Legislature has an opportunity to correct an inequity in funding of the Municipal Assistance Fund and by so doing accomplish several other worthwhile goals expressed by the Legislature and the Administration.

A brief review of the history of the Municipal Assistance Fund will point up the inequity that has arisen. The municipalities, organized boroughs and cities, automatically received 60% of the gross business tax up to fiscal year 1979, the last year the tax was in effect. In degree of certitude of revenue, this was a most reliable income source. The State Legislature offered as a substitute for this income source, the Municipal Assistance Fund providing for distribution to municipalities of 10% of more of the corporate income taxes paid to the State. The municipalities, by accepting this substitute income source, went "at risk" in two ways. First, like the State they gave up the more reliable tax source, gross business receipts as compared to the uncertainty of net income. Second, 60% of the gross business tax receipts was automatically distributed compared to annual legislative appropriating action. The State is at risk where it depends upon net income and the municipalities now are joined with the State. We are all aware of the State winning on their risk taking as corporate net income revenues have increase, the inequity is that so far the State Legislature has not seen fit to honor their commitment and pass on the 10% to the municipalities who shared the risk. We seek your aid in correcting this inequity. At the conclusion of this letter are the dollar amounts involved.

Further in your consideration is the achievement of other goals spoken of by Legislative members and Administration. Funds received by municipalities from this source will: lower real property mill rate or reduce the size of increase and will be visible to the citizens of the municipalities. In addition, fund distribution of this type puts the discretion of spending such funds at the most

1-29-79

State of Alaska
 Department of Education
 Chapt. 249, SLA 1970
 STATE AID FOR RETIREMENT OF SCHOOL CONSTR. DEBT
 FY 1978-79

	100% of Debt Service 1976-77	Credit for Cash Payment Prior to FY72	50% of Cash Payment Prior to FY72	Cash Payment 1976-77	80% of 1976-77 Cash Payment	Debt Service @ 100% Plus Cash Payment 1976-77	Cigarette Tax 1976-77	Total Entitlement	Actual Payment Prorated @ 79.9238%
Anchorage	11,969,389	1,338	9,669	1,942,254	1,553,803	13,532,861	1,090,725	12,442,136	9,944,227
Bristol Bay	149,585	16,723	8,361	--	--	157,946	13,180	144,766	115,702
Cordova	122,925	--	--	16,020	12,816	135,641	24,469	111,172	88,853
Fairbanks	3,959,632	321,065	160,532	573,180	458,544	4,578,708	295,209	4,283,499	3,423,535
Galena	--	--	--	76,812	61,449	61,449	9,560	51,889	41,471
Haines	95,948	--	--	--	--	95,948	21,902	74,046	59,180
Juneau	985,298	--	--	435,214	348,171	1,333,469	142,967	1,190,502	951,494
Kake	--	--	--	45,072	36,057	36,057	10,751	25,306	20,225
Kenai	2,300,759	483,758	241,879	1,624,771	1,299,817	3,842,455	169,044	3,673,411	2,935,928
Ketchikan	650,498	--	--	--	--	650,498	92,628	557,870	445,870
Kodiak	419,413	17,036	8,518	1,097	877	428,808	73,508	355,300	283,969
Mat-Su	2,085,979	1,842	921	189,120	151,296	2,238,196	108,207	2,129,989	1,702,369
Nenana	21,540	3,022	1,511	11,329	9,063	32,114	10,038	22,076	17,643
North Slope	1,828,748	--	--	--	--	1,828,748	42,576	1,786,172	1,427,575
Petersburg	343,855	44,629	22,314	--	--	366,169	25,602	340,567	272,194
Sitka	410,390	971	485	94,214	75,371	486,246	61,516	424,730	339,460
Skagway	26,784	--	--	--	--	26,784	11,592	15,192	12,142
St. Mary's	--	--	--	128,448	102,758	102,758	6,968	95,790	76,559
Unalaska	--	--	--	12,248	9,798	9,798	8,418	1,380	1,102
Valdez	135,188	4,563	2,281	27,832	22,265	159,734	30,856	128,878	103,004
Wrangell	24,651	--	--	15,000	12,000	36,651	23,140	13,511	10,798
Totals	25,530,482	912,947	456,471	5,192,611	37,254,085	30,141,038	2,272,856	27,868,182	22,273,300

FY 80
 Anchorage entitlement 12,465,946
 prorated payment 9,742,673
 short fall 2,723,273

FY 80 JP 30,512,110 78:1543 do proration JP 24,051,000
 FY 81 JP 30,252,000 JP 25,210,000

major work of G. M. L. 1/3/80 Chat of Jimmy Chittwood
✓ HB 66 - Am. working of Bill Miles, House
Revenue & Dept. of Nat. Revenue.

✓ Mary
✓ appointment issue -- needs more work G. M. L.
in 12/89 will draft (Am.) proposal.

✓ House legislation
✓ Sr. Citizen (League wants to clarify) League ready.
(I) have a bit of a problem of whole of system

✓ HB 192 - or in Budget
Hospital working - for follow up by G. M. L. not included

✓ ~~Chick~~
concrete zone - extra - territorial G. M. L. ready

✓ ~~OK~~ et al. (2) water + sewer
Solid waste / increase from 50 / to 75% +
(2) new category 80% solid waste

ALASKA MUNICIPAL LEAGUE
LEGISLATIVE COMMITTEE MEETING
December 14, 1979

The meeting was called to order by Chairman Ron Larson at 9:30 am on December 14, 1979 in the assembly chambers of the City and Borough of Juneau. The following committee members were present: Ron Larson, Lee Sharp, Gene Moore, Lyman Hoffman, Marilyn Dimmick, Dan Keck, Mike Ribar, Allen Cronk, Ben Delahay, Mike Mikell, Bill Curtis, Bill Walker, Earl Richards, Barbara Shaffer, and Judi Slajer; staff: Ginny Chitwood.

Chitwood distributed information on the status of League sponsored bills, a list of League membership, and a list of the legislative committee members, board members and staff.

Agenda action list - from 1980 policy statement:

Public Employee Retirement (page 3, I-G,2) - Larson said he is working with Paul Arnoldt, Director of the State Division of Retirement and Benefits, and will have more to report at the next meeting.

Bill to Split out Hospital Funding from Revenue Sharing to Health and Social Services (Page 3, I-I (eye),2) - There was discussion on whether E&SS currently has the administrative structure to handle the program or whether there will have to be a new office set up. Curtis said that the same person who certifies the hospital and the number of beds for the present revenue sharing program should be able to handle the proposed program. Mikell said he would talk to Senator Glenn Hackney about legislation.

Senior Citizen Exemptions (page 4, I-L,4) - Dimmick reported that the Kenai Peninsula Borough unanimously passed a resolution endorsing exemption of the whole parcel owned and lived on by a senior citizen. Sharp distributed three alternatives. After striking the word "smallest" in alternate "B", the committee voted to endorse that version, (see attached). It was suggested that the pending ombudsman investigation be checked before seeking to have legislation introduced.

HB 66 Corrections - Sharp distributed a draft bill, labelled "D". He suggested the legislative committee support the concept of the bill and work to have it incorporated in the House Resources Committee bill, rather than have it introduced as League sponsored legislation.

The necessity for clarification of overriding state interest taking precedence over local selections was discussed. Cronk said he would prepare legislation implementing the League's resolution dealing with land selection and grant regulations. Cronk distributed "land selection report". The committee adopted enclosures # 1, 3, 4 & 5, and adopted an amended version of Sharp's "D" instead of enclosure # 2, (see attached).

Land Selection - Mental Health Lands (Page 7, IV-B,2) - Cronk distributed draft "E", which includes two pages of definitions. The committee deferred action on the proposal. Sharp volunteered to revise the wording, (see attached).

Mineral Policy (page 16, IX-A,5) - Jim Nordale sent a draft labelled "F". After amending it slightly, the committee adopted draft "F", (see attached).

Controlled Livestock Districts (page 8, IV-8,1) - Nordale sent draft "G" which was adopted by the committee.

Extraterritorial Jurisdiction in Coastal Management Districts (page 8, IV-E,2) - Slajer distributed draft "H", which was adopted by the committee. It was noted that this proposal should be considered only a first step, not the complete answer to the problem addressed in the policy statement. Extraterritorial control is needed in addition to input to plan formatica.

Majority Elections (page 12, VII-A,1) - Two bills, SB 126 and HB 341, have been introduced, both of which clarify the 40% plurality and contain a provision to opt out of the 40% rule.

Solid Waste (page 12, VI-D,1) - Perry Lovett sent draft "I" which was adopted by the committee in an amended version, (see attached). The committee voted to recommend to the board a new policy on resource recovery. The proposal to make grants or low interest loans for capital improvements available to private utilities was tabled until June.

Social Security Participation (page 15, VIII-E,2) - Staff was instructed to prepare a draft to implement this section.

Loans for Water and Sewer Projects and Title 29 Revisions (agenda items # 12 and # 13) These items were deferred until the next meeting.

Boat Tax - nothing new to report.

Assembly Apportionment and Reapportionment - Slajer distributed a draft bill. It was decided to defer action to allow time for review. Staff was directed to send copies of the draft bill and current law to municipal elected officials, administrators, clerks, attorneys and to AML board and legislative committee members. Larson will conduct a hearing on Friday, January 25, in the annex of the City and Borough of Juneau assembly chambers. Following the hearing, a draft bill and provisions will be presented to the board.

Legislative Priorities - The legislative committee recommended the following priorities to the board.

1. Assembly apportionment and reapportionment
2. Revisions to HB 66 (Chapter 85, SLA 79)
 - a. state disposal
 - b. subdivision override

3. Revenue sharing
 - a. transfer hospital funding to H&SS, with no decrease in revenue sharing
 - b. increase funding level by 300%
 - c. revisions to formula should reflect philosophy of helping those who help themselves
4. Economic development, especially sections 2 & 4 of Part X
5. New foundation formula for education
6. Tax credits
 - a. energy
 - b. local support to school operations & capital projects
7. Front end funding for school capital projects
8. Grants and long term, low interest loans for construction of power and water projects
9. State funding for cultural and civic centers
10. Mineral policy

TENTATIVE
NOTICE OF MEETING
AML LEGISLATIVE COMMITTEE
April 17 & 18, 1980
in Juneau

If you have items you would like on the agenda, please notify
Ron Larson at the Matanuska-Susitna Borough or the AML office.

ALASKA MUNICIPAL LEAGUE
204 North Franklin
Juneau, Alaska 99801
586-1325/586-6526

BOARD OF DIRECTORS 1979-80

Dave Walsh, President.....Municipality of Anchorage
Roberley Potter, First Vice President.....City and Borough of Sitka
Ted Lehne, Second Vice President.....City of Fairbanks
Harry Aase, Director.....City and Borough of Juneau
James O. Ekstedt, Director.....Mat-Su Borough & City of Palmer
JoAnn Elson, Director.....Kenai Peninsula Borough
Jack R. Foster, Sr., Director.....City of Sand Point
Don Gilman, Director.....Kenai Peninsula Borough
Charles Freeman, Director.....Ketchikan Gateway Borough
Leo B. Rasmussen, Director.....City of Nome
Phil Younker, Immediate Past President.....Fairbanks North Star Borough
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Dave Rose, Past President.....Municipality of Anchorage
John Carlson, Past President.....Fairbanks North Star Borough
George Sullivan, Past President.....Municipality of Anchorage

LEGISLATIVE COMMITTEE 1979-80

Ron Larson, Chairman.....Matanuska-Susitna Borough
Paul Baer.....Municipality of Anchorage
Stuart Bowdoin.....Bristol Bay Borough
Ruth Burnett.....City of Fairbanks
Sam Coxson.....City of Whittier
Al Cronk.....Fairbanks North Star Borough
Bill Curtis.....City of Palmer
Ben Delahay.....City of Kenai
Marilyn Dimmick.....Kenai Peninsula Borough
Mitch Gravo.....Municipality of Anchorage
Lyman Hoffman.....City of Bethel
Dave Jensen.....Cities of Kik-Cove and Sand Point
Nancy Kraning.....City of Bethel
Dan Keck.....City and Borough of Sitka
Carol Lechner.....City of Kodiak
Perry Lovett.....City of Cordova
Carol Maser.....Municipality of Anchorage
Bryan MacLean.....City of Barrow
Mike Mikell.....City of Fairbanks
Gene Moore.....City of Kotzebue
Jim Nordale.....Fairbanks North Star Borough
Ernie Polley.....City and Borough of Juneau
Joyce Rasler.....City of Wrangell
Mike Ribar.....Fairbanks North Star Borough
Earl Richards.....City and Borough of Sitka
Lidia Selkregg.....Municipality of Anchorage
Lee Sharp.....City and Borough of Juneau
Judi Slajer.....Ketchikan Gateway Borough
Barbara Shaffer.....City of Nome
Jonathan Soloman.....City of Fort Yukon
Bob Sundberg.....City of Fairbanks
Bill Walker.....City of Valdez
Betty Wallin.....Kodiak Island Borough
Ed Zastrow.....Ketchikan Gateway Borough

Staff: Ginny Chitwood, Executive Director
Marilyn Miller, Director, Program Services
Susan King, Administrative Assistant

Alaska Municipal League

586-1325

3/31/80 asked Ginny
Chitwood to develop
working for change. D.W.
has some concern.

3/31/80

asked D.W. to have
Ginny give Margo
info on where various

"muni rev" showing
kind of bills were

3/25 2pm

Arlic:

I am hopeful that you will be successful in developing a method or formula in funding the roll back (1yr) on school debt service. This is certainly one of the basic local needs and dramatically affects ad valorem taxes. I wish I was not able to discuss this matter in more detail with you. If you are interested in knowing how this whole mess got started, I have info on it. Will call you later this week.

Norm

Note: Thanks for taking time out to speak to the Managers Assoc.

H- given to me for
you from Marilyn
AML

4/2/80

Dear Curtis

Re: School Construction Payments

I believe Pat Corney's bill, HB 838, with a few modifications, can solve the reimbursement delay problem. I would suggest a compromise between the two year delay in present law and the immediate payment, calling for a one year delay to allow the Department of Education time to review audits & to have some proof that payments were made & made for approved projects. (I talked to Norm Hennesque about this & he has no problem - in fact he suggested waiting until after the audit.)

This bill, however, will not solve any problems unless the legislature is willing to fully fund it. As a first step most municipalities would like to see current law funded at its authorized level. In FY 79⁰ the appropriation was 5.6 million less than

entitlement; in FY 80, 6.7 million less,
and proposed in FY 81, 5.2 million less.

Needless to say, AMC supports both
full funding + shortening the delay
in reimbursement.

Thank for your help,
Glenney

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

(907) 465-2300

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

April 9, 1980

The Honorable Senator Sturgulewski
Chairman
Senate Community & Regional
Affairs Committee
Alaska State Legislature
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I am enclosing a memo from Phil Wall, Director of Administrative Services, explaining how the entitlement for Municipal Assistance is arrived at. The Governor's budget request for FY 1981 is \$11,400,000 and so Anchorage's entitlement would again be \$4,918,924, plus a portion of the \$828,470 over the base amount of \$10,571,530.

The projections below are combined estimate totals for the petroleum and corporate income taxes for FY 1981 through 1985 in millions of dollars:

<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
586	955	1,110	1,267	1,334

AS 43.20.016 states that the Legislature may appropriate 10% of the petroleum & corporate income tax collected, or more, to the Municipal Assistance Fund. If 10% were appropriated, based on the above revenue projections, the amounts in the fund would be (in millions of dollars):

<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
58	95	111	127	133

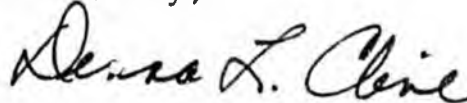
Because of the constitutional problem of dedication of funds, AS 43.20.016 only suggests that the Legislature may use a 10% formula for appropriating money to the Municipal Assistance Fund. AS 43.20.016(b) and (c) spell out how amounts more or less than the suggested 10% formula are to be distributed. Policy and budget considerations by the Administration and the Legislature have determined the amount actually appropriated to the fund in recent years.

Using the suggested 10% formula Anchorage's entitlement would be the base amount of \$4,918,924 and then the excess would be shared by using the per capita rules contained in AS 43.20.016(c). The entitlement utilizing this formula for FY 81 through FY 85 would be (in millions of dollars):

<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
26	42	49	57	59

If you have any further questions please do not hesitate to call.

Sincerely,



Denna L. Cline
Special Assistant

DLC:m11
Enclosure

RECEIVED

APR 2 1980

TO: Joseph K. Donohue
Deputy Commissioner

DATE: April 2, 1980

OFFICE OF THE COMMISSIONER

FILE NO:

TELEPHONE NO: 465-2313

FROM: Phil A. Wall, Director *PAW*
Administrative Services Division

SUBJECT: Municipal Assistance Sharing

The old Alaska Business License sharing ended on December 31, 1979. The first Municipal Assistance sharing for fiscal year 1980 occurred in March, 1980 under AS 43.20.016. This new sharing program established the base amount to be shared as the actual amount shared to each municipality in fiscal year 1978. The actual fiscal year 1978 amounts were:

<u>Anchorage Municipality</u>	<u>Statewide</u>
\$4,918,924	\$10,571,530

The law also allows for the distribution of an appropriation which is larger or smaller than the \$10,571,530 base amount. For fiscal year 1978 an amount of \$11,400,000 (or \$828,470 more than the base amount) was appropriated. Some adjustment to the base amount may occur as a result of our request for opinion, but, most of the excess will be shared to municipalities under the per capita rules contained in AS 43.20.016 (c).

The fiscal year 1981 Municipal Assistance Fund appropriation request is again \$11,400,000. This is the amount approved by the Governor.

Old Ray 4-10-86

RUSH

T

Get Jay Hogan to pull pertinent ~~the~~ statutes for

us. Show amount entitlement + amount paid since enactment.

Give 1981 est entitlement

+ 1/2 Gov's budget. \$11.4 - ^{st. wid} - ^{not broken} done

Also act if any ~~of~~ ^{projections} + get the cap. + get

income tax for next

5 years or so +

entitlement based on

~~the~~ these figures

9!

3-31-80

(3795)

Per Milt Barker Budget/Audit

	<u>Statewide</u>	<u>Should Received</u> <u>Anchorage</u>	<u>Did Receive</u> <u>Anchorage</u>
1978	\$10,567,000	\$4,918,922.16 = <u>BASE</u>	
1979	13,349,900		
1980	\$11.4 ^{mi} (Should have been \$25.7 ^{mi})		
1981	41.6		26
1982	58.6		42

FORMULA
 Anchorage will always ^{receive} BASE Figure plus
 extra for population (43.1% 1980 - 1982 figures)

Does Not have Gov's Budget Breakdown
 \$11.4 mi - is all together

Does Not have any figures on Corp. & petroleum
 income taxes. U

Should be able to obtain from Revenue
 tomorrow.

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST
JUNEAU, ALASKA 99801

March 19, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I am writing concerning municipal assistance from general and petroleum corporate income tax receipts.

In the process of repealing the gross business license tax, the Legislature eliminated a source of income for municipalities - 60% of the gross business license fees collected within a municipality. To compensate for this loss of revenue, the Legislature established the Municipal Assistance Fund. According to AS 44.20.016, "the Legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 10% of the income tax revenue received by the state under sec. 11(e) of this chapter and chapter 21 of this title for the previous year." Chapters 20 and 21 pertain to corporate and petroleum income taxes.

According to the letter of intent that accompanied the repeal of the gross business license tax, municipalities were to benefit from the change. In actuality, however, municipalities have lost considerably.

For FY '79, the last year operating under shares of the gross business license tax, municipalities received \$13,349,900. For FY '80, the Legislature appropriated only \$11,400,000 and the amount in the Governor's proposed FY '81 budget remains at that same level even though the revenues generated by general and petroleum corporate income taxes were \$257,400,000 in FY '79 and are estimated at \$417,000,000 for FY '80.

The Alaska Municipal League urges the Legislature to appropriate monies to the municipal assistance fund as currently authorized by law.

Sincerely,



Dave Walsh
President

Cross reference. — As to taxpayer remedies, see AS 43.05.240.

Effect of amendment. — The 1976 amendment repealed subsections (b), (c) and (d), which provided for a hearing where agreement could not be reached with taxpayer as to the amount of the license tax, which provided that a person aggrieved by an action of the department could apply in writing giving notice of the grievance and requesting a hearing, and providing for disposition of excess amounts paid, respectively.

Subsection (b) extends no rights beyond statute of limitations. — It is doubtful that subsection (b) of this section would extend any rights to the taxpayer beyond the time specified in the applicable statute of limitations. *Ketchikan Spruce Mills v. Dewey*, 17 Alaska 336 (1957).

But it does allow raising of question of overpayment after return approved. — Subsection (b) of this section seems to indicate an intention to allow the taxpayer to raise the question of an overpayment of taxes even after the return has been approved by the department under subsection (a). *Ketchikan Spruce Mills v. Dewey*, 17 Alaska 336 (1957).

Taxes voluntarily paid under a mistake of law cannot be recovered. *Ketchikan Spruce Mills v. Dewey*, 17 Alaska 336 (1957).

But the legislature may enact additional remedies for the recovery of illegal or excessive taxes. *Ketchikan Spruce Mills v. Dewey*, 17 Alaska 336 (1957).

And subsection (c) of this section creates such an additional remedy. — *Ketchikan Spruce Mills v. Dewey*, 17 Alaska 336 (1957).

Sec. 43.70.050. Appeals.

Repealed by § 3 ch 166 SLA 1976.

Cross reference. — For present provisions covering the subject matter of the repealed section, see AS 43.05.240.

Voluntary payment or payment under mistake of law not a defense in action for partial refund. — In the light of subsection (c) of this section, proof that the payment was made voluntarily or under a mistake of law is no defense in an action for partial refund of taxes. *Ketchikan Spruce Mills v. Dewey*, 17 Alaska 336 (1957).

Refund due on showing of payment in excess of amount due. — Under this section a taxpayer is entitled to a refund upon the bare showing that he paid an amount in excess of the tax which was due. *Ketchikan Spruce Mills v. Dewey*, 17 Alaska 336 (1957).

And there is no requirement that the tax be paid under protest. *Ketchikan Spruce Mills v. Dewey*, 17 Alaska 336 (1957).

Or that showing of duress must be made. — *Ketchikan Spruce Mills v. Dewey*, 17 Alaska 336 (1957).

Running of interest against sovereign. — Equitable motives have led the majority of courts to recognize tax refunds as an exception to the general rule that interest does not run against a sovereign in the absence of an express statute creating such liability. *Ketchikan Spruce Mills v. Dewey*, 17 Alaska 336 (1957).

Costs against sovereign. — But costs may not be assessed against a sovereign without statutory authority therefor. *Ketchikan Spruce Mills v. Dewey*, 17 Alaska 336 (1957).

Editor's note. — The repealed section derived from § 7, ch. 43, SLA 1949.

Sec. 43.70.060. Civil penalty. (a) Repealed by § 3 ch 166 SLA 1976.

(b) If a person fails to apply for a license at the required time or makes, wilfully or otherwise, an erroneous or fraudulent return, the department shall assess the fee from any information it can obtain. This assessment is prima facie good and sufficient for all legal purposes under this chapter. (§ 8 ch 43 SLA 1949; am § 2 ch 128 SLA 1955; am § 6 ch 58 SLA 1971; am § 3 ch 166 SLA 1976)

Cross referen
imposed for f
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a portion or a
43.05.220.

Effect of
amendment re
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license return
determined b
wilful neglect

Sec. 43.

(b) A no
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43 SLA

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Legis
report

70.060

§ 43.70.070

REVENUE AND TAXATION

§ 43.70.080

Cross reference. — For civil penalty imposed for failure to file a return or report, or pay the full amount of a tax, or a portion or a deficiency of the tax, see AS 43.05.220.

Effect of amendment. — The 1976 amendment repealed subsection (a), which provided for an additional amount to be added to the fee for failure to file a business license return or pay the fee, as finally determined by the department, due to wilful neglect.

Section merely regulatory. — See same catchline in note to AS 43.10.160.

And severable from other revenue provisions. — See State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964), citing Alaska v. Baker, 64 Wash. 2d 207, 390 P.2d 1009 (1964).

It is designed to persuade taxpayer to comply with chapter. State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964).

Sec. 43.70.070. Security. (a) Repealed by § 4 ch 94 SLA 1976.

(b) A nonresident person who starts to perform a construction contract or subcontract or other line of business in the state and is not known by the department to be the holder of adequate property in the state to secure collection of the license money which will probably accrue under this chapter by virtue of the business shall, in or with his application, state under oath the extent of lienable real and personal property against which the tax may be collected, and other information with respect to description, location and value of the property which the department prescribes. If the value of the property is not equal to three times the amount of the tax for which the applicant will probably be liable to the state, the department shall not issue the license until the applicant files with him a surety bond approved by the attorney general in a penal sum equal to twice the probable amount of the tax for which the applicant will be liable, conditioned upon payment of the tax in full when due, and with interest if not paid before delinquency. The department may waive the bond requirement if the applicant posts other security in the form of collateral acceptable to the department. (§ 9 ch 43 SLA 1949; am § 4 ch 94 SLA 1976)

Effect of amendment. — The 1976 amendment repealed subsection (a), which made the amount of the fee, interest charge, and penalty imposed under this chapter a lien in favor of the state and provided generally for such lien.

And severable from other revenue provisions. — See State v. Baker, Sup. Ct. Op. No. 227 (File No. 428), 393 P.2d 893 (1964), citing Alaska v. Baker, 64 Wash. 2d 207, 390 P.2d 1009 (1964).

Section merely regulatory. — See same catchline in note to AS 43.10.160.

House 1977

Sec. 43.70.080. Disposal of money. All money collected by the department under this chapter shall be deposited in the general fund. The Department of Revenue shall refund to each organized borough and each city of any class 60 per cent of the money collected in the local government. (§ 11 ch 43 SLA 1949; am § 4 ch 155 SLA 1962; am § 74 ch 69 SLA 1970)

Legislative committee report. — For 1970 House Journal Supplement No. 2, p. report on ch. 69, SLA 1970 (HB 564), see 7.

Validity of refunds to incorporated cities — See 1960 Op. Att'y Gen., No. 5.

Sec. 43.70.090. Regulations. The department may adopt regulations necessary to determine and collect the fees imposed and to enforce this chapter. (§ 12 ch 43 SLA 1949)

Sec. 43.70.100. Penal provisions. (a) It is unlawful for a person to (1) wilfully evade a tax under this chapter; (2) fail to make a return or keep or produce a record required under § 30 of this chapter; (3) make a false or fraudulent return or false statement with intent to defraud the state or evade payment of the tax; or (4) aid or abet another in an attempt to evade payment of the tax.

(b) It is unlawful for an executive officer or agent of a corporation or agent of a person to make or permit to be made for his principal a false return or false statement in answer to an inquiry from the department with the intent to evade the payment of the tax under this chapter.

(c) A person who violates this section is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$1,000, or by imprisonment for not more than one year, or by both.

(d) In a prosecution under this chapter, no person otherwise competent as a witness is privileged from testifying on the ground that his testimony may incriminate him. However, no indictment or prosecution shall afterwards be brought against the witness on account of an offense or transaction concerning which he testifies as a witness. In a prosecution under this chapter, the attorney general may, with the consent of the department, compromise the case by accepting from the defendant a sum not less than the tax, interest on the tax, and all costs and expenses. (§ 10 ch 43 SLA 1949)

Exclusiveness of remedy. — Where a statute provides for the payment of a license fee as the condition of doing any specified business, and also provides that a violator of the act shall, upon conviction, be punished by fine or imprisonment, the remedy by prosecution and punishment so prescribed by the statute is exclusive, unless there is some special provision of law which permits the prosecution of a civil action to recover the license fee. (United States v. Jourden, 193 F. 986 (9th Cir. 1912))

Sec. 43.70.110. Definitions. In this chapter, unless the context otherwise requires, the following words have the meanings indicated.

(1) "Business" includes all activities or acts, personal, professional, or corporate, engaged in or caused to be engaged in, or following or engaging in a trade, profession, or business, including receipts from advertising services, rental of personal or real property, construction, processing, or manufacturing, but excluding fisheries businesses, fishermen, liquor licenses, insurance businesses, mining, and coin-operated amusement and gaming machines, calling or vocation, with the object of financial or pecuniary gain, profit or benefit, either direct or indirect, and not exempting subactivities producing marketable

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(3) for the third year beginning after December 31, 1977 that a taxpayer files an income tax return and each tax year thereafter — \$300.

(c) For part-year residents and nonresident individual taxpayers the credit provided in this section shall be prorated according to the number of months of residency in the state.

(d) The space for claiming the individual income tax credit shall be given a prominent location on the form furnished by the department for the filing of the individual income tax return. (§ 1 ch 144 SLA 1978)

Effective date. — Section 8, ch. 144, SLA 1978, makes this section effective July 3, 1978, in accordance with AS 01.10.070(c). Section 7 of that chapter makes this section retroactive to January 1, 1978.

Sec. 43.20.016. Sharing of corporate income tax revenue with municipalities. (a) There is established within the Department of Revenue the municipal assistance fund. The legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 10 per cent of the income tax revenue received by the state under § 11(e) of this chapter and ch. 21 of this title for the previous fiscal year. The Department of Revenue shall distribute money from the fund to each organized borough and each city of any class on an annual basis as provided in (b) and (c) of this section.

(b) The base amount to be distributed from the fund to each borough and city for the fiscal year shall be the amount received by the borough or city during fiscal year 1978 under AS 43.70.080; however, if the amount appropriated to the fund by the legislature under (a) of this section is insufficient for distribution of the full base amount, the Department of Revenue shall prorate the amount available for distribution on the basis of amounts received during fiscal year 1978 under AS 43.70.080. A city incorporated within an organized borough after June 30, 1977 shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total population in the borough. A city incorporated outside an organized borough after June 30, 1977 shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977 shall receive as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation.

(c) If the amount in the fund at the time of distribution exceeds the base amount to be distributed under (b) of this section, the excess amount shall be distributed to each borough and city on the basis of population. For the purpose of this subsection, the population of a city within an organized borough shall be deducted from the population of the borough. Population, for the purpose of this section, shall be as certified by the commissioner of community and regional affairs.

(d) The intent of (c) of this section is that local governments which levy property taxes reduce those levies in reasonable proportion to the amount of increased state aid received by a local government. The governing body of each local government shall furnish a notice with the tax statement describing its use of this increased state aid. (§ 2 ch 144 SLA 1978)

Effective date. — Section 8, ch. 144, SLA 1978, makes this section effective January 1, 1979.

Editor's note. — Section 6, ch. 144, SLA 1978, effective January 1, 1979, provides: "TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 which relates to the 1978 calendar year (including the \$25 license fee due March 1, 1978 and the fees on the total gross receipts for 1978 which accompany returns filed in

1979 under AS 43.70.030(d)) is the source of revenue to be shared in 1979 in accordance with AS 43.70.080. The increase in the corporate income tax which goes into effect in 1979 is the source of revenue to be shared with the municipalities under AS 43.20.016 in 1980 and subsequent years. This Act does not entitle any organized borough or any city of any class to revenue under both AS 43.70.080 and AS 43.20.016, for the same period of time."

Sec. 43.20.030. Returns and payment of taxes.

Subsection (d) of this section creates a duty to speak when it requires a notice of modification of a taxpayer's federal income tax return. *Stevenson v. Burgess*, Sup. Ct. Op. No. 1514 (File No. 2791), 570 P.2d 728 (1977).

Taxpayers estopped from asserting statute of limitations due to failure to notify regarding modification of federal tax liability. — The failure of certain taxpayers to notify the department of the modification in their federal income tax liability for two years constitutes a breach

of the duty to give notice of modification pursuant to this section and amounts to the concealment of a material fact. Where the state, to its detriment, relying on that lack of notice, as it reasonably could, failed to institute the statutory mechanism for collection of additional taxes, the taxpayers are estopped from asserting the protection of the statute of limitations embodied in AS 43.20.200(b). *Stevenson v. Burgess*, Sup. Ct. Op. No. 1514 (File No. 2791), 570 P.2d 728 (1977).

Sec. 43.20.031. Taxable income of residents; deductions; exemptions. (a) The taxable income of a resident of the state is his entire taxable income as defined in § 63 of the Internal Revenue Code with the following modifications:

(1) a taxpayer whose income includes a cost-of-living allowance which is exempt from federal income tax shall determine and include that amount as part of his income as if the cost-of-living allowance were not exempt;

(2) the benefits allowed to taxpayers under Internal Revenue Code §§ 1301 — 1307, as amended, are allowed only to taxpayers who have been residents of the state for the full base period as well as for the computation year as defined in these sections; the commissioner shall adopt regulations governing benefits under these sections of federal law allowable to spouses eligible to file a joint Alaska return for the computation year when one spouse has not been a resident of Alaska for the full base period;

(3) the benefits of certain property Code (26 U.S.C.) who purchase benefits of property for time of the purchase (4) each tax amount to the Revenue Code (am § 1 ch 8)

Revisor's note provisions detailing minimum deduction for 1977, see section in the 1978 Temporary Resolutions in B. Effect of amendments The 1978 amendments 16, 1978, and retracted paragraph

Sec. 43.20.035. Residents. (a) residents of this state is when attributed chapter with (1) a nonresident itemized deduction minimum deduction proportion (2) a nonresident the personal Revenue Code (3) a nonresident itemized deduction (4) "Alaska itemized deduction arise from source of this chapter (if any) of: (A) Alaska (B) the minimum (am § 2 ch 8 S)

Revisor's note provisions detailing minimum deduction

Sec. 43.56.030. In place of other taxes.

Municipal taxation of AS 43.56 property may only occur as authorized under AS 29.53.045. North Slope Borough v. Sohio Petroleum Corp., Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

And all of it is entitled to a state tax credit. North Slope Borough v. Sohio Petroleum Corp., Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

Regulation denying credit held invalid. — An emergency regulation which denied a credit against the tax levied by the state

under AS 43.56.010(a) for property taxes collected by municipalities in excess of the limitations set forth in AS 29.53.045 and 29.53.050(b) was invalid since AS 43.56.010(d) mandates that all taxes paid under AS 29.53.045 are to be credited against the levy of AS 43.56.010(a). North Slope Borough v. Sohio Petroleum Corp., Sup. Ct. Op. No. 1750 (File Nos. 3460, 3513, 3659), 585 P.2d 534 (1978).

Cited in Liberati v. Bristol Bay Borough, Sup. Ct. Op. No. 1735 (File No. 3365), 584 P.2d 1115 (1978).

Chapter 70. Alaska Business License Act.

Section

10. [Repealed]

30. Levy and computation of license fee

Section

70. [Repealed]

80. Disposal of money

State license tax on salmon canneries with its revenue sharing provision is not different in kind from general gross receipts tax of Alaska Business License

Act. — See Liberati v. Bristol Bay Borough, Sup. Ct. Op. No. 1735 (File No. 3365), 585 P.2d 878 (1978).

Sec. 43.70.010. Exemptions.

Repealed by § 5 ch 144 SLA 1978, effective January 1, 1979.

Editor's note. — The repealed section derived from § 3, ch. 43, SLA 1949; § 2, ch. 172, SLA 1957; § 1, ch. 152, SLA 1962.

Section 6, ch. 144, SLA 1978, effective January 1, 1979, provides: "TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 which relates to the 1978 calendar year (including the \$25 license fee due March 1, 1978 and the fees on the total gross receipts for 1978 which accompany returns filed in 1979

under AS 43.70.030(d)) is the source of revenue to be shared in 1979 in accordance with AS 43.70.080. The increase in the corporate income tax which goes into effect in 1979 is the source of revenue to be shared with the municipalities under AS 43.20.016 in 1980 and subsequent years. This Act does not entitle any organized borough or any city of any class to revenue under both AS 43.70.080 and AS 43.20.016, for the same period of time."

Sec. 43.70.030. Levy and computation of license fee. (a) The license fee for each business is \$25.

(b) The license fee for each national bank and state bank, trust company and savings and loan association is seven per cent of its net income. Net income means the taxable income of each taxpayer before net operating loss deduction and special deductions, computed as required under the Internal Revenue Code of the United States and

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or property taxes in excess of the AS 29.53.045 and paid since AS that all taxes paid to be credited 43.56.010(a). North Petroleum Corp., Nos. 3460, 3513, Bristol Bay Borough, File No. 3365), 584

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is the source of 1979 in accordance The increase in the which goes into effect revenue to be shared under AS 43.20.016 cent years. This Act organized borough or revenue under both 43.20.016, for the

ce. (a) The license

state bank, trust er cent of its net taxpayer before ns, computed, as nited States and

includes all other income including income from federal, state or municipal obligations. Each of these taxpayers required to make a return under the provisions of the Internal Revenue Code shall at the same time file with the department a return setting out the amount of tax due under this chapter, and other information for the purpose of carrying out the provisions of this chapter which the department requires. Each of these taxpayers shall also at the same time file a true and correct copy of the tax return which he has filed with the Internal Revenue Service. A taxpayer filing under this subsection shall use the same tax year as the taxpayer uses for federal income tax purposes. Any approved extension of time to file the taxpayer's federal income tax return automatically extends the time for filing under this chapter. Any agreement which a taxpayer enters into with the Internal Revenue Service which extends the statute of limitations for any federal income tax return will apply to returns filed under this chapter. The department may, in its discretion, grant an extension of time to file or an extension of the statute of limitations independent of federal action. Every taxpayer shall notify the department in writing, within 90 days, of any alteration in, or modification of his federal income tax return and of a recomputation of tax or determination of deficiency. For purposes of applying the statute of limitations, this notification constitutes a separate return, and failure to file this notification will have the same effect as the failure to file a return under this title.

(c) The license for the privilege of taking orders through use of catalogs and by mail order offices in the state is the same as set out in this chapter for business generally.

(d) The fee of \$25 applies to all of the provisions of this section, and shall accompany the application. The balance is due and payable on the last day of the taxpayer's tax year and shall be paid before the 15th day of the third month following the end of the tax year, except that the time for filing the return may be extended as provided in (b) of this section. To enable accurate determination of the balance of the tax due at the end of each year, each person to whom this chapter applies shall keep records, give statements under oath, and make returns which the department requires. Returns are made under penalty of perjury. (§ 5 ch 43 SLA 1949; am § 1 ch 128 SLA 1955; am § 1 ch 101 SLA 1960; am § 1 ch 68 SLA 1973; am § 1 ch 50 SLA 1975; am § 3 ch 144 SLA 1978)

Effect of amendments.

The 1978 amendment, effective January 1, 1979, in subsection (a) deleted "plus a sum equal to one-half of one per cent of the gross receipts in excess of \$20,000 from the business during the year for which the license is issued, except that all gross volume in excess of \$10,000 a year is taxed at the rate of one-quarter of one per cent" from the end of the first sentence of the subsection and deleted the former second

sentence of that subsection, which read "The annual license fee paid by a professional person to his professional board shall be credited against the initial fee required under this chapter." In subsection (b), the amendment added the present fifth through eighth and tenth sentences and inserted "within 90 days" in the present ninth sentence. In subsection (c), the amendment deleted "and gross volume of business of those offices includes

all orders taken at them whether delivery of the merchandise is made through the offices or not" from the end of the subsection. In subsection (d), the amendment deleted "initial" preceding "fee" in the first sentence, and in the second sentence, substituted "the last day of the taxpayer's tax year" for "December 31st of each year," "15th day of the third month following the end of the tax year" for "first day of March following," and the language beginning "time for filing" for "department may extend the time until the 30th of the following April upon application showing that the extension is necessary to enable the applicant to ascertain the amount of license money due."

Section 6, ch. 144, SLA 1978, effective January 1, 1979, provides: "TRANSI-

Sec. 43.70.070. Security.

Repealed by § 4, ch 94, SLA 1976; § 5, ch 144, SLA 1978, effective January 1, 1979.

Editor's note. — The repealed section derived from § 9, ch. 43, SLA 1949. Subsection (a) was repealed by § 4, ch. 94,

TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 which relates to the 1978 calendar year (including the \$25 license fee due March 1, 1978 and the fees on the total gross receipts for 1978 which accompany returns filed in 1979 under AS 43.70.030(d)) is the source of revenue to be shared in 1979 in accordance with AS 43.70.080. The increase in the corporate income tax which goes into effect in 1979 is the source of revenue to be shared with the municipalities under AS 43.20.016 in 1980 and subsequent years. This Act does not entitle any organized borough or any city of any class to revenue under both AS 43.70.080 and AS 43.20.016, for the same period of time."

SLA 1976, and subsection (b) was repealed by § 5, ch. 144, SLA 1978.

Sec. 43.70.080. Disposal of money [Effective January 1, 1980]. A money collected by the department under this chapter shall be deposited in the general fund. (§ 11 ch 43 SLA 1949; am § 4 ch 155 SLA 1962; am § 74 ch 69 SLA 1970; am § 4 ch 144 SLA 1978)

Effect of amendment. — The 1978 amendment, effective January 1, 1980, deleted the former second sentence, which read "The Department of Revenue shall refund to each organized borough and each city of any class 60 per cent of the money collected in the local government."

Editor's note. — Section 6, ch. 144, SLA 1978, effective January 1, 1979, provides: "TRANSITIONAL RULES FOR REVENUE SHARING UNDER THIS ACT. The revenue raised under AS 43.70 which relates to the 1978 calendar year (including the \$25 license fee due March 1,

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Chapter 75. Fisheries Taxes.

Article

- 1. Taxes and Licenses (§§ 43.75.010 — 43.75.055)
- 4. General Provisions (§§ 43.75.130 — 43.75.140)

Editor's note. findings and purposes see §§ 1 and 2, ch. 7

- Section
- 10. [Repealed]
- 11. Fisheries business
- 15. Fisheries business

Sec. 43.75.010
Repealed by §

Cross reference provisions covering the repealed section
Editor's note. — derived from § 1, ch. 113 SLA 1951; § 1, ch. 2, ch. 84, SLA 1967. State license tax with its revenue sha

Sec. 43.75.011
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Effective date. — S 1979, makes this sec 1979, in accordance v
Editor's note. — S 1979, effective June "FINDINGS. The leg state has
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"(2) funded and loan programs;
"(3) increased its f management program
"(4) funded and in entry program; and
"(5) embarked on encouraging the deve fishing industry."

Sec. 43.75.015.
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Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 19, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I am writing concerning municipal assistance from general and petroleum corporate income tax receipts.

In the process of repealing the gross business license tax, the Legislature eliminated a source of income for municipalities - 60% of the gross business license fees collected within a municipality. To compensate for this loss of revenue, the Legislature established the Municipal Assistance Fund. According to AS 44.20.016, "the Legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 10% of the income tax revenue received by the state under sec. 11(e) of this chapter and chapter 21 of this title for the previous year." Chapters 20 and 21 pertain to corporate and petroleum income taxes.

According to the letter of intent that accompanied the repeal of the gross business license tax, municipalities were to benefit from the change. In actuality, however, municipalities have lost considerably.

For FY '79, the last year operating under shares of the gross business license tax, municipalities received \$13,349,900. For FY '80, the Legislature appropriated only \$11,400,000 and the amount in the Governor's proposed FY '81 budget remains at that same level even though the revenues generated by general and petroleum corporate income taxes were \$257,400,000 in FY '79 and are estimated at \$417,000,000 for FY '80.

The Alaska Municipal League urges the Legislature to appropriate monies to the municipal assistance fund as currently authorized by law.

Sincerely,



Dave Walsh
President



Alaska State Legislature

Senate

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

April 29, 1980 Minutes regarding suggested amendments

REP. GARDINER

at p. 17. 1. 10 or a new section:

For the fiscal years 1981-1985, no municipality may receive less than 125% of the amount received by that municipality during fiscal year 1980.

REP. GARDINER/REP. MCKINNON/REP. ROGERS

p.2.1.20 see attachment #1 (memo of April 24)

REP. GARDINER

suggestion to increase the \$25,000 minimum by 30-40%

ANCHORAGE MUNICIPALITY

p. 17: Sec. 11 (a) (3) delete

p. 14 a "hold harmless" provision at 90% of population (see Attachment 2)

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JULY 1981 ALASKA 99611
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 24, 1980

SUBJECT: CSHB 192 (Finance) amended

TO: Representative Terry Gardiner
ATTN: John Sund

FROM: John B. Chenoweth
Legislative Counsel

The insertion of "utilities" at page 2, line 20, was action specifically requested by the Finance Committee.

To narrow the amendment so that only contributions received from municipal utilities in lieu of property taxes (and not all utility revenues) are recognized as income, the following amendment is in order:

Page 2, line 20: Delete "utilities,"

Page 2, following line 24: Insert an additional paragraph to read:

"(E) payments received by a municipality from a utility which are in lieu of taxes levied and collected by the municipality."

JBC:jdn

1. Delete (on page 17) Sec 11, subsection (a) (3).
2. Add the following to Sec. 4 (on p. 14):

Sec. 29.90.030 Minimum Entitlement Adjustment

(a) A municipality may not receive a total amount of money under AS 29.88, AS 29.89.010 and AS 29.90.020 which is less in proportion to the total amount appropriated and allocated under those sections than ninety percent (90%) of the percentage of its population to the total population of the State as determined by the Department of Labor.

(b) If the total amount that would be received by a municipality under AS 29.88, AS 29.89.010 and AS 29.90.020 would be less than as required by this section, the municipality shall receive an additional entitlement in an amount sufficient to comply with this section. In the case of boroughs that include cities which are eligible to receive funds under AS 29.88, AS 29.89 or AS 29.90.020, the funds to be received by the borough shall be deemed to include any amounts to be received by cities within the borough for purposes of this section.

(c) Amounts received by municipalities under this section are subject to proration in the manner provided by AS 29.90.010.

Municipality of Anchorage

MEMORANDUM

DATE: April 18, 1980
TO: Mayor Sullivan
THRU: Lu Person, Director of Management and Budget *LP*
FROM: Gene Dusek, Budget Officer *GD*
SUBJECT: HB192 AMENDMENT

Per Mitch, the only amendment to HB192 as passed out of the House Finance Committee on April 17th was to increase the total amount, including hospital pass-thru funding, to \$31 million.

At a \$31 million funding level, the State has estimated that \$22,740,838 would be available for other than hospital pass-thru funding. At this funding level, the following shows how Anchorage would fare under the current statutes and under HB192 in FY1981:

<u>Current Statutes</u>		<u>HB192</u>	
<u>Amount</u>	<u>% of State total</u>	<u>Amount</u>	<u>% of State total</u>
\$9,830,864	43.23%	\$8,190,667	36.01%

The above compares to Anchorage's share of \$7,849,556 (43.23%) of the State total of \$18,157,087 if FY 1980 State-shared revenues are fully funded as per the House supplemental.

LP, GD: ljs

cc: Larry D. Crawford



MUNICIPALITY OF ANCHORAGE

OFFICE OF THE MAYOR

I HOPE THAT YOU CAN CORRECT THIS
INJUSTICE.

George M. Sullivan
George M. Sullivan
Mayor

ESTIMATE OF ADDITIONAL FUNDING REQUIRED FOR
PROPOSED AMENDMENT TO STATE REVENUE SHARING BILL

BOROUGH/CITY	POPULATION	% OF STATE POPULATION ^(a)	90% OF PREVIOUS COLUMN	AMOUNT	% OF STATE TOTAL	ADDITIONAL REQUIREMENT
Anchorage	204,809	46.08%	41.47%	\$8,190,667	36.02%	\$1,259,376
Sitka	8,787	1.98%	1.78%	254,978	1.12%	150,090
Galena	957	0.22%	0.20%	33,844	0.15%	11,370
Kake	710	0.16%	0.14%	26,350	0.12%	4,548
Delta Junction	892	0.20%	0.18%	28,197	0.12%	13,645
Valdez	4,066	0.91%	0.82%	136,868	0.60%	50,030
						<u>\$1,469,059</u>

(a) State population data as of July 1, 1979 (444,481 total state population)

ALASKA STATE LEGISLATURE - HOUSE OF REPRESENTATIVES



REPRESENTATIVE RICHARD I. ELIASON

P.O. BOX 143
SITKA, ALASKA 99835

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

COMMITTEES
RESOURCES
STATE AFFAIRS

CS HB 192

April 23, 1980
Juneau, Alaska

LOSERS

Anchorage
Fairbanks
Sitka
North Slope Borough

COST PER YEAR

\$1,969,939
\$1,353,983
\$188,468
\$154,968

WINNERS

Juneau
Ketchikan
Kenai
Mat-Su

INCREASE PER YEAR

\$969,802
\$494,538
\$280,271
\$415,987

SCHOOL FOUNDATION PROGRAM

Ketchikan 1981= \$924,596 1982= \$990,054
Juneau 1981= \$1,507,645 1982= \$2,074,453

Local Effort - ^{#1}North Slope - ^{#2}Valdez - ^{#3}Haines - ^{#4}Ketchikan - ^{#5}Anchorage - ^{#6}Fairbanks - ^{#7}Juneau.

1 Duct