

ALASKA LEGISLATURE COMMITTEE FILES 1989-1990 8672
6233 SENATE COMMUNITY & REGIONAL AFFAIRS

637

FUTURE FY90 LOCAL REVENUES

Due to the fish processing plant closure, the financial outlook is not very optimistic. Even with the significant increases in user fees, the City has recently been forced to cut all overtime for City employees, and has made one full time position into part time. The City anticipates having to use fewer employees.

8. UPPER KALSKAG

SUMMARY OF CHANGES FROM FY 88

Compared to FY88, Upper Kalskag had a banner year. Revenues were up 25% thanks mostly to receipt of \$9,241 from the sale of a truck and an IRS refund. This one-time source of revenue made it possible for the City to carry insurance this year at a cost of \$13,000, while continuing to operate at the same level as in FY88.

In most years over 70% of Kalskag's revenue is from Revenue Sharing or Municipal Assistance. This community is a good illustration of a small community that offers few services beyond a minimal level of public safety. In FY90, Kalskag faces the challenge of paying to operate and maintain its new multi-purpose fire hall. Any decline in State Revenue Sharing and Municipal Assistance funds may make it difficult for the council to operate this new facility.

SETTING

Upper Kalskag is primarily a Yup'ik Native village located approximately 80 air miles northeast of Bethel. It was incorporated February 13, 1975 as a second class city. Approximately 165 residents live year round, of whom 90% are Alaska Native.

Major employers in the community are the Kuspuk School District, Bush Telephone, State Airport (DOT), Yukon Kuskokwim Health Corporation, and the City government. Although cash is essential, subsistence is more important to the residents and local economy. Upper Kalskag is a typical rural small native village located in the Calista region.

OVERVIEW OF CITY ADMINISTRATION

Upper Kalskag has a seven member council with the mayor included. Each member, except the mayor, has an average of four years of local government experience. Presently the council members are comfortable with what they have accomplished in the village as a 2nd class city. It is the mayor's goal to make improvements in the delivery of governmental services every year. The clerk has been with the City for 3 years and is very competent in her position. The council has proven it can perform and take actions to remedy problems it faces.

Presently the City employs 3 full time positions, which includes the City clerk, janitor, and health aide. Half-time employees include two health aides and a village police officer. The City had the same number of positions last year.

REVENUES FY 89

The City's FY 87 budget was 25 percent less than in FY 86. A further reduction of 20 percent was made in the FY 88 budget. FY 89 revenues increased 19 percent thanks to an IRS refund and sale of a city truck. State revenue sharing and municipal assistance account for 76 percent of revenues in FY 89 (Table 15).

Presently the City is not generating any sort of local revenues. In the past the general sales tax has been proposed with poor results. The council is looking into how it could generate funds with other means.

TABLE 15

UPPER KALSKAG REVENUES

Source of Revenue	FY 87		FY 88		FY 89	
	Amount	%	Amount	%	Amount	%
Municipal Assistance	\$16,630	21.4	\$13,600	22.7	\$14,244	20.0
State Revenue Sharing	41,604	53.4	32,000	53.3	34,480	48.0
Other Government Revenue	781	1.0	0	0.0	0	0.0
Service Fees/Licenses/Permits	18,244	23.4	13,716	22.9	13,656.**	19.0
Other Revenues	<u>650</u>	0.8	<u>670</u>	1.1	<u>9,241.*</u>	13.0
TOTAL	\$77,909		\$59,986		\$71,621	

** Health Clinic Lease

* Sale of Truck \$1,500; IRS refund \$7,741

Source: Revenue Sharing Applications.

EXPENDITURES AND SERVICES

In FY 87 and FY 88, the City's budgets were cut by 20% across the board. Table 16 shows a comparison of expenditure budgets in FY 87, FY 88, and FY 89. As of the date of this writing Upper Kalskag was adjusting its FY 89 budget to reduce expenditures to match revenues. The city has more to spend in FY 89 because of the IRS refund.

TABLE 16

UPPER KALSKAG EXPENDITURES

	FY 87	FY 88	FY 89
ADMINISTRATION, COUNCIL AND FINANCE	\$37,165	\$28,981	\$44,782
PLANNING AND ZONING	4,600	0	0
POLICE AND OTHER PUBLIC SAFETY	3,000	11,080	6,680
FIRE	300	255	0
STREETS AND ROADS (Includes Ice Road)	8,200	5,364	3,800
REFUSE COLLECTION	5,350	154	610
OTHER PUBLIC WORKS	0	0	1,000
HEALTH	10,815	11,246	14,401
PARKS AND RECREATION	350	500	1,500
OTHER EXPENDITURES (FICA, ESC & taxes)	<u>4,900</u>	<u>1,500</u>	<u>5,203</u>
TOTAL EXPENDITURES	\$74,680	\$61,037	\$77,976

Source: Revenue Sharing Applications and City officials.

Administration & Finance: The major increase in this line item results from \$13,000 for insurance which the city did not have in FY 88.

Fire: Presently there is no fire department but in FY 87, the City had \$300.00 to provide fire extinguishers to private homes. In FY 88 this item was budgeted at \$255.00. In June 1, 1987, the City received a Rural Development Assistance Grant for \$64,800.00 to purchase a fire fighting truck. Estimated costs in FY89 are \$1105.00 for parts and fuel.

Upper Kalskag and Lower Kalskag are jointly building a fire station multipurpose building. They are hoping to complete this project this fiscal year. The multipurpose building needs about \$605,000 more to be completed. Funds have been requested from the Legislature. The Mayor produced a video tape of the building and showed it to Representative Wallis' and Senator Binkley's office staff. Estimated O & M costs for the building are \$70,000.00 (including administration). Upper and Lower Kalskag are working together on how to pay the costs. They are anticipating leases from the health clinic, postal services, and VPSO. User fees are being planned for fire protection and teen center.

Police: The City has one half time police officer plus a full time Village Public Safety Officer (VPSO) which is funded by AVCP. In FY 87 the police officer was full time and funded at \$8,974.00. Initially the police officer was funded as full time in the FY88 budget at \$11,080. Since the City had a full time VPSO funded by AVCP, the police officer was reduced to a half-time position at \$5080 in FY 88 and is also half time in FY 89.

Clinic: In FY 87 this was funded at \$19,365.00. In FY 88 it was cut back to \$11,246 but has increased to \$13,656 in FY 89. Services are mostly outpatient care and prevention of common illnesses. These funds are from leasing the clinic to the Indian Health Services.

Road Maintenance: The City has 1.5 miles of gravel roads that it maintains. In FY 87 this was budgeted at \$950.00. In FY 88 it was budgeted at \$759.00. There is a state highway between Upper and Lower Kalskag which the state maintains.

Ice Roads: The City has 16.5 miles of ice roads that it budgeted at \$6,000.00 in FY 87. In FY 88, \$4,605.00 was appropriated. In FY 87 the City spent \$7,151.00 on this item. In FY 89, there is an agreement with the City of Aniak to do the ice roads. Aniak will get the funds because they have the necessary equipment and Kalskag does not.

Water and Sewer: This is not provided. Everyone takes care of their own. There are one or two septic tanks in the village.

Garbage: A garbage disposal site is being constructed in cooperation with Lower Kalskag. When complete this will create three new full time positions. User fees at the rate of \$5 to \$10 per household are being considered to help fund the positions. The councils are still working on what the user fees and salaries will be.

Electricity: Provided by AVEC.

Laundry: No facilities.

LOCAL ECONOMY

Major source of income to residents include public assistance and other government payments such as food stamps, Aid to Families with Dependent Children, and longevity bonus as well as state permanent fund checks. Employment opportunities are few and low paying. The mayor works 4 hours per day without compensation. This is due to the City not being able to afford an administrator.

FUTURE FY90 LOCAL REVENUES

Upper Kalskag in the beginning of FY 89 was in stable financial status. The City was following its budget guidelines and was keeping up with tax payments due IRS and the State. This City will face a reduced budget in FY90 because there will be no IRS refund or truck sale. These extra, one-time revenues made it possible for the City to buy insurance in FY89. Any major cuts in Revenue Sharing or Municipal Assistance could shut the city down in FY90.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act relating to entitlements
 for municipalities..."
 Sponsor: Reps MacLean, Foster & Jacko
 Requestor: _____

Agency Affected: Community & Regional Affairs
 BRU: Municipal Revenue Sharing
 Components: State Revenue Sharing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	3,125.0	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS						
TOTAL OPERATING	3,125.0	-0-*	-0-*	-0-*	-0-*	-0-*

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	3,125.0	-0-*	-0-*	-0-*	-0-*	-0-*
FEDERAL FUNDS						
OTHER						
TOTAL	3,125.0	-0-*	-0-*	-0-*	-0-*	-0-*

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal effect for FY 90.

*It is assumed that the amount of funds identified in Section 4 of this bill would become the new base amount for the State Revenue Sharing Program for subsequent fiscal years.

Prepared by: Jim Plasman, Deputy Director

Phone: 465-4750

Division: Municipal & Regional Assistance

Date: 5/7/90

Approved by Commissioner: Wendell Hoffman

Date: 5-7-90

Agency: Community & Regional Affairs

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

A M E N D M E N T

OFFERED IN THE SENATE

BY SEN. ADAMS

TO: SCS CSHB 101(C&RA)

Page 1, lines 7 - 8:

Delete "; and providing for an effective date"

Page 1, lines 12 - 13:

Delete "~~3,200~~^{3,200} ~~\$3,000~~ [\$2,500] a mile for"

Insert "an entitlement based on [\$2,500 A MILE FOR]"

Page 1, line 20, after "equipment.":

Insert "If at least ~~41,472,000~~^{41,972,000} is appropriated for all entitlements under AS 29.60.010 - 29.60.310 for a fiscal year, the entitlement for each municipality under this subsection for that year equals ~~3,200~~^{3,200} ~~\$3,000~~ per mile. Otherwise, the entitlement equals \$2,500 per mile."

Page 1, line 23:

Delete "of \$40,000 [\$25,000]"

Insert "[OF \$25,000]"

Page 2, line 11, after "council.":

Insert "If at least ~~41,472,000~~^{41,972,000} is appropriated for all entitlements under AS 29.60.010 - 29.60.310 for ~~a~~ fiscal year; the entitlement for each unincorporated community under this subsection for that year equals

\$40,000. Otherwise, the entitlement equals \$25,000."

Page 2, line 15:

Delete "of \$40,000 [\$25,000]"

Insert "[OF \$25,000]"

Page 3, lines 7 - 9:

Delete all material and insert:

"* Sec. 4. AS 29.60.290(d) is amended to read:

(d) If at least ^{41,972,000}~~\$41,472,000~~ is appropriated for all entitlements under AS 29.60.010 - 29.60.310 for a fiscal year, the minimum payment for a municipality under this section equals \$40,000. Otherwise, the minimum payment equals \$25,000. A payment under this section may be prorated and reduced under AS 29.60.300."

Original sponsor(s): REP. MacLean, Foster, Jacko, Kubina

IN THE HOUSE

BY THE C&RA COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 101 (C&RA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to entitlements for municipalities and unincorporated communities."

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

* Section 1. AS 29.60.110(a) is amended to read:

(a) The department shall pay to a municipality that has power to provide for road maintenance and exercises that power, an entitlement based on [\$2,500 A MILE FOR] each mile of road, street, or highway maintained by the municipality, excluding (1) the official state highway system, (2) roads, streets, or highways not dedicated to public use, (3) roads, streets, or highways maintained under the local service road program (AS 19.30.111 - 19.30.251), and (4) alleyways, in accordance with regulations adopted by the Department of Transportation and Public Facilities. A payment may not be made under this subsection for maintenance of a road that is not used by automotive equipment. If at least \$41,472,000 is appropriated for all entitlements under AS 29.60.010 - 29.60.310 for a fiscal year, the entitlement for each municipality under this subsection for that year equals \$3,000 per mile. Otherwise, the entitlement equals \$2,500 per mile.

* Sec. 2. AS 29.60.140(a) is amended to read:

(a) The department shall pay to each unincorporated community an entitlement [OF \$25,000] each fiscal year to be used for a public purpose. The department with advice from the Department of Law shall determine whether there is in each unincorporated community an incorporated nonprofit entity or a Native village council that will agree

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

* Sec. 3. AS 29.60.290(a) is amended to read:

(a) A municipality qualifying for an entitlement under AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 shall receive a minimum payment [OF \$25,000] plus an area cost-of-living differential for each fiscal year if

(1) the municipality has conducted a regular election during the state fiscal year preceding the year in which the department's determination of the municipality's millage rate equivalent is made under AS 29.60.030 and has reported the results of the election to the commissioner;

(2) regular meetings of the governing body are held in the

municipality during the state fiscal year preceding the year in which the department's determination of the municipality's millage rate equivalent is made under AS 29.60.030 and a record of the proceedings is maintained;

(3) a municipal budget has been adopted for the fiscal year during which payment of an entitlement is authorized by AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement for the fiscal year preceding the year in which the department's determination of the municipality's millage rate equivalent is made under AS 29.60.030 has been prepared and furnished to the department in accordance with AS 29.20.640(a); and

(4) local ordinances adopted by the municipality have been codified in accordance with AS 29.25.050.

* Sec. 4. AS 29.60.290(d) is amended to read:

(d) If at least \$41,472,000 is appropriated for all entitlements under AS 29.60.010 - 29.60.310 for a fiscal year, the minimum payment for a municipality under this section for that year equals \$40,000. Otherwise, the minimum payment equals \$25,000. A payment under this section may be prorated and reduced under AS 29.60.300.

6-0564M

Cook

5/7/90

Original sponsor(s): REP. MacLean, Foster, Jacko, Kubina

1 IN THE HOUSE

BY THE C&RA COMMITTEE

2 CS FOR HOUSE BILL NO. 101 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to entitlements for municipalities
7 and unincorporated communities; and providing for an
8 effective date."

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

10 * Section 1. AS 29.60.110(a) is amended to read:

11 (a) The department shall pay to a municipality that has power to
12 provide for road maintenance and exercises that power, \$3,000 [\$2,500]
13 a mile for each mile of road, street, or highway maintained by the
14 municipality, excluding (1) the official state highway system, (2)
15 roads, streets, or highways not dedicated to public use, (3) roads,
16 streets, or highways maintained under the local service road program
17 (AS 19.30.111 - 19.30.251), and (4) alleyways, in accordance with
18 regulations adopted by the Department of Transportation and Public
19 Facilities. A payment may not be made under this subsection for
20 maintenance of a road that is not used by automotive equipment.

21 * Sec. 2. AS 29.60.140(a) is amended to read:

22 (a) The department shall pay to each unincorporated community an
23 entitlement of \$40,000 [\$25,000] each fiscal year to be used for a
24 public purpose. The department with advice from the Department of Law
25 shall determine whether there is in each unincorporated community an
26 incorporated nonprofit entity or a Native village council that will
27 agree to receive and spend the entitlement. If there is more than one
28 qualified entity in an unincorporated community, the department shall
29 pay the money under the entitlement to the entity that the department

1 finds most qualified to receive and spend the money. The department
2 may not pay money under an entitlement to a Native village council
3 unless the council waives immunity from suit for claims arising out of
4 activities of the council related to the entitlement. A waiver of
5 immunity from suit under this subsection must be on a form provided by
6 the Department of Law. If there is no qualified incorporated nonprofit
7 entity or Native village council in an unincorporated community that
8 is willing to receive money under an entitlement, the entitlement for
9 that unincorporated community may not be paid. Neither this subsection
10 nor any action taken under it enlarges or diminishes the governmental
11 authority or jurisdiction of a Native village council.

12 * Sec. 3. AS 29.60.290(a) is amended to read:

13 (a) A municipality qualifying for an entitlement under AS 29.-
14 60.010 - 29.60.080 or 29.60.100 - 29.60.180 shall receive a minimum
15 payment of \$40,000 [\$25,000] plus an area cost-of-living differential
16 for each fiscal year if

17 (1) the municipality has conducted a regular election
18 during the state fiscal year preceding the year in which the depart-
19 ment's determination of the municipality's millage rate equivalent is
20 made under AS 29.60.030 and has reported the results of the election
21 to the commissioner;

22 (2) regular meetings of the governing body are held in the
23 municipality during the state fiscal year preceding the year in which
24 the department's determination of the municipality's millage rate
25 equivalent is made under AS 29.60.030 and a record of the proceedings
26 is maintained;

27 (3) a municipal budget has been adopted for the fiscal year
28 during which payment of an entitlement is authorized by AS 29.60.010 -
29 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement

1 for the fiscal year preceding the year in which the department's
2 determination of the municipality's millage rate equivalent is made
3 under AS 29.60.030 has been prepared and furnished to the department
4 in accordance with AS 29.20.640(a); and

5 (4) local ordinances adopted by the municipality have been
6 codified in accordance with AS 29.25.050.

7 * Sec. 4. This Act takes effect on the effective date of an appropria-
8 tion to the Department of Community and Regional Affairs for state revenue
9 sharing for fiscal year 1991 that equals at least \$41,472,000.
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6-0564D
Cook
5/4/90

Original sponsor(s): REP. MACLEAN, Foster, Jacko, Kubina

1 IN THE HOUSE

BY THE C&RA COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 101 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to entitlements for municipalities
7 and unincorporated communities; and providing for an
8 effective date."

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

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

11 Sec. 29.60.165. ROAD MAINTENANCE AND MINIMUM ENTITLEMENT AC-
12 COUNT. The road maintenance and minimum entitlement account is estab-
13 lished. Money to carry out the provisions of AS 29.60.110, 29.60.140,
14 and 29.60.290 shall be allocated by the department to the account in
15 accordance with AS 29.60.280. If amounts in the account are insuffi-
16 cient to pay each municipality's or other recipient's share authorized
17 under AS 29.60.110, 29.60.140, and 29.60.290, the amounts that are
18 available shall be distributed pro rata among eligible municipalities
19 and other recipients.

20 * Sec. 2. AS 29.60.170 is amended to read:

21 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscella-
22 neous services account is established. Money to carry out the pro-
23 visions of AS 29.60.120 and 29.60.130 [AS 29.60.100 - 29.60.180] shall
24 be allocated by the department to the account in accordance with
25 AS 29.60.280. If amounts in the account are insufficient to pay each
26 municipality's or other recipient's share authorized under AS 29.60.-
27 120 and 29.60.130 [AS 29.60.100 - 29.60.180], the amounts that are
28 available shall be distributed pro rata among eligible municipalities
29 and other recipients.

1 * Sec. 3. AS 29.60.280(a) is amended to read:

2 (a) Each year, the department shall allocate money appropriated
3 to the accounts established in AS 29.60.060, 29.60.165, 29.60.170, and
4 former AS 29.90.020 in the amounts determined by the legislature.

5 * Sec. 4. AS 29.60.280(b) is amended to read:

6 (b) Money in the road maintenance and minimum entitlement ac-
7 count established in AS 29.60.165 and money in the miscellaneous
8 services account established in AS 29.60.170 that exceeds the amount
9 required to fully fund distributions authorized by AS 29.60.100 -
10 29.60.180 shall be reallocated to the tax equalization account estab-
11 lished in AS 29.60.060 and distributed according to the provisions of
12 AS 29.60.010 - 29.60.080.

13 * Sec. 5. AS 29.60.290(a) is amended to read:

14 (a) A municipality qualifying for an entitlement under AS 29.-
15 60.010 - 29.60.080 or 29.60.100 - 29.60.180 shall receive a minimum
16 payment of \$50,000 [~~\$25,000~~] plus an area cost-of-living differential
17 for each fiscal year if

18 (1) the municipality has conducted a regular election
19 during the state fiscal year preceding the year in which the depart-
20 ment's determination of the municipality's millage rate equivalent is
21 made under AS 29.60.030 and has reported the results of the election
22 to the commissioner;

23 (2) regular meetings of the governing body are held in the
24 municipality during the state fiscal year preceding the year in which
25 the department's determination of the municipality's millage rate
26 equivalent is made under AS 29.60.030 and a record of the proceedings
27 is maintained;

28 (3) a municipal budget has been adopted for the fiscal year
29 during which payment of an entitlement is authorized by AS 29.60.010 -

1 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement
2 for the fiscal year preceding the year in which the department's
3 determination of the municipality's millage rate equivalent is made
4 under AS 29.60.030 has been prepared and furnished to the department
5 in accordance with AS 29.20.640(a); and

6 (4) local ordinances adopted by the municipality have been
7 codified in accordance with AS 29.25.050.

8 * Sec. 6. AS 29.60.290(b) is amended to read:

9 (b) The area cost-of-living differential payable to each munic-
10 ipality under this section shall be determined annually by election
11 district under the provisions of AS 39.27.030. Application [EXCEPT AS
12 PROVIDED IN AS 29.60.300, APPLICATION] of the area cost-of- living
13 differential may not result in a payment that is less than the minimum
14 payment determined under (a) of this section. For purposes of this
15 subsection, the election districts used are those designated by the
16 proclamation of reapportionment and redistricting of December 7, 1961,
17 and retained for the house of representatives by proclamation of the
18 governor September 3, 1965.

19 * Sec. 7. AS 29.60.300 is amended to read:

20 Sec. 29.60.300. PRORATION OF PAYMENTS. (a) Payments under
21 AS 29.60.010 - 29.60.080 [AS 29.60.290 AND 29.60.010 - 29.60.080]
22 shall equal the amount allocated to the tax equalization account
23 (AS 29.60.060), adjusted in accordance with AS 29.60.28

24 (b) Adjustments of payments shall be determined by prorating
25 amounts payable under [AS 29.60.290 AND AMOUNTS PAYABLE UNDER] AS 29.-
26 60.010 - 29.60.080 by a factor that, when applied, reduces all pay-
27 ments in equal proportion so that [PAYMENT UNDER AS 29.60.290 AND]
28 payments under AS 29.60.010 - 29.60.080 equal the amount allocated to
29 the tax equalization account established in AS 29.60.060.

1 * Sec. 8. AS 29.60.290(d) and (e) are repealed.

2 * Sec. 9. Sections 1 - 3, and 5 - 8 of this Act take effect July 1,
3 1992.

4 * Sec. 10. Section 4 of this Act takes effect on the effective date of
5 an appropriation to the Department of Community and Regional Affairs for
6 state revenue sharing for fiscal year 1992 that equals at least
7 \$48,847,000.

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6-0564H
Cook
5/3/90

Original sponsor(s): REP. MACLEAN, Foster, Jacko, Kubina

1 IN THE HOUSE

BY THE C&RA COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 101 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to entitlements for municipalities
7 and unincorporated communities; and providing for an
8 effective date."

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

10 Section 1. AS 29.60.140(a) is amended to read: *delete*

entitlements
11 (a) The department shall pay to each unincorporated community an
12 entitlement of \$50,000 [\$25,000] each fiscal year to be used for a
13 public purpose. The department with advice from the Department of Law
14 shall determine whether there is in each unincorporated community an
15 incorporated nonprofit entity or a Native village council that will
16 agree to receive and spend the entitlement. If there is more than one
17 qualified entity in an unincorporated community, the department shall
18 pay the money under the entitlement to the entity that the department
19 finds most qualified to receive and spend the money. The department
20 may not pay money under an entitlement to a Native village council
21 unless the council waives immunity from suit for claims arising out of
22 activities of the council related to the entitlement. A waiver of
23 immunity from suit under this subsection must be on a form provided by
24 the Department of Law. If there is no qualified incorporated nonprofit
25 entity or Native village council in an unincorporated community that
26 is willing to receive money under an entitlement, the entitlement for
27 that unincorporated community may not be paid. Neither this subsection
28 nor any action taken under it enlarges or diminishes the governmental
29 authority or jurisdiction of a Native village council.

~~Amended AS 29.60.165~~

* Sec. 2. AS 29.60 is amended by adding a new section to read:

Sec. 29.60.165. ROAD MAINTENANCE AND MINIMUM ENTITLEMENT ACCOUNT. The road maintenance and minimum entitlement account is established. Money to carry out the provisions of AS 29.60.110, 29.60.140, and 29.60.290 shall be allocated by the department to the account in accordance with AS 29.60.280. If amounts in the account are insufficient to pay each municipality's or other recipient's share authorized under AS 29.60.110, 29.60.140, and 29.60.290, the amounts that are available shall be distributed pro rata among eligible municipalities and other recipients.

* Sec. 3. AS 29.60.170 is amended to read:

Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscellaneous services account is established. Money to carry out the provisions of AS 29.60.120 and 29.60.130 [AS 29.60.100 - 29.60.180, shall be allocated by the department to the account in accordance with AS 29.60.280. If amounts in the account are insufficient to pay each municipality's or other recipient's share authorized under AS 29.60.120 and 29.60.130 [AS 29.60.100 - 29.60.180], the amounts that are available shall be distributed pro rata among eligible municipalities and other recipients.

* Sec. 4. AS 29.60.280(a) is amended to read:

(a) Each year, the department shall allocate money appropriated to the accounts established in AS 29.60.060, 29.60.165, 29.60.170, and former AS 29.90.020 in the amounts determined by the legislature.

* Sec. 5. AS 29.60.290(a) is amended to read:

(a) A municipality qualifying for an entitlement under AS 29.60.010 - 29.60.080 or 29.60.100 - 29.60.180 shall receive a minimum payment of \$50,000 [\$25,000] plus an area cost-of-living differential for each fiscal year if

Handwritten notes:
 1. not enough \$ for roads
 2. not enough for unincorp. treated as minit. funding
 3. full funding becomes prorated between
 4. state aid for roads
 5. state aid unicorp.com
 6. min. entitlements munis
 7. all 3

1 (1) the municipality has conducted a regular election
 2 during the state fiscal year preceding the year in which the depart-
 3 ment's determination of the municipality's millage rate equivalent is
 4 made under AS 29.60.030 and has reported the results of the election
 5 to the commissioner;

6 (2) regular meetings of the governing body are held in the
 7 municipality during the state fiscal year preceding the year in which
 8 the department's determination of the municipality's millage rate
 9 equivalent is made under AS 29.60.030 and a record of the proceedings
 10 is maintained;

11 (3) a municipal budget has been adopted for the fiscal year
 12 during which payment of an entitlement is authorized by AS 29.60.010 -
 13 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement
 14 for the fiscal year preceding the year in which the department's
 15 determination of the municipality's millage rate equivalent is made
 16 under AS 29.60.030 has been prepared and furnished to the department
 17 in accordance with AS 29.20.640(a); and

18 (4) local ordinances adopted by the municipality have been
 19 codified in accordance with AS 29.25.050.

20 * Sec. 6. AS 29.60.280(b) is amended to read:

21 (b) Money in the road maintenance and minimum entitlement ac-
 22 count established in AS 29.60.165 and money in the miscellaneous
 23 services account established in AS 29.60.170 that exceeds the amount
 24 required to fully fund distributions authorized by AS 29.60.100 -
 25 29.60.180 shall be reallocated to the tax equalization account estab-
 26 lished in AS 29.60.060 and distributed according to the provisions of
 27 AS 29 60.010 - 29.60.080.

28 * Sec. 7. AS 29.60.290(e) is repealed.

29 * Sec. 8. Sections 2 - 4, 6, and 7 of this Act take effect July 1,

Handwritten note:
 * Sec. 8. Sections 2 - 4, 6, and 7 of this Act take effect July 1, 1992
 on July 1, 1992

1 1992.

Muni entitlement

2 Sec. 9. Sections 1 and 5 of this Act take effect on the effective
3 date of an appropriation to the Department of Community and Regional
4 Affairs for state revenue sharing for fiscal year 1992 that equals at least
5 \$48,847,000.

6
7 *only kicks*
8 *in with full funding*

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10 *Before municipal entitlement gets funded, hold harmless*
11 *& must be included.*

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13 *of the*

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16 *Additional action to Dept of Soc Services -*
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6-0564H
Cook
4/10/90

Original sponsor(s): REP. MACLEAN, Foster, Jacko, Kubina

1 IN THE HOUSE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 101 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to entitlements for municipalities
7 and unincorporated communities; and providing for an
8 effective date."

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

0 * Section 1. AS 29.60.140(a) is amended to read:

1 (a) The department shall pay to each unincorporated community an
2 entitlement of \$50,000 [\$25,000] each fiscal year to be used for a
3 public purpose. The department with advice from the Department of Law
4 shall determine whether there is in each unincorporated community an
5 incorporated nonprofit entity or a Native village council that will
6 agree to receive and spend the entitlement. If there is more than one
7 qualified entity in an unincorporated community, the department shall
8 pay the money under the entitlement to the entity that the department
9 finds most qualified to receive and spend the money. The department
10 may not pay money under an entitlement to a Native village council
11 unless the council waives immunity from suit for claims arising out of
12 activities of the council related to the entitlement. A waiver of
13 immunity from suit under this subsection must be on a form provided by
14 the Department of Law. If there is no qualified incorporated nonprofit
15 entity or Native village council in an unincorporated community that
16 is willing to receive money under an entitlement, the entitlement for
17 that unincorporated community may not be paid. Neither this subsection
18 nor any action taken under it enlarges or diminishes the governmental
19 authority or jurisdiction of a Native village council.
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1 * Sec. 2. AS 29.60 is amended by adding a new section to read:

2 Sec. 29.60.165. ROAD MAINTENANCE AND MINIMUM ENTITLEMENT
3 ACCOUNT. The road maintenance and minimum entitlement account is
4 established. Money to carry out the provisions of AS 29.60.110,
5 29.60.140, and 29.60.290 shall be allocated by the department to the
6 account in accordance with AS 29.60.280. If amounts in the account
7 are insufficient to pay each municipality's or other recipient's share
8 authorized under AS 29.60.110, 29.60.140, and 29.60.290, the amounts
9 that are available shall be distributed pro rata among eligible munic-
0 ipalities and other recipients.

1 * Sec. 3. AS 29.60.170 is amended to read:

2 Sec. 29.60.170. MISCELLANEOUS SERVICES ACCOUNT. The miscella-
3 neous services account is established. Money to carry out the pro-
4 visions of AS 29.60.120 and 29.60.130 [AS 29.60.100 - 29.60.180] shall
5 be allocated by the department to the account in accordance with
6 AS 29.60.280. If amounts in the account are insufficient to pay each
7 municipality's or other recipient's share authorized under AS 29.60.-
8 120 and 29.60.130 [AS 29.60.100 - 29.60.180], the amounts that are
9 available shall be distributed pro rata among eligible municipalities
10 and other recipients.

11 * Sec. 4. AS 29.60.280(a) is amended to read:

12 (a) Each year, the department shall allocate money appropriated
13 to the accounts established in AS 29.60.060, 29.60.165, 29.60.170, and
14 former AS 29.90.020 in the amounts determined by the legislature.

15 * Sec. 5. AS 29.60.290(a) is amended to read:

16 (a) A municipality qualifying for an entitlement under AS 29.-
17 60.010 - 29.60.080 or 29.60.100 - 29.60.180 shall receive a minimum
18 payment of \$50,000 [\$25,000] plus an area cost-of-living differential
19 for each fiscal year if

1 (1) the municipality has conducted a regular election
2 during the state fiscal year preceding the year in which the depart-
3 ment's determination of the municipality's millage rate equivalent is
4 made under AS 29.60.030 and has reported the results of the election
5 to the commissioner;

6 (2) regular meetings of the governing body are held in the
7 municipality during the state fiscal year preceding the year in which
8 the department's determination of the municipality's millage rate
9 equivalent is made under AS 29.60.030 and a record of the proceedings
10 is maintained;

11 (3) a municipal budget has been adopted for the fiscal year
12 during which payment of an entitlement is authorized by AS 29.60.010 -
13 29.60.080 or 29.60.100 - 29.60.180 and an audit or financial statement
14 for the fiscal year preceding the year in which the department's
15 determination of the municipality's millage rate equivalent is made
16 under AS 29.60.030 has been prepared and furnished to the department
17 in accordance with AS 29.20.640(a); and

18 (4) local ordinances adopted by the municipality have been
19 codified in accordance with AS 29.25.050.

20 * Sec. 6. AS 29.60.280(b) is amended to read:

21 (b) Money in the road maintenance and minimum entitlement
22 account established in AS 29.60.165 and money in the miscellaneous
23 services account established in AS 29.60.170 that exceeds the amount
24 required to fully fund distributions authorized by AS 29.60.100 -
25 29.60.180 shall be reallocated to the tax equalization account estab-
26 lished in AS 29.60.060 and distributed according to the provisions of
27 AS 29.60.010 - 29.60.080.

28 * Sec. 7. AS 29.60.290(e) is repealed.

29 * Sec. 8. Sections 2 - 4 and 6 of this Act take effect July 1, 1990.

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* Sec. 9. Sections 1 and 5 of this Act take effect on the effective date of an appropriation to the Department of Community and Regional Affairs for state revenue sharing for fiscal year 1991 that equals at least \$41,747,000.

Roads from 747 Eq, 1 1/2 MIN ENT
 MIN ENT to ~~50,000~~ 50,000
 No new money

COMMUNITY	PROPOSED AMOUNT	CHANGE LAST YEAR AMOUNT	DIFFERENCE
AKHIDK	\$45,781	\$25,671	\$20,110
AKIAK	\$68,345	\$38,789	\$29,556
AKUTAN	\$53,238	\$30,579	\$22,659
ALAKANUK	\$69,826	\$43,372	\$26,454
ALEKNAGIK	\$61,151	\$31,957	\$29,194
ALEUTIANS EAST BOROUGH	\$53,238	\$46,029	\$7,209
ALLAKAKET	\$60,546	\$33,420	\$27,126
AMBLER	\$103,847	\$61,255	\$42,592
ANAKTUVUK PASS	\$57,307	\$32,916	\$24,391
ANCHORAGE	\$9,748,129	\$12,638,329	(\$2,890,200)
ANDERSON	\$63,894	\$34,099	\$29,795
ANGOON	\$45,823	\$25,125	\$20,698
ANIAK	\$159,871	\$93,372	\$66,499
ANVIK	\$61,511	\$33,571	\$27,941
ATKA	\$61,917	\$31,930	\$29,987
ATMAUTLUAK	\$56,243	\$32,036	\$24,207
ATQASUK	\$57,307	\$32,916	\$24,391
BARROW	\$57,307	\$78,737	(\$21,430)
BETHEL	\$370,884	\$386,517	(\$15,633)
BETTLES	\$75,110	\$37,143	\$37,967
BREVIK MISSION	\$58,288	\$33,226	\$25,062
BRISTOL BAY BOROUGH	\$88,046	\$78,802	\$9,243
BUCKLAND	\$113,801	\$65,982	\$47,818
CHEFORNAK	\$56,183	\$32,027	\$24,157
CHEVAK	\$58,045	\$32,316	\$25,728
CHIGNIK	\$55,075	\$31,011	\$24,064
CHUATHBALUK	\$63,022	\$33,963	\$29,059
CLARK'S POINT	\$55,249	\$31,038	\$24,211
COLD BAY	\$54,605	\$31,011	\$23,594
CORDOVA	\$305,532	\$365,197	(\$59,665)
CRAIG	\$70,036	\$85,407	(\$15,371)
DEERING	\$142,975	\$84,423	\$58,553
DELTA JUNCTION	\$84,879	\$44,227	\$40,652
DILLINGHAM	\$87,259	\$95,877	(\$8,618)
DIOMEDE	\$57,307	\$32,916	\$24,391
EAGLE	\$50,318	\$27,795	\$22,523
EEK	\$56,886	\$32,136	\$24,750
EKWOK	\$55,057	\$29,612	\$25,445
ELIM	\$65,638	\$34,371	\$31,267
EMMONAK	\$65,809	\$66,631	(\$822)
FAIRBANKS: CITY	\$897,246	\$887,888	\$9,358
FAIRBANKS NORTH STAR	\$2,156,629	\$2,336,074	(\$179,445)
FORT YUKON	\$68,245	\$36,907	\$31,337
GALENA	\$78,670	\$85,099	(\$6,429)
GAMBELL	\$63,583	\$34,051	\$29,532
GOLOVIN	\$65,514	\$34,351	\$31,162
GOODNEWS BAY	\$57,900	\$32,294	\$25,607
GRAYLING	\$61,265	\$32,562	\$28,703
HAINES: CITY	\$77,931	\$87,310	(\$9,379)
HAINES	\$45,203	\$38,960	\$6,243
HOLY CROSS	\$67,818	\$35,192	\$32,626
HOMER	\$192,420	\$231,068	(\$38,648)
HOONAH	\$62,830	\$57,447	\$5,383

COMMUNITY	PROPOSED CHANGE AMOUNT	LAST YEAR AMOUNT	DIFFERENCE
HOOPER BAY	\$54,992	\$31,515	\$23,477
HOUSTON	\$102,151	\$50,384	\$51,767
HUGHES	\$61,870	\$33,784	\$28,086
HUSLIA	\$69,612	\$37,257	\$32,355
HYDABURG	\$42,563	\$23,854	\$18,709
JUNEAU CITY & BORO	\$2,244,305	\$3,109,456	(\$865,151)
KACHEMAK	\$44,289	\$25,439	\$18,850
KAKE	\$45,242	\$28,762	\$16,473
KAKTOVIK	\$57,307	\$32,916	\$24,391
UPPER KALSKAG	\$59,223	\$33,372	\$25,851
KALTAG	\$63,377	\$34,019	\$29,358
KASAAN	\$43,156	\$24,059	\$19,096
KASIGLUK	\$56,303	\$32,045	\$24,258
KENAI: CITY	\$350,293	\$348,583	\$1,710
KENAI PENINSULA	\$2,850,297	\$2,616,027	\$234,270
KETCHIKAN	\$450,911	\$561,330	(\$110,419)
KETCHIKAN GATEWAY	\$198,462	\$316,585	(\$118,122)
KIANA	\$76,455	\$42,559	\$33,897
KING COVE	\$57,274	\$61,379	(\$4,105)
KIVALINA	\$63,396	\$35,030	\$28,365
KLAWOCK	\$43,648	\$50,183	(\$6,335)
KOBUK	\$64,424	\$34,182	\$30,242
KODIAK	\$248,117	\$349,730	(\$101,613)
KODIAK ISLAND	\$670,994	\$865,906	(\$194,912)
KOTLIK	\$56,183	\$32,027	\$24,157
KOTZEBUE	\$380,928	\$325,299	\$55,629
KOYUK	\$60,942	\$33,640	\$27,302
KOYUKUK	\$60,468	\$33,566	\$26,903
KUPREANOF	\$42,688	\$24,519	\$18,169
KWETHLUK	\$59,485	\$32,541	\$26,945
LARSEN BAY	\$44,289	\$25,439	\$18,850
LOWER KALSKAG	\$94,111	\$50,459	\$43,652
MANOKOTAK	\$58,721	\$31,579	\$27,142
MARSHALL	\$59,185	\$32,494	\$26,691
MATANUSKA SUSITNA	\$3,168,094	\$2,146,251	\$1,021,843
McGRATH	\$67,741	\$42,350	\$25,390
MEKORYUK	\$58,165	\$32,335	\$25,830
MOUNTAIN VILLAGE	\$87,081	\$56,067	\$31,014
NAPAKIAK	\$66,318	\$37,994	\$28,323
NAPASKIAK	\$56,183	\$32,027	\$24,157
NENANA	\$101,397	\$69,442	\$31,955
NEW STUYAHOK	\$55,596	\$31,092	\$24,504
NEWHALEN	\$54,149	\$30,867	\$23,282
NEWTOK	\$56,183	\$32,027	\$24,157
NIGHTMUTE	\$56,183	\$32,027	\$24,157
NIKOLAI	\$59,736	\$33,294	\$26,442
NOME	\$444,448	\$475,176	(\$30,728)
NONDALTON	\$89,663	\$47,477	\$42,186
NOORVIK	\$121,453	\$71,296	\$50,157
NORTH POLE	\$60,921	\$53,654	\$7,267
NORTH SLOPE	\$532,748	\$451,003	\$81,745
NORTHWEST ARCTIC	\$638,728	\$421,030	\$217,699
NUIGSUT	\$57,307	\$32,916	\$24,391

COMMUNITY	PROPOSED CHANGE AMOUNT	LAST YEAR AMOUNT	DIFFERENCE
NULATO	\$65,103	\$33,670	\$31,434
NUNAPITCHUK	\$143,068	\$74,410	\$68,658
OLD HARBOR	\$46,705	\$25,815	\$20,890
OUZINKIE	\$46,022	\$25,708	\$20,313
PALMER	\$303,759	\$322,705	(\$18,946)
PELICAN	\$45,577	\$25,761	\$19,816
PETERSBURG	\$323,805	\$398,407	(\$74,602)
PILOT STATION	\$57,444	\$32,223	\$25,221
PLATINUM	\$58,735	\$31,575	\$27,160
POINT HOPE	\$57,307	\$32,916	\$24,391
PORT ALEXANDER	\$42,688	\$24,519	\$18,169
PORT HEIDEN	\$93,909	\$48,893	\$45,017
PORT LIONS	\$46,354	\$25,760	\$20,594
QUINHAGAK	\$58,105	\$32,326	\$25,779
RUBY	\$57,307	\$32,916	\$24,391
RUSSIAN MISSION	\$57,168	\$32,180	\$24,988
SAINT GEORGE	\$62,278	\$31,086	\$31,192
SAINT MARY'S	\$53,934	\$54,892	(\$957)
SAINT MICHAEL	\$61,278	\$33,692	\$27,586
SAINT PAUL	\$149,389	\$91,970	\$57,420
SAND POINT	\$68,691	\$69,003	(\$313)
SAVOONGA	\$61,107	\$33,508	\$27,599
SAXMAN	\$42,943	\$25,099	\$17,844
SCAMMON BAY	\$57,192	\$32,184	\$25,008
SELAWIK	\$142,072	\$87,233	\$54,839
SELDOVIA	\$48,838	\$37,237	\$11,601
SEWARD	\$364,079	\$398,482	(\$34,403)
SHAGELUK	\$62,424	\$33,870	\$28,554
SHAKTOOLIK	\$60,468	\$33,566	\$26,903
SHELDON POINT	\$56,183	\$32,027	\$24,157
SHISHMAREF	\$59,487	\$33,256	\$26,232
SHUNGNAK	\$80,047	\$48,476	\$31,571
SITKA	\$501,041	\$636,629	(\$135,588)
SKAGWAY	\$54,433	\$51,153	\$3,280
SOLDOTNA	\$258,710	\$274,185	(\$15,475)
STEBBINS	\$64,393	\$34,177	\$30,216
TANANA	\$110,281	\$59,218	\$51,062
TELLER	\$59,964	\$33,487	\$26,477
TENAKEE SPRINGS	\$42,688	\$24,519	\$18,169
THORNE BAY	\$63,576	\$36,400	\$27,177
TOGIAK	\$58,703	\$31,576	\$27,127
TOKSOOK BAY	\$56,183	\$32,027	\$24,157
TULUKSAK	\$132,390	\$67,941	\$64,449
TUNUNAK	\$57,684	\$32,260	\$25,424
UNALAKLEET	\$64,070	\$41,025	\$23,044
UNALASKA	\$285,769	\$309,364	(\$23,595)
VALDEZ	\$316,794	\$332,156	(\$15,362)
WAINWRIGHT	\$57,307	\$32,916	\$24,391
WALES	\$58,000	\$33,226	\$25,062
WASILLA	\$169,000	\$102,922	\$66,639
WHITE MOUNTAIN	\$60,000	\$33,493	\$26,508
WHITTIER	\$49,449	\$48,647	\$802
WRANGELL	\$336,843	\$433,268	(\$96,424)

COMMUNITY	PROPOSED CHANGE AMOUNT	LAST YEAR AMOUNT	DIFFERENCE
YAKUTAT	\$48,580	\$41,166	\$7,414
UNINCORPORATED			
AKIACHAK	\$12,331	\$12,343	(\$13)
ARCTIC VILLAGE TRAD COUN	\$12,331	\$12,343	(\$13)
ASSC. OF TAZLINA RESIDENT	\$12,331	\$12,343	(\$13)
BEAVER TRIBAL VILLAGE COU	\$12,331	\$12,343	(\$13)
BIRCH CREEK COUNCIL	\$12,331	\$12,343	(\$13)
COMMUNITY OF TWELL INC	\$12,331	\$12,343	(\$13)
CHALKYITSIK VILLAGE COUN	\$12,331	\$12,343	(\$13)
CHENEGA BAY	\$12,331	\$12,343	(\$13)
CHIGNIK LAGOON VILL COUN	\$12,331	\$12,343	(\$13)
CHILKAT INDIAN VILL COUN	\$12,331	\$12,343	(\$13)
CHISTOCHINA VILL COUN	\$12,331	\$12,343	(\$13)
CHITINA VILL COUN	\$12,331	\$12,343	(\$13)
CIRCLE CIVIC COMM ASSOC,	\$12,331	\$12,343	(\$13)
COFFMAN COVE CIVIC CLUB	\$12,331	\$12,343	(\$13)
COPPER CENTER VILLAGE COU	\$12,331	\$12,343	(\$13)
COPPER VALLEY COMMUNITY L COUNCIL	\$12,331	\$12,343	(\$13)
CROOKED CREEK TRAD COUN	\$12,331	\$12,343	(\$13)
DELTANA COMMUNITY CORP	\$12,331	\$12,343	(\$13)
DOT LAKE SERVICES CORP.	\$12,331	\$12,343	(\$13)
DOT LAKE VILL COUN	\$12,331	\$12,343	(\$13)
EAGLE TRIBAL VILL COUN	\$12,331	\$12,343	(\$13)
EDNA BAY COMM ASSN	\$12,331	\$12,343	(\$13)
EGEGIK IMPR CORP	\$12,331	\$12,343	(\$13)
ELFIN COVE COMM COUN	\$12,331	\$12,343	(\$13)
EVANSVILLE	\$12,331	\$12,343	(\$13)
FOUR MILE COMM	\$12,331	\$12,343	(\$13)
GULKANA VILL COUN	\$12,331	\$12,343	(\$13)
GUSTAVUS COMM COUN	\$12,331	\$12,343	(\$13)
HEALY LAKE TRAD VILL COUN	\$12,331	\$12,343	(\$13)
HOLLIS COMMUNITY COUNCIL	\$12,331	\$12,343	(\$13)
HYDER COMM ASSN	\$12,331	\$12,343	(\$13)
IGIUGIG VILL COUN	\$12,331	\$12,343	(\$13)
ILIAMNA VILL COUN	\$12,331	\$12,343	(\$13)
IVANOFF BAY VILL COUN	\$12,331	\$12,343	(\$13)
KENNY LAKE COMM LEAG	\$12,331	\$12,343	(\$13)
KIPNUK VILLAGE COUNCIL	\$12,331	\$12,343	(\$13)
KOKHANOK BAY VILL COUN	\$12,331	\$12,343	(\$13)
KOLIGANEK	\$12,331	\$12,343	(\$13)
KONGIGANAK	\$12,331	\$12,343	(\$13)
KWIGILLINGOK IRA COUN	\$12,331	\$12,343	(\$13)
LEVELOCK VILL COUN	\$12,331	\$12,343	(\$13)
MANLEY HOT SPRINGS COMM	\$12,331	\$12,343	(\$13)
MCKINLEY PARK COMM ASSN	\$12,331	\$12,343	(\$13)
MENTASTA LAKE VILL COUN	\$12,331	\$12,343	(\$13)
NETLAKATLA IRA COUN	\$12,331	\$12,343	(\$13)
HINTO IRA COUN	\$12,331	\$12,343	(\$13)
MELCHINA/MENDELTA CORP.	\$12,331	\$12,343	(\$13)

COMMUNITY	PROPOSED CHANGE AMOUNT	LAST YEAR AMOUNT	DIFFERENCE
FANGUINGUE CREEK H.A.	\$12,331	\$12,343	(\$13)
FAXSON COMM AFF	\$12,331	\$12,343	(\$13)
PEDRO BAY VILL COUN	\$12,331	\$12,343	(\$13)
PILOT POINT VILL COUN	\$12,331	\$12,343	(\$13)
PITKA'S POINT VILL COUN	\$12,331	\$12,343	(\$13)
POINT BAKER COMMUNITY	\$12,331	\$12,343	(\$13)
FORT PROTECTION COMM	\$12,331	\$12,343	(\$13)
SLEETMUTE	\$12,331	\$12,343	(\$13)
TAKOTNA COMM ASSN	\$12,331	\$12,343	(\$13)
TANACROSS VILL COUN	\$12,331	\$12,343	(\$13)
TATITLEK IRA COUN	\$12,331	\$12,343	(\$13)
TETLIN IRA COUN	\$12,331	\$12,343	(\$13)
TOK COMMUNITY UMBRELLA AS	\$12,331	\$12,343	(\$13)
TOLSONA COMMUNITY CORP.	\$12,331	\$12,343	(\$13)
TRI-VALLEY COMM LIBR	\$12,331	\$12,343	(\$13)
VENETIE VILL COUN	\$12,331	\$12,343	(\$13)
WHALE PASSAGE HOMEOWNERS	\$12,331	\$12,343	(\$13)
VOLUNTEER FIRE DEPTS			
ANDERSON VFD	\$1,401	\$1,403	(\$1)
BETTLES VFD	\$206	\$206	(\$0)
CANTWELL VFD	\$1,656	\$1,657	(\$2)
CHITINA VFD	\$503	\$503	(\$1)
CIRCLE	\$433	\$311	\$122
COFFMAN COVE VFD	\$1,011	\$1,012	(\$1)
COPPER CENTER VFD	\$2,698	\$2,700	(\$3)
CORDOVA VFD	\$2,520	\$2,523	(\$3)
CROOKED CREEK VFD	\$811	\$811	(\$1)
EAGLE	\$434	\$375	\$59
GLENNALLEN VFD	\$4,938	\$4,943	(\$5)
ILIAMNA VFD	\$791	\$792	(\$1)
KENNY LAKE LEAGUE VFD	\$3,200	\$3,204	(\$3)
KLAWOCK	\$583	\$583	(\$1)
KLUKWAN VFD	\$855	\$856	(\$1)
KOLIGANEK VFD	\$1,168	\$1,169	(\$1)
KONGIGANAK VFD	\$1,655	\$1,657	(\$2)
LEVELOCK VFD	\$842	\$843	(\$1)
MCKINLEY VFD	\$1,250	\$1,252	(\$1)
METLAKATLA VFD	\$7,615	\$7,623	(\$8)
PILOT POINT VFD	\$459	\$460	(\$0)
RURAL DELTANA VFD	\$15,292	\$15,308	(\$16)
STEVENS VILLAGE VFD	\$756	\$756	(\$1)
TAKOTNA VFD	\$316	\$316	(\$0)
TANACROSS VFD	\$804	\$805	(\$1)
TOK VFD	\$8,114	\$8,122	(\$8)
TRI-VALLEY VFD	\$5,200	\$5,206	(\$5)
WHALE PASS VFD	\$350	\$351	(\$0)
YAKUTAT VFD	\$966	\$967	(\$1)

TOTAL	\$38,347,000	\$38,359,343	(\$12,343)

TAX EQUAL=	\$25,564,667	\$25,564,667	\$0
NTSC SVC=	\$12,782,333	\$12,782,333	\$0

COMMUNITY

PAID TO THE COMMUNITY
APRIL 1981

APRIL 1980

DIFFERENCE

COMMUNITY	APRIL 1981	APRIL 1980	DIFFERENCE
ADRIAN BAY	\$72,281	72,281	0
ALBERTA	\$132,271	132,271	0
ALBERTA	\$64,547	64,547	0
ALBERTA	\$69,007	69,007	0
ALBERTA	\$48,111	48,111	0
ALBERTA CITY & BORO	\$3,308,311	3,308,311	0
ALBERTA	\$47,521	47,521	0
ALBERTA	\$47,627	47,627	0
ALBERTA	\$61,541	61,541	0
ALBERTA	\$62,007	62,007	0
ALBERTA	\$65,541	65,541	0
ALBERTA	\$45,512	45,512	0
ALBERTA	\$60,025	60,025	0
ALBERTA CITY	\$435,638	435,638	0
ALBERTA PENINSULA	\$3,479,386	3,479,386	0
ALBERTA	\$598,929	598,929	0
ALBERTA GATEWAY	\$326,251	326,251	0
ALBERTA	\$77,684	77,684	0
ALBERTA	\$71,716	71,716	0
ALBERTA	\$65,553	65,553	0
ALBERTA	\$57,654	57,654	0
ALBERTA	\$66,229	66,229	0
ALBERTA	\$388,752	388,752	0
ALBERTA ISLAND	\$913,353	913,353	0
ALBERTA	\$59,946	59,946	0
ALBERTA	\$457,381	457,381	0
ALBERTA	\$63,936	63,936	0
ALBERTA	\$65,626	65,626	0
ALBERTA	\$43,842	43,842	0
ALBERTA	\$62,119	62,119	0
ALBERTA BAY	\$47,551	47,551	0
ALBERTA KALSKAG	\$74,556	74,556	0
ALBERTA	\$60,784	60,784	0
ALBERTA	\$51,921	51,921	0
ALBERTA A SUSITNA	\$3,494,884	3,494,884	0
ALBERTA	\$68,417	68,417	0
ALBERTA	\$61,258	61,258	0
ALBERTA VILLAGE	\$93,139	93,139	0
ALBERTA	\$66,738	66,738	0
ALBERTA	\$59,966	59,966	0
ALBERTA	\$11,727	11,727	0
ALBERTA STUYANIK	\$80,716	80,716	0
ALBERTA	\$57,776	57,776	0
ALBERTA	\$80,946	80,946	0
ALBERTA	\$59,946	59,946	0
ALBERTA	\$62,146	62,146	0
ALBERTA	\$61,021	61,021	0
ALBERTA	\$60,021	60,021	0
ALBERTA	\$126,646	126,646	0
ALBERTA	\$74,623	74,623	0
ALBERTA	\$617,050	617,050	0
ALBERTA	\$67,059	67,059	0
ALBERTA	\$61,541	61,541	0

COMMUNITY	PROPOSED CHANGE AMOUNT	LAST YEAR AMOUNT	DIFFERENCE
NULATO	\$61,457	\$78,373	\$30,757
NUNAFIYOKUK	\$143,752	\$74,414	\$69,340
OLD HARBOUR	\$49,151	\$13,512	\$23,336
QUINKIE	\$13,782	\$12,783	\$22,493
PALMER	\$331,663	\$223,783	\$32,979
PELICAN	\$46,712	\$21,781	\$12,621
PETERSBURG	\$422,591	\$333,187	\$24,894
PILOT STATION	\$60,776	\$32,112	\$12,653
PLATINUM	\$81,281	\$31,372	\$29,786
POINT HOPE	\$51,541	\$32,711	\$28,622
PORT ALEXANDER	\$43,642	\$24,513	\$21,323
PORT HEIDEN	\$92,921	\$42,182	\$13,828
PORT LIONS	\$43,928	\$25,759	\$23,168
QUINHAGAK	\$21,218	\$32,321	\$28,884
RUEY	\$61,541	\$22,112	\$12,622
RUSSIAN MISSION	\$59,394	\$32,193	\$24,414
SAINTE GEORGE	\$52,782	\$31,336	\$31,616
SAINTE MARY'S	\$71,884	\$34,391	\$13,112
SAINTE MICHAEL	\$64,159	\$33,191	\$32,467
SAINTE PAUL	\$132,333	\$91,970	\$38,386
SAND POINT	\$37,788	\$6,883	\$13,697
SAVCONSA	\$64,642	\$33,563	\$30,534
SAXMAN	\$43,332	\$23,889	\$12,279
SCAMMON BAY	\$69,618	\$32,134	\$23,426
SELAWIK	\$132,473	\$87,233	\$63,241
SELOVIA	\$33,532	\$37,237	\$13,322
SEWARD	\$433,662	\$398,482	\$32,180
SHAGELUK	\$64,913	\$33,670	\$31,843
SHANTOOLIK	\$63,626	\$33,389	\$30,361
SHELDON POINT	\$39,946	\$32,827	\$27,919
SHISHMAREF	\$62,973	\$37,253	\$29,723
SHUMGNAK	\$33,694	\$48,476	\$35,216
SITKA	\$373,142	\$626,627	\$41,613
SKAGWAY	\$67,339	\$51,133	\$18,227
SOLDOTNA	\$329,442	\$274,153	\$31,256
STEBBINS	\$66,289	\$34,177	\$32,332
TANANA	\$111,498	\$59,216	\$52,272
TELLER	\$63,294	\$33,497	\$29,897
TENAKEE SPRINGS	\$65,642	\$33,519	\$31,123
THERME BAY	\$33,332	\$33,498	\$31,460
TODINA	\$68,772	\$31,373	\$39,196
TOKSOOK BAY	\$39,946	\$31,227	\$37,919
TULLYHAR	\$172,333	\$17,941	\$64,439
TUNENAM	\$69,912	\$32,237	\$33,673
UNALASKA	\$43,663	\$11,112	\$24,938
UNALASKA	\$379,373	\$19,234	\$72,312
UNALASKA	\$311,789	\$32,112	\$27,373
UNALASKA	\$61,541	\$32,916	\$23,423
UNALASKA	\$62,192	\$31,223	\$23,865
UNALASKA	\$173,647	\$11,333	\$72,773
UNALASKA	\$63,119	\$32,493	\$19,326
UNALASKA	\$63,784	\$13,647	\$13,317
UNALASKA	\$33,312	\$33,243	\$13,344

50/50 H.H.
Roads fully funded
via Tax Eq.
by E.D.

Election District Community	Proposed Funding	Previous Funding	Difference

TOTALS FOR ALL ELECTION DISTRICTS			
TAX EQUAL=	\$28,164,667	\$25,564,667	\$2,600,000
MISC SVC=	\$13,682,333	\$12,782,333	\$900,000
TOTAL	\$41,847,000	\$38,347,000	\$3,500,000

50/50 H.H.
 Roads fully fund
 via Tax Eq.
 by E.D.

Election District Community	Proposed Funding	Previous Funding	Difference
<hr/>			
Election District 1			
Municipalities			
KETCHIKAN	\$491,908	\$561,330	(\$69,42)
KETCHIKAN GATEWAY	\$233,057	\$316,585	(\$83,52)
KUPREANOF	\$43,807	\$24,519	\$19,28
PETERSBURG	\$351,267	\$398,407	(\$47,14)
SAXMAN	\$43,303	\$25,099	\$18,70
WRANGELL	\$369,095	\$433,268	(\$64,17)
<hr/>			
Municipal Totals	\$1,532,937	\$1,759,208	(\$226,27)
Unincorporated Communities			
HYDER COMM ASSN	\$24,839	\$12,343	\$12,49
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Unincorporated Totals	\$24,839	\$12,343	\$12,49
=====			
Election District 1			
Election District Totals	\$1,557,776	\$1,771,552	(\$213,77)

Election District Community	Proposed Funding	Previous Funding	Difference
Election District 2			
Municipalities			
ANGOON	\$46,566	\$25,125	\$21,441
CRAIG	\$76,915	\$85,407	(\$8,492)
HAINES:CITY	\$85,027	\$87,310	(\$2,283)
HAINES	\$46,253	\$38,960	\$7,293
HOONAH	\$66,880	\$57,447	\$9,433
HYDABURG	\$43,469	\$23,854	\$19,615
KAKE	\$45,892	\$28,768	\$17,124
KASAAN	\$43,994	\$24,059	\$19,935
KLAWOCK	\$46,525	\$50,183	(\$3,658)
SKAGWAY	\$57,959	\$51,153	\$6,806
THORNE BAY	\$64,080	\$36,400	\$27,680
YAKUTAT	\$49,225	\$41,166	\$8,059
Municipal Totals	\$672,785	\$549,831	\$122,954
Unincorporated Communities			
CHILKAT INDIAN VILL COUN	\$24,839	\$12,343	\$12,496
COFFMAN COVE CIVIC CLUB	\$24,839	\$12,343	\$12,496
EDNA BAY COMM ASSN	\$24,839	\$12,343	\$12,496
GUSTAVUS COMM COUN	\$24,839	\$12,343	\$12,496
HOLLIS COMMUNITY COUNCIL	\$24,839	\$12,343	\$12,496
METLAKATLA IRA COUN	\$24,839	\$12,343	\$12,496
POINT BAKER COMMUNITY	\$24,839	\$12,343	\$12,496
FORT PROTECTION COMM	\$24,839	\$12,343	\$12,496
WHALE PASSAGE HOMEOWNERS ASSC.	\$24,839	\$12,343	\$12,496
Unincorporated Totals	\$223,554	\$111,091	\$112,463
Volunteer Fire Departments			
COFFMAN COVE VFD	\$1,018	\$1,012	\$6
KLAWOCK	\$587	\$583	\$4
KLUKWAN VFD	\$861	\$856	\$5
METLAKATLA VFD	\$7,670	\$7,623	\$47
WHALE PASS VFD	\$353	\$351	\$2
YAKUTAT VFD	\$973	\$967	\$6
VFD Totals	\$11,453	\$11,392	\$61
Election District 2			
Election District Totals	\$907,801	\$672,314	\$235,487

Election District Community	Proposed Funding	Previous Funding	Difference

Election District 3			
Municipalities			
PELICAN	\$46,586	\$25,761	\$20,825
PORT ALEXANDER	\$43,807	\$24,519	\$19,288
SITKA	\$549,928	\$636,629	(\$86,701)
TENAKEE SPRINGS	\$43,807	\$24,519	\$19,288

Municipal Totals	\$684,128	\$711,429	(\$27,301)
Unincorporated Communities			
ELFIN COVE COMM COUN	\$24,839	\$12,343	\$12,496

Unincorporated Totals	\$24,839	\$12,343	\$12,496
=====			
Election District 3			
Election District Totals	\$708,967	\$723,772	(\$14,805)

Election District Community	Proposed Funding	Previous Funding	Difference
Election District 4			
Municipalities			
JUNEAU CITY & BORO	\$2,532,303	\$3,109,456	(\$577,15)
Municipal Totals	\$2,532,303	\$3,109,456	(\$577,15)
Election District 4			
Election District Totals	\$2,532,303	\$3,109,456	(\$577,15)

Election District Community	Proposed Funding	Previous Funding	Difference
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Election District 5

Municipalities

HOMER	\$212,060	\$231,068	(\$19,00)
KACHEMAK	\$45,449	\$25,439	\$20,01
KENAI: CITY	\$373,705	\$348,583	\$25,12
KENAI PENINSULA	\$3,021,911	\$2,616,027	\$405,88
SELDOVIA	\$49,456	\$37,237	\$12,21
SOLDOTNA	\$278,135	\$274,185	\$3,95

Municipal Totals \$3,980,717 \$3,532,539 \$448,17
=====

Election District 5
Election District Totals \$3,980,717 \$3,532,539 \$448,17

Election District Community	Proposed Funding	Previous Funding	Difference
<hr/>			
Election District 6			
Municipalities			
CORDOVA	\$328,129	\$365,197	(\$37,068)
SEWARD	\$383,225	\$398,482	(\$15,257)
VALDEZ	\$332,539	\$332,156	\$383
WHITTIER	\$52,716	\$48,647	\$4,069
<hr/>			
Municipal Totals	\$1,096,608	\$1,144,482	(\$47,874)
Unincorporated Communities			
CHENEGA BAY	\$24,839	\$12,343	\$12,496
CHITINA VILL COUN	\$24,839	\$12,343	\$12,496
TATITLEK IRA COUN	\$24,839	\$12,343	\$12,496
<hr/>			
Unincorporated Totals	\$74,518	\$37,030	\$37,488
Volunteer Fire Departments			
CHITINA VFD	\$507	\$503	\$4
CORDOVA VFD	\$2,539	\$2,523	\$16
<hr/>			
VFD Totals	\$3,045	\$3,026	\$19
<hr/>			
Election District 6			
Election District Totals	\$1,174,171	\$1,184,538	(\$10,367)

Election District Community	Proposed Funding	Previous Funding	Difference
Election District 7-15			
Municipalities			
ANCHORAGE	\$10,909,888	\$12,638,329	(\$1,728,441)

Municipal Totals	\$10,909,888	\$12,638,329	(\$1,728,441)
=====			
Election District 7-15			
Election District Totals	\$10,909,888	\$12,638,329	(\$1,728,441)

Election District Community	Proposed Funding	Previous Funding	Difference
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Election District 16

Municipalities

HOUSTON	\$102,142	\$50,384	\$51,758
MATANUSKA SUSITNA	\$3,256,457	\$2,146,251	\$1,110,206
PALMER	\$320,226	\$322,705	(\$2,479)
WASILLA	\$172,076	\$102,922	\$69,154

Municipal Totals	\$3,850,901	\$2,622,262	\$1,228,639
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Election District 16

Election District Totals	\$3,850,901	\$2,622,262	\$1,228,639
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Election District Community	Proposed Funding	Previous Funding	Difference
Election District 17			
Municipalities			
ANDERSON	\$64,603	\$34,099	\$30,504
DELTA JUNCTION	\$85,245	\$44,227	\$41,018
EAGLE	\$51,246	\$27,795	\$23,451
NENANA	\$104,458	\$69,442	\$35,016
Municipal Totals	\$305,552	\$175,563	\$129,989
Unincorporated Communities			
ASSC. OF TAZLINA RESIDENTS	\$24,839	\$12,343	\$12,496
COMMUNITY OF CANTWELL INC	\$24,839	\$12,343	\$12,496
CHISTOCHINA VILL COUN	\$24,839	\$12,343	\$12,496
COPPER CENTER VILLAGE COUN	\$24,839	\$12,343	\$12,496
COPPER VALLEY COMMUNITY LIBRAR	\$24,839	\$12,343	\$12,496
DELTANA COMMUNITY CORP	\$24,839	\$12,343	\$12,496
DOT LAKE SERVICES CORP.	\$24,839	\$12,343	\$12,496
DOT LAKE VILL COUN	\$24,839	\$12,343	\$12,496
EAGLE TRIBAL VILL COUN	\$24,839	\$12,343	\$12,496
FOUR MILE COMM	\$24,839	\$12,343	\$12,496
GULKANA VILL COUN	\$24,839	\$12,343	\$12,496
HEALY LAKE TRAD VILL COUN	\$24,839	\$12,343	\$12,496
KENNY LAKE COMM LEAG	\$24,839	\$12,343	\$12,496
MCKINLEY PARK COMM ASSN	\$24,839	\$12,343	\$12,496
MENTASTA LAKE VILL COUN	\$24,839	\$12,343	\$12,496
NELCHINA/MENDELINA CORP.	\$24,839	\$12,343	\$12,496
PANGUINGUE CREEK H.A.	\$24,839	\$12,343	\$12,496
PAXSON COMM AFF	\$24,839	\$12,343	\$12,496
TANACROSS VILL COUN	\$24,839	\$12,343	\$12,496
TETLIN IRA COUN	\$24,839	\$12,343	\$12,496
TOK COMMUNITY UMBRELLA ASSN	\$24,839	\$12,343	\$12,496
TOLSONA COMMUNITY CORP.	\$24,839	\$12,343	\$12,496
TRI-VALLEY COMM LIBR	\$24,839	\$12,343	\$12,496
Unincorporated Totals	\$571,304	\$283,898	\$287,406
Volunteer Fire Departments			
ANDERSON VFD	\$1,412	\$1,403	\$9
CANTWELL VFD	\$1,668	\$1,657	\$11
COPPER CENTER VFD	\$2,717	\$2,700	\$17
EAGLE	\$437	\$375	\$62
GLENNALLEN VFD	\$4,973	\$4,943	\$30
KENNY LAKE LEAGUE VFD	\$3,224	\$3,204	\$20
MCKINLEY VFD	\$1,259	\$1,252	\$7
RURAL DELTANA VFD	\$15,402	\$15,308	\$94
TANACROSS VFD	\$810	\$805	\$5
TOK VFD	\$8,172	\$8,122	\$50
TRI-VALLEY VFD	\$5,238	\$5,206	\$32
VFD Totals	\$45,312	\$44,974	\$338

Election District Community	Proposed Funding	Previous Funding	Difference
Election District 17			
Election District Totals	\$922,167	\$504,435	\$417,732

Election District Community	Proposed Funding	Previous Funding	Difference

Election District 18			
Municipalities			
NORTH POLE	\$64,646	\$53,654	\$10,99

Municipal Totals	\$64,646	\$53,654	\$10,99
=====			
Election District 18			
Election District Totals	\$64,646	\$53,654	\$10,99

Election District Community	Proposed Funding	Previous Funding	Difference

Election District 19			
Unincorporated Communities			
CIRCLE CIVIC COMM ASSOC, INC	\$24,839	\$12,343	\$12,49

Unincorporated Totals	\$24,839	\$12,343	\$12,49
Volunteer Fire Departments			
CIRCLE	\$436	\$311	\$12

VFD Totals	\$436	\$311	\$12
=====			
Election District 19			
Election District Totals	\$25,275	\$12,654	\$12,62

Election District Community	Proposed Funding	Previous Funding	Difference

Election District 20-21			
Municipalities			
FAIRBANKS: CITY	\$937,523	\$887,888	\$49,635
FAIRBANKS NORTH STAR	\$2,357,941	\$2,336,074	\$21,867

Municipal Totals	\$3,295,464	\$3,223,962	\$71,502
=====			
Election District 20-21			
Election District Totals	\$3,295,464	\$3,223,962	\$71,502

Election District Community	Proposed Funding	Previous Funding	Difference
Election District 22			
Municipalities			
AMBLER	\$105,022	\$61,255	\$43,767
ANAKTUVUK PASS	\$58,809	\$32,916	\$25,893
ATQASUK	\$58,809	\$32,916	\$25,893
BARROW	\$58,809	\$78,737	(\$19,928)
BUCKLAND	\$114,947	\$65,982	\$48,965
DEERING	\$144,797	\$84,423	\$60,374
KAKTOVIK	\$58,809	\$32,916	\$25,893
KIANA	\$76,814	\$42,559	\$34,255
KIVALINA	\$64,165	\$35,030	\$29,135
KOSUK	\$65,063	\$34,182	\$30,881
KOTZEBUE	\$401,806	\$325,299	\$76,507
NOORVIK	\$122,941	\$71,296	\$51,645
NORTH SLOPE	\$556,032	\$451,003	\$105,029
NORTHWEST ARCTIC	\$652,614	\$421,030	\$231,584
NUIQSUT	\$58,809	\$32,916	\$25,893
POINT HOPE	\$58,809	\$32,916	\$25,893
SELAWIK	\$144,370	\$87,233	\$57,137
SHUNGNAK	\$81,060	\$48,476	\$32,584
WAINWRIGHT	\$58,809	\$32,916	\$25,893
Municipal Totals	\$2,941,297	\$2,004,002	\$937,295
=====			
Election District 22			
Election District Totals	\$2,941,297	\$2,004,002	\$937,295

Election District Community	Proposed Funding	Previous Funding	Difference
Election District 23			
Municipalities			
ALAKANUK	\$70,845	\$43,372	\$27,473
BREVIK MISSION	\$59,677	\$33,226	\$26,451
CHEVAK	\$59,158	\$32,316	\$26,842
DIOMEDE	\$58,809	\$32,916	\$25,893
ELIM	\$66,135	\$34,371	\$31,764
EMMONAK	\$69,947	\$66,631	\$3,316
GAMBELL	\$64,329	\$34,051	\$30,278
GOLOVIN	\$66,026	\$34,351	\$31,675
HOOVER BAY	\$56,444	\$31,515	\$24,929
KOTLIK	\$57,522	\$32,027	\$25,495
KOYUK	\$62,009	\$33,640	\$28,369
NOME	\$464,109	\$475,176	(\$11,067)
SAINT MICHAEL	\$62,304	\$33,692	\$28,612
SAVOONGA	\$62,147	\$33,508	\$28,639
SCAMMON BAY	\$58,408	\$32,184	\$26,224
SHAKTOOLIK	\$61,593	\$33,566	\$28,027
SHELDON POINT	\$57,522	\$32,027	\$25,495
SHISHMAREF	\$60,724	\$33,256	\$27,468
STEBBINS	\$65,041	\$34,177	\$30,864
TELLER	\$61,150	\$33,487	\$27,663
UNALAKLEET	\$64,746	\$41,025	\$23,721
WALES	\$59,677	\$33,226	\$26,451
WHITE MOUNTAIN	\$61,182	\$33,493	\$27,689
Municipal Totals	\$1,829,505	\$1,257,232	\$572,273
Unincorporated Communities			
COUNCIL	\$24,839	\$12,343	\$12,496
Unincorporated Totals	\$24,839	\$12,343	\$12,496
Election District 23			
Election District Totals	\$1,854,345	\$1,269,575	\$584,770

Election District	Community	Proposed Funding	Previous Funding	Difference

Election District 24				
Municipalities				
	ALLAKAKET	\$61,655	\$33,420	\$28,235
	ANIAK	\$161,763	\$93,372	\$68,391
	ANVIK	\$62,503	\$33,571	\$28,932
	BETTLES	\$75,112	\$37,143	\$37,969
	CHUATHBALUK	\$63,837	\$33,963	\$29,874
	FORT YUKON	\$68,419	\$36,907	\$31,512
	GALENA	\$84,375	\$85,099	(\$724)
	GRAYLING	\$62,131	\$32,562	\$29,569
	HOLY CROSS	\$68,051	\$35,192	\$32,859
	HUGHES	\$62,824	\$33,784	\$29,040
	HUSLIA	\$69,627	\$37,257	\$32,370
	UPPER KALSKAG	\$60,498	\$33,372	\$27,126
	KALTAG	\$64,149	\$34,019	\$30,130
	KOYUKUK	\$61,593	\$33,566	\$28,027
	LOWER KALSKAG	\$94,340	\$50,459	\$43,881
	MARSHALL	\$60,160	\$32,494	\$27,666
	McGRATH	\$67,989	\$42,350	\$25,639
	MOUNTAIN VILLAGE	\$88,759	\$56,067	\$32,692
	NIKOLAI	\$60,943	\$33,294	\$27,649
	NULATO	\$65,577	\$33,670	\$31,907
	PILOT STATION	\$56,630	\$32,223	\$24,407
	RUBY	\$58,809	\$32,916	\$25,893
	RUSSIAN MISSION	\$58,387	\$32,180	\$26,207
	SAINT MARY'S	\$58,475	\$54,892	\$3,583
	SHAGELUK	\$63,311	\$33,870	\$29,441
	TANANA	\$110,632	\$59,218	\$51,414
	TULUKSAK	\$132,410	\$67,941	\$64,469

	Municipal Totals	\$2,004,765	\$1,154,803	\$850,162
Unincorporated Communities				
	ARCTIC VILLAGE TRAD COUN	\$24,839	\$12,343	\$12,496
	BEAVER TRIBAL VILLAGE COUNCIL	\$24,839	\$12,343	\$12,496
	BIRCH CREEK COUNCIL	\$24,839	\$12,343	\$12,496
	CHALKYITSIK VILLAGE COUN	\$24,839	\$12,343	\$12,496
	CROOKED CREEK TRAD COUN	\$24,839	\$12,343	\$12,496
	EVANSVILLE	\$24,839	\$12,343	\$12,496
	MANLEY HOT SPRINGS COMM	\$24,839	\$12,343	\$12,496
	MINTO IRA COUN	\$24,839	\$12,343	\$12,496
	PITKA'S POINT VILL COUN	\$24,839	\$12,343	\$12,496
	SLEETNOTE	\$24,839	\$12,343	\$12,496
	TAKOTNA COMM ASSN	\$24,839	\$12,343	\$12,496
	VENETIE VILL COUN	\$24,839	\$12,343	\$12,496

	Unincorporated Totals	\$298,072	\$148,121	\$149,951

Volunteer Fire Departments

Election District Community	Proposed Funding	Previous Funding	Difference
BETTLES VFD	\$208	\$206	\$2
CROOKED CREEK VFD	\$816	\$811	\$5
STEVENS VILLAGE VFD	\$761	\$756	\$5
TAKOTNA VFD	\$318	\$316	\$2
VFD Totals	\$2,104	\$2,091	\$13
=====			
Election District 24			
Election District Totals	\$2,305,140	\$1,305,015	\$1,000,125

Election District Community	Proposed Funding	Previous Funding	Difference
Election District 25			
Municipalities			
AKIAK	\$68,755	\$38,789	\$29,96
ATNAUTLUAK	\$57,575	\$32,036	\$25,53
BETHEL	\$392,589	\$386,517	\$6,07
CHEFORNAK	\$57,522	\$32,027	\$25,49
EEK	\$58,139	\$32,136	\$26,00
GOODNEWS BAY	\$59,031	\$32,294	\$26,73
KASIGLUK	\$57,628	\$32,045	\$25,58
KWETHLUK	\$60,424	\$32,541	\$27,88
MEKORYUK	\$59,263	\$32,335	\$26,92
NAPAKIAK	\$66,426	\$37,994	\$28,43
NAPASKIAK	\$57,522	\$32,027	\$25,49
NEWTOK	\$57,522	\$32,027	\$25,49
NIGHTMUTE	\$57,522	\$32,027	\$25,49
NUNAPITCHUK	\$143,277	\$74,410	\$68,86
PLATINUM	\$59,643	\$31,575	\$28,06
QUINHAGAK	\$59,210	\$32,326	\$26,88
TOKSOOK BAY	\$57,522	\$32,027	\$25,49
TUNUNAK	\$58,841	\$32,260	\$26,58
Municipal Totals	\$1,488,412	\$987,391	\$501,02
Unincorporated Communities			
AKIACHAK	\$24,839	\$12,343	\$12,49
KIPNUK VILLAGE COUNCIL	\$24,839	\$12,343	\$12,49
KONGIGANAK	\$24,839	\$12,343	\$12,49
KWIGILLINGOK IRA COUN	\$24,839	\$12,343	\$12,49
Unincorporated Totals	\$99,35	\$49,374	\$49,96
Volunteer Fire Departments			
KONGIGANAK VFD	\$1,667	\$1,657	\$1
VFD Totals	\$1,667	\$1,657	\$1
Election District 25			
Election District Totals	\$1,589,436	\$1,038,422	\$551,01

Election District Community	Proposed Funding	Previous Funding	Difference
Election District 26			
Municipalities			
AKUTAN	\$54,633	\$30,579	\$24,054
ALEKNAGIK	\$61,592	\$31,957	\$29,635
ALEUTIANS EAST BOROUGH	\$54,633	\$46,029	\$8,604
ATKA	\$62,259	\$31,930	\$30,329
BRISTOL BAY BOROUGH	\$93,255	\$78,802	\$14,453
CLARK'S POINT	\$56,406	\$31,038	\$25,368
COLD BAY	\$55,843	\$31,011	\$24,832
DILLINGHAM	\$95,336	\$95,877	(\$541)
EKWOK	\$56,037	\$29,612	\$26,425
KING COVE	\$58,185	\$61,379	(\$3,194)
MANOKOTAK	\$59,456	\$31,579	\$27,877
NEW STUYAHOK	\$56,711	\$31,092	\$25,619
NEWHALEN	\$55,440	\$30,867	\$24,573
NONDALTON	\$89,797	\$47,477	\$42,320
PORT HEIDEN	\$93,935	\$48,893	\$45,042
SAINT GEORGE	\$62,432	\$31,086	\$31,346
SAINT PAUL	\$152,357	\$91,970	\$60,387
SAND POINT	\$73,862	\$69,003	\$4,859
TOGIAK	\$59,441	\$31,576	\$27,865
UNALASKA	\$311,239	\$309,364	\$1,875
Municipal Totals	\$1,662,849	\$1,191,122	\$471,727
Unincorporated Communities			
EGEGIK IMPR CORP	\$24,839	\$12,343	\$12,496
IGIUGIG VILL COUN	\$24,839	\$12,343	\$12,496
ILIAMNA VILL COUN	\$24,839	\$12,343	\$12,496
KOKHANOK BAY VILL COUN	\$24,839	\$12,343	\$12,496
KOLIGANEK	\$24,839	\$12,343	\$12,496
LEVELOCK VILL COUN	\$24,839	\$12,343	\$12,496
PEDRO BAY VILL COUN	\$24,839	\$12,343	\$12,496
PILOT POINT VILL COUN	\$24,839	\$12,343	\$12,496
Unincorporated Totals	\$198,714	\$96,747	\$99,967
Volunteer Fire Departments			
ILIAMNA VFD	\$797	\$792	\$5
KOLIGANEK VFD	\$1,176	\$1,169	\$7
LEVELOCK VFD	\$848	\$843	\$5
PILOT POINT VFD	\$463	\$460	\$3
VFD Totals	\$3,285	\$3,264	\$21
Election District 26			
Election District Totals	\$1,864,848	\$1,293,134	\$571,714

Election District Community	Proposed Funding	Previous Funding	Difference
Election District 27			
Municipalities			
AKHIOK	\$46,761	\$25,671	\$21,090
CHIGNIK	\$56,253	\$31,011	\$25,242
KODIAK	\$284,021	\$349,730	(\$65,709)
KODIAK ISLAND	\$737,885	\$865,906	(\$128,021)
LARSEN BAY	\$45,449	\$25,439	\$20,010
OLD HARBOR	\$47,573	\$25,815	\$21,758
OUZINKIE	\$46,972	\$25,708	\$21,264
FORT LIONS	\$47,264	\$25,760	\$21,504
Municipal Totals	\$1,312,178	\$1,375,040	(\$62,862)
Unincorporated Communities			
CHIGNIK LAGOON VILL COUN	\$24,839	\$12,343	\$12,496
IVANOFF BAY VILL COUN	\$24,839	\$12,343	\$12,496
Unincorporated Totals	\$49,679	\$24,687	\$24,992
Election District 27			
Election District Totals	\$1,361,856	\$1,399,727	(\$37,871)

Sponsor: McLean, Foster, Jacko

HB 101: Act relating to entitlements for municipalities and unincorporated communities.

This bill would increase the State Revenue Sharing Program entitlement for unincorporated communities from \$25K to \$50K and the minimum municipal entitlement from \$25K to \$50K. Unincorporated community entitlements are paid out of the Miscellaneous Services account.

Currently, the Miscellaneous Services account is being prorated at about 55% for FY 90, so unincorporated communities are receiving about \$14, 171 rather than the full \$25K entitlement.

HB 101 raises the minimum entitlement to \$50K. Assuming that the Miscellaneous Services Account will continue to be prorated at 55%, the increased entitlement will increase the actual payment to unincorporated communities. This will insure that the amount received by unincorporated communities approximates the original \$25K minimum.

DCRA Position

The department supports the general concept of the bill which is designed to give a greater measure of financial support to the smallest municipalities and communities in the state. Raising the minimum entitlement will enable small communities to attract and retain trained, qualified individuals to assist them in running the municipality. An increase in the entitlement would enhance the abilities of small communities to provide necessary local services and maintain proper fiscal controls over local finances.

A \$3.5 million fiscal note is attached. The additional funds are necessary to prevent the entitlements of other communities receiving shared revenue from being decreased by the reallocation of funds. In light of the state's revenue situation, the Administration is unable to support a request for additional funds to the program necessary to "hold harmless" other recipients.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

March 9, 1989

POSITION PAPER

RE: HB 101

SPONSORS: Representatives MacLean, Foster and Jacko

EFFECTS OF BILL

This bill would increase the State Revenue Sharing Program entitlement for unincorporated communities from \$25,000 to \$50,000 and the minimum municipal entitlement \$25,000 to \$50,000.

Based upon FY 90 data that has not yet been finalized, it is estimated that 61 unincorporated communities will receive State Aid to Unincorporated Communities under the State Revenue Sharing Program. Unincorporated community entitlements are paid out of the Miscellaneous Services Account, along with entitlements to municipalities for roads, health facilities and hospitals, and entitlements to volunteer fire departments in the unorganized borough. The revenue sharing entitlements from this account will be prorated at about 55 percent in FY 90, so that unincorporated communities will receive about \$14,171 rather than \$25,000. Assuming FY 90 funding variables, raising the unincorporated community entitlement to \$50,000 and including the prorata share of additional funds provided for in Section 3 of the proposed legislation, the entitlement would increase the actual payment to unincorporated communities to about \$28,297 through a reallocation of funds within the Miscellaneous Services Account. Without the additional funds, the payment to unincorporated communities would increase to about \$26,695. Other payments from this account would be reduced by about 5.7 percent.

In FY 90, we project that about 81 municipalities will receive funds under the minimum municipal entitlement provision. The amount of money used to fund the existing minimum municipal entitlement (\$25,000 plus a cost-of-living-allowance geographic differential) will be about \$1.4 million, which comes from the tax equalization account of the state revenue sharing program. Assuming FY 90 funding variables, this bill will include an additional 27 communities under the minimum municipal entitlement provision. Actual payments will vary, based upon differing COLA'S and the impact of the prorationing of the tax equalization account.

9
STI
HB 101/SB 31
949 E. 38TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

RE: HB 101 POSITION PAPER
March 9, 1989
Page Two

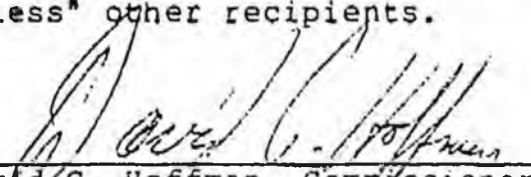
Including the prorata share of additional funds provided for in Section 3, the proration factor for other payments from the tax equalization account would fall from about 94.8 percent to about 86.4 percent.

Without the additional funds, the proration factor for other payments from the tax equalization account would fall from about 94.8 percent to about 84.9 percent.

COMMENTS

The department supports the concept of this bill, which is designed to give a greater measure of financial support to those smallest municipalities and communities in the state. Recent events have shown that these small municipalities are suffering tremendous hardship. Those municipalities which will be affected by this provision will be those with relatively small local revenue raising capacities because of the lack of a local tax base. Consequently, the bill would focus assistance on those areas with the greatest need and the least resources to respond to the need. A continuing problem for these municipalities is to attract and retain qualified municipal personnel because of their inability to pay adequate, stable wages. Raising the minimum entitlement will enhance their ability to do this, leading to greater continuity of services at the local level, and a better ability to maintain proper fiscal controls over local finances.

This bill would take effect providing that additional funds in the amount of approximately \$3.5 million are made available to the State Revenue Sharing Program. Without additional funds, the reallocation of funds will result in a decrease in entitlements to other revenue sharing recipients. In light of the state's revenue situation at this point, the Administration is unable to support a request for additional funds to the program necessary to "hold harmless" other recipients.



David G. Hoffman, Commissioner

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 101
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act relating to entitlements for municipalities..."
 Sponsor: Reos MacLean, Foster & Jacko
 Requestor: _____

Agency Affected: Community & Regional Affairs
 BRU: Municipal Revenue Sharing
 Components: State Revenue Sharing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	-0-	3,510	-0-	-0-	-0-	-0-
MISCELLANEOUS						
TOTAL OPERATING	-0-	3,510	-0-*	-0-*	-0-*	-0-*

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	3,510	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	3,510	-0-*	-0-*	-0-*	-0-*

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

*It is assumed that the amount of funds identified in Section 3 of this bill would become the new base amount for the State Revenue Sharing Program for subsequent fiscal years.

SEE ATTACHMENT *Jim Plasman*
 Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 3/9/89
 Approved by Commissioner: *Alan H. Hoffner* Date: 3-9-89
 Agency: Community & Regional Affairs

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

FISCAL NOTE ATTACHMENT
HB 101

This bill would increase the amount of funds issued to recipients under the State Revenue Sharing Program by increasing minimum entitlements for unincorporated communities and municipalities from \$25,000 to \$50,000. Since this would affect the allocation of funds under the revenue sharing formula, the reallocation of funds would result in a decrease in entitlements to other revenue sharing recipients in the absence of additional funds for the program. This bill would take effect only if additional funds are made available to "hold harmless" those other recipients.

This fiscal note is based upon the difference between the FY 89 State Revenue Sharing appropriation and the amount in Section 3 of the bill. Based upon our most recent data, it is estimated that it would cost approximately \$3,441,000 to "hold harmless" recipients. However, we anticipate changes to our FY 90 data which would increase the costs closer to the \$3,510,000 assumed by the bill.

HB

139

HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

P.O. BOX Y, JUNEAU 99811

(907) 465-3892



February 6, 1989

M E M O R A N D U M

To: Representative Eileen Maclean, Chair
House Community and Regional Affairs Committee

From: Representative Dave Donley, Chair
House Labor and Commerce Committee

Re: Request for hearing - HB 139

I am writing to ask that you schedule HB 139, relating to payments for purchases by school districts and municipalities, for a hearing before the House Community and Regional Affairs Committee at your earliest convenience.

HB 139 is modeled after recently adopted legislation mandating the state to pay their bills on time. The measure requires school districts and municipalities to pay for purchase within 30 days of receipt and subjects them to a 1.5 percent fine and penalties under AS 37.05.285. for failure to pay within the time period outlined in the bill.

The measure was introduced by the House Labor and Commerce Committee on request by the National Federation of Independent Businesses. The Department of Commerce and Economic Development supported a similar measure, HB 422, filed during the 1988 session.

Since adoption of the law governing state purchases, the Department of Administration has reported significant savings to the general fund because they have not had to pay late charges and other related costs (see attached article). Hopefully, HB 139 will bring similar benefits to school districts and local government.

Please contact me or Ginger Baim at 4954 if you have any questions or need additional information.

HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

P.O. BOX Y, JUNEAU 99811

(907) 465-3892



January 23, 1989

M E M O R A N D U M

To: Members, House Labor and Commerce Committee

From: Representative Dave Donley, Chair
House Labor and Commerce Committee

Re: Proposed Committee Legislation - "Pay on Time"

The attached bill draft would require Municipalities and School Districts to pay for the purchases they make within 30 days or pay interest on the outstanding balance due to the contractor.

Recently this legislative body passed a similar piece of legislation that requires the State of Alaska to pay it's constructors on time or pay the contractor interest on the outstanding balance after 30 days. Alaska's small businesses have asked that we place the same requirements on local governments and school districts.

Considering the current state of our economy, it is critical that we keep the money that is owed to small businesses on the "street" rather than in the accounts of local governments. It is not the job of small business to finance local government through the money they are owed for work performed.

Its clear and simple, if the money is owed to small business, local governments should pay it, just as small businesses are expected to pay their bills on time and complete the work they contracted for in a timely manner.

Sec. 37.05.270. Purchases through General Services Administration. [Repealed, § 67 ch 106 SLA 1986, effective January 1, 1988.]

Sec. 37.05.280. Leases. [Repealed, § 67 ch 106 SLA 1986, effective January 1, 1988.]

Article 3A. Payment for Purchases.

Section

285. Payment for state purchases

Sec. 37.05.285. Payment for state purchases. (a) Payment for purchases of goods or services provided a state agency must be made by a required payment date that is

(1) the date on which payment is due under the terms of a contract; or

(2) 30 days after receipt of a proper billing for the amount of the payment due, if a date on which payment is due is not established by contract and if the billing contains or is accompanied by documents required by the contract or purchase order.

(b) If a seller offers a discount from the amount otherwise due for property or services in exchange for payment within a specified period of time, the state agency may make payment in an amount equal to the discounted price only if payment is made within the specified period of time.

(c) If payment for goods or services purchased by the state is not made on or before a required payment date under (a) of this section, the state shall pay interest on the unpaid balance from the required payment date at the rate of 1.5 percent a month, unless an agreement exists between the seller and the state that establishes a lower rate of interest or precludes the charging of interest. If the interest-bearing period of time is either (1) a fraction of a month or (2) one or more full months plus a fraction of a month, the state agency shall pay the same amount of interest for the fraction of a month as it would pay for a full month.

(d) This section does not apply

(1) if the cost of the goods or services purchased exceeds \$500,000;

(2) to payment for specific goods or services in dispute after a seller of goods or services receives notice from the state official responsible for authorizing payment for goods and services that the amount of the invoice or quality of specific goods or services is in dispute and stating the reasons for the dispute; the state agency shall pay for the specific goods or services in dispute within 30 days after resolution of the dispute; or

(3) to a contract covered by AS 36.90.010.

(e) Interest paid under (c) of this section shall be charged to the budget of the state agency that purchased the goods or services.

(f) In this section:

(1) "dispute" means a determination by the state official responsible for authorizing the payments for the purchase of goods or services that the performance or price charged is not in compliance with the terms of the contract or purchase order;

(2) payment is considered made on the date when the payment is personally delivered to the seller or agent of the seller or on the date the payment is mailed;

(3) "state agency" has the meaning given in AS 37.05.400 and also includes the legislative and judicial branches. (§ 1 ch 2 SLA 1986)

Legislator's notes. — Enacted as AS 37.05.275. Renumbered in 1986.

Effective dates. — Section 3, ch. 2, SLA 1986, provides: "This Act takes effect October 1, 1986."

Editor's notes. — Section 2, ch. 2, SLA 1986 provides that this section "does not apply to contracts entered into before October 1, 1986."

Article 3B. Risk management.

Section

287. Insurance for state assets

Section

289. State insurance catastrophe reserve account

Effective dates. — Section 2, ch. 28, May 31, 1987, in accordance with AS SLA 1987, makes this article effective, 01.10.070(c).

Sec. 37.05.287. Insurance for state assets. (a) The Department of Administration shall obtain or provide, in an amount and in the form that the department determines to be appropriate, casualty, property, and other insurance for protection of state assets and for the operation of state government. The department may provide for insurance coverage, in whole or in part, through a self-insurance program.

(b) The Department of Administration shall annually review the state insurance program to assure that, to the extent reasonable, adequate insurance coverage of reserves are maintained to satisfy all reasonably foreseeable claims or judgments for which payment may be due under the state insurance program during the next fiscal year. The department shall annually obtain an independent actuarial assessment of the state insurance program. No later than February 1 of each calendar year, the department shall submit to the presiding officers of each house of the legislature a review of the state insurance program, an independent actuarial assessment, and a certified audit of the state insurance catastrophe reserve account. (§ 1 ch 28 SLA 1987)

COALITION FOR PROMPT PAY

October 12, 1989

TO: STATE LEGISLATORS WHO SUPPORT PROMPT PAY

FROM: Theresa Stanion, Legislative Assistant
International Communications Industries Association (ICIA)

Getting U.S. to Pay Firms on Time Was Fight of Decade
&
New Prompt Pay Law Relieves Credit Headaches

Because of your interest and support of prompt pay legislation, we would like to share with you two recent news articles featuring the Coalition for Prompt Pay.

The first of these, "Getting U.S. to Pay Firms on Time Was Fight of Decade," appeared in the Wall Street Journal on September 5, 1989. It details the long fight of the coalition and Kenton Pattie in getting the Federal Prompt Pay bills through Congress.

The second article, "New Prompt Pay Law Relieves Credit Headaches," was written by Kenton and was published in the September, 1989 issue of Business Credit. It is a quick overview of the Federal Law and also gives some down-to-earth advice to credit managers who do business with the Federal government. Business Credit is published by the National Association of Credit Management, a coalition member.

We thought you'd like to read the articles and perhaps share them with other legislators who are also interested in prompt pay.

THANKS FOR YOUR SUPPORT

The Coalition for Prompt Pay is thankful for the support of legislators like yourself in getting state prompt pay laws passed in forty-seven states plus the District of Columbia.

If there is any way that we can help you, please give us a call at 703/273-7200.

COALITION FOR PROMPT PAY

MEMBERS OF THE COALITION FOR PROMPT PAY

International Communications Industries Association (ICIA)
Air Conditioning Contractors of America (ACCA)
American Association of Nurserymen (AAN)
American Fire Sprinkler Association, Inc. (AFSA)
American Consulting Engineers Council (ACEC)
American Institute of Steel Construction (AISC)
American Logistics Association (ALA)
American Subcontractors Association (ASA)
American Traffic Safety Services Association (ATSSA)
Associated Builders and Contractors (ABC)
Associated Specialty Contractors (ASC)
Association for Information and Image Management (AIIM)
Association of Data Processing Service Organizations (ADAPSO)
Association of the Wall & Ceiling Industries—International (AWCI)
Ceilings & Interior Systems Construction Association (CISCA)
Coalition for Government Procurement
Mechanical Contractors Association of America (MCAA)
National Association of Manufacturers (NAM)
National Association of Medical Equipment Suppliers (NAMES)
National Association of Minority Contractors (NAMC)
National Association of Retail Druggists (NARD)
National Association of Wholesalers-Distributors (NAW)
National Association of Credit Management (NACM)
National Electrical Contractors Association (NECA)
National Independent Dairy Foods Association (NIDFA)
National Moving and Storage Association (NMSA)
National Roofing Contractors Association (NRCA)
National Small Business United (NSBU)
National Tooling and Machinery Association (NIMA)
Painting and Decorating Contractors of America (PDCA)
Professional Services Council (PSC)
Sheet Metal & Air Conditioning Contractors National Association (SMACNA)
Small Business Legislative Council (SBLC)

New Prompt Pay Law Relieves Credit Headaches

You Won't Become Methuselah Waiting for Uncle Sam

By Kenton H. Pattie

THE U.S. AIR FORCE PURCHASED \$8,833 WORTH OF PLAYGROUND EQUIPMENT and had the Alabama manufacturer ship it to a base in Alaska. The manufacturer received payment 673 days later. Although federal law requires payment of interest penalties in such cases, the manufacturer received only \$91.59 in penalties—at least \$648 less than the amount the law allows.

This is not an isolated case of late pay, as thousands of small and large firms are experiencing the same problem.

A Virginia company, for example, sold \$1,424 worth of office products to the Defense Department. Payment was received 583 days later without a cent in interest penalties. Dozens of companies make similar sales every day, only to discover that the federal government is notorious for late payments.

**"What company
can afford to carry
its customers for 19
to 24 months?"**

This is not a case where credit managers are asleep on the job. The Alabama firm's credit manager made repeated attempts to secure payment. The government ignored her billings. After she appealed to Senator Howard Heflin (D-Alabama), who talked with the Air Force for two months, they finally responded.

The credit manager for the Virginia office products firm worked just as hard, phoning the buyer and the buyer's finance office repeatedly. The finance office claimed it had never received "proof of delivery" which the company had sent many times. The government's receiving report was dated "October," even though the goods were delivered five months earlier. Even the long delay in issuing a receiving report did little to speed up payment which was eventually received 19 months late.

What company can afford to carry its customers for 19 to 24 months? What company can afford to spend valuable credit office time on collection campaigns which chase the U.S. government from coast to coast?

New Law Expedites Government Payment

Credit managers facing these problems are getting good news this year, with the adoption of the new prompt payment law. Congress has come to your aid, and beginning this fall, you should see faster payments from federal accounts.

This article will help you use the new law and the rights it ensures, and will help you train others in your office.

You have the right to notification within seven

days if your shipment, service, or invoice is unsatisfactory. Under the old law, the government was required to notify you within 15 days, but few problem invoices ever triggered notification. Problem invoices, which languished for months, were used as an excuse for nonpayment.

Under the new law, if the government fails to contact you within seven days, the payment cycle begins, and, if the product or service is normal, you will be paid by the 38th day (seven days for acceptance and 30 days to issue payment).

You have the right to know when the payment will be made, even if the government takes longer than seven days to inspect your shipment or work. The new payment act creates a seven day "constructive acceptance" period. For example, the government may accept your work 20 days after you deliver it, but the 30 day payment clock begins on the seventh day after delivery or after receipt of the invoice, whichever is later.

You have the right to an early payment in return for an early payment discount. Many federal buyers took early payment discounts long after the discount period expired. Under the new law, they may only take such discounts if they meet the deadline set by the company. The determining date will be the date on your invoice.

If you say "2 percent discount for payment in 15 days," for example, the count of the 15 days begins on the day you date your invoice. Therefore, it is very important to make sure the invoice arrives the same day as the goods arrive or the service is finished.

You have the right to know for what you are

being paid. After the 1982 act, many credit managers complained that they received U.S. Treasury checks with no accompanying account information. Consequently, credit managers would have to call the government to find out which goods or services were being paid.

The new law states that when you receive treasury checks, you should receive information concerning what they are for and, if interest is paid, the basis for the interest.

In the event that you are paid by electronic funds transfer, you also have this right. Unfortunately, the treasury's new Vendor Express EFT system may not give you all the information you need. For example, what if the payment is for several dozen invoices? There is certainly not enough room to include all contract and purchase order numbers.

For this reason, I'm certain that we will need to continue working with the government to solve the emerging information gap that comes with the age of electronic funds transfer.

You also have a right to an extra penalty if the government fails to pay you the interest it owes. After the 1982 act, many agencies began paying interest penalties for the first time. In that respect, the 1982 act was a major breakthrough for credit managers. But in recent years, some payment centers decided they would not pay penalties even though they were required to do so by law.

Insisting on making the interest penalty an automatic responsibility of every government finance center, Congress called for an extra penalty to be paid by any agency which deliberately refuses to pay you interest. Under the new rules, agencies will pay either a 50 or a 100 percent penalty on top of the normal penalty every time they pay for the goods but fail to pay interest owed. The one snag, however, built into the new act, is that you must write a letter asking for the extra penalty.

After receiving a late payment without a penalty payment attached, you must write within 40 days, stating, "I received no interest penalties, and therefore we are due an extra penalty as per the Prompt Payment Act of 1988."

Some Headaches Remain

Congress felt it was unable to solve all the problems credit managers are having, including "lost" invoices.

Every day, federal agencies "lose" thousands of invoices mailed by companies. Some are sent by "return receipt requested" or by a private messenger service. To credit managers' astonishment, none of these show up later—they just disappear. Many companies resubmit invoices five or six times before one is actually "received."

One government finance employee recently told me that he just had to throw many incoming invoices away, "I just don't have the time. There are too many of them, too many problems that I have to just get solved. It's easier to toss them than to handle them." Back in 1982, when the first law was going through, an anonymous government employee called to tell me that his office regularly shredded its backlog of invoices rather than pay them.

Dealing with "Lost" Invoices

Credit managers should never issue a new invoice with a new date, this just allows the recipient to further delay payment. If you must resubmit, use the original invoice number and date. Acquire a receiver's signature.

If you know the name of the person you are sending the invoice to, phone them the day you believe it arrived and verify its receipt. If you have a number of "lost" invoice problems, call the inspector general (IG) of that agency. Every base, federal building, and agency has an IG who investigates fraud, waste, and abuse.

Throwing away invoices is clearly fraud and abuse of government authority. An IG can help stop a pattern of lost invoices. If you can't reach your local IG, you can call (202) 343-5745, (202) 535-7335, or (800) 424-5210 (recording).

Bridging the Communication Gap

Another common problem is solving the lack of government-vendor communication. Too often, phone calls result in reaching a tape recording that says, "We're busy now. Leave your number and your contract number and we'll get back in touch with you." Rarely does anyone ever contact you. When you do reach someone, they usually can't help resolve your problem.

Under those circumstances, you must keep a detailed diary of all your contacts and a log of exactly what is said or not said. Then write a letter to the agency indicating what you have done and explain that no one ever replied to your inquiry.

Since you will probably be in a more formal dispute later, it is best to keep these detailed notes from the beginning. Your notes and confirming letters will be proof of your good faith effort and will help document the government's mismanaged payment process.

Luckily, a few agencies publish information on how vendors can receive payment from them; more should. It would also be helpful if more agencies would conduct seminars for credit managers on how to send proper invoices to the government. Some of their payment forms, such as the DD 250, are so complicated that mistakes are all too

"Your notes and confirming letters will be proof of your good faith effort."

...the government
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ized to coordinate a
sales barrier...."

common. The slightest mistake results in a rejected invoice which must be resubmitted.

In addition, some agencies allow credit managers only three problem invoices for each phone call. For those with a backlog of dozens of invoices, this is a frustrating system. I suggest calling right back after the three-call limit is reached. Eventually they will agree to work on a more businesslike basis.

If these suggestions don't help, try meeting with your government counterpart. Many vendors have gone into government offices, sorted through unpaid invoices, pulled out their own, and walked them through the system to speed up payment. Other vendors have met with top agency officials to discuss the general problem of late payment. These meetings are often effective in launching an improved level of communication.

Getting Partially Paid

The prompt pay law permits partial payments unless they are specifically prohibited by the contract. (Many companies complain that the government will delay payment because a portion of a long purchase order is on backorder.)

Each of these partial payments is subject to the penalty provisions of the prompt payment law. Thus, the same 30-day standard for completed jobs applies to partial completions.

The new law even extends the prompt pay rules to contractors and subcontractors who receive progress payments when working on federal construction projects.

I recommend that your sales manager be dis-

Nuts and Bolts of the New Law

President Reagan signed the Prompt Payment Act Amendments Act of 1988 (P.L. 100-496) in October of 1988. The law became effective April 1, 1989. In the spring and summer of 1989, new rules were published called prompt pay amendments to the Federal Acquisition Regulations (FARS) and Office of Management and Budget Circular A-125. To ask questions about A-125, call (202) 395-3066. These rules contain the specific clauses the government employees will follow when dealing with you and other credit managers from private firms.

The interest penalty rate is set by the Treasury Department every January 1 and July 1. To find out the current rate call (202) 566-5651.

For more information, contact NACM or the Coalition for Prompt Pay, 3150 Spring Street, Fairfax, VA, 22301-2399, (703) 273-7200.

couraged from signing contracts which have a prohibition against partial payment for partial delivery. Such prohibitions may cause a long delay in your getting paid and could play havoc with your cash flow.

For example, a company recently signed a contract to deliver "one lot" over nine months for \$100,000. The "one lot" in question was a series of separate reports and studies. By referring to these as "one lot," the government may have cunningly undermined the company's claim to partial payment for each delivered report or study.

A Few Final Hints

As a credit manager, you normally call just the buyer or the payment center of that buyer. But, with federal accounts, you must be willing to call the supervisor. If that doesn't work, call the base commander or other top federal executive for that local unit. If that doesn't work, call the agency's comptroller in Washington. As a last resort, call your state senator or representative.

If you work for a small business, you should call the agency's Small and Disadvantaged Business Utilization Office (SADBU). There is one in every agency. If you can't find the number, call (800) 368-5855. In every case, follow up with a confirming letter, repeating all the steps you have taken in your quest for payment.

Eventually, at wit's end, you may need to file a formal complaint under the Contract Disputes Act with the Board of Contract Appeals. You often do not need a lawyer to do this.

All the letters you have written will stand as evidence. Inevitably, the government will not be as well organized or as well-documented as you are.

If you fear complaining too loudly because you might lose the government's future business, I can assure you that the government is far too disorganized to coordinate a sales barrier against your company.

I hope you find the new law works for you, helps your cash flow, and makes doing business with the federal government easier. When you run into problems, summarize them and share them with NACM and the Coalition for Prompt Pay. We plan to keep on top of this problem until you are satisfied.

Kenton H. Patte is executive vice president of the International Communications Industries Association (ICIA) and is founder and director of the Coalition for Prompt Pay. He led the lobbying campaign which resulted in the 1982 and 1988 prompt pay laws and in the adoption of prompt pay laws in 47 states.

ENTERPRISE

Getting U.S. to Pay Firms on Time Was Fight of Decade

Campaign Goes On to Keep Honest a Notorious Deadbeat: the Government

By EUGENE CARLSON

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Why can't the government follow commercial practice and pay its bills on time? To Kenton Pattie, vice president of a Washington-based small-business trade group, it seemed like a logical question in 1978.

The answer wasn't so simple. For a decade, Mr. Pattie has been the field marshal in a complex, frequently lonely legislative campaign to force federal agencies to pay their contractors and vendors in timely fashion. The struggle, largely ignored by the press, ultimately produced the federal Prompt Payment Act. The law's amended rules took effect in April.

Late payments are a nuisance for any business but can be devastating for small companies. Ironically, the government—which besides being the nation's largest buyer of goods and services is always talking about ways to help small business—is a notorious deadbeat. (Small businesses get about 20% of the government's \$200 billion in annual procurement orders.)

President Reagan signed the first prompt-pay law in 1982, requiring agencies to pay interest on money owed 30 days after goods and services are received. Four years later, the General Accounting Office conceded the government was still



Kenton Pattie

paying about one-fourth of its bills late, often two or three months after they were received. So Mr. Pattie spent two more years pursuing amendments to plug the law's loopholes. "People tell me I've made a career out of this," he sighs.

In his long pursuit of speedier bill paying, Mr. Pattie conducted a classic, albeit undermanned, lobbying campaign. He criss-crossed miles of marble hallways on Capitol Hill, sat through countless House and Senate committee hearings, coordinated testimony from outsiders, briefed congressional staff members and helped draft legislation.

In many ways, Mr. Pattie's campaign is a textbook example of how laws are shaped by special interests. But while headline-making issues such as tax reform, clean air and the savings-and-loan bailout attract legions of lobbyists, Mr. Pattie discovered hardly anyone in Congress knew tardy payments to businesses were a problem. Moreover, the executive branch, suspicious of congressional meddling, opposed a legislative fix.

Lonely Voice

"A ferociously mundane issue presents all the same problems and complexities as high-profile legislation," says Chris Brewster, who worked on the prompt-pay bill as an aide to Sen. John Danforth (R., Mo.) and is now an attorney in private practice in Washington. "Kenton truly was a voice crying in the wilderness."

At age 49, soft-spoken and with the clean-cut looks of a young Cary Grant, Mr. Pattie doesn't look the part of a professional arm-twister. "He doesn't appear to be a take-no-prisoners lobbyist, but he's an excellent coalition builder and he's dog-

ged," says William Montalto, a staff counsel for the Senate Small Business Committee. Adds Mr. Brewster: "[Mr. Pattie] is so single-minded on this issue that you'd never want to be caught on an elevator with him."

With permission of his employer, the International Communications Industries Association, Mr. Pattie spent long hours visiting congressional offices. "Ninety-nine percent of the meetings are with staff," he says frequently. "they'll give you five or 10 minutes if you promise not to stay longer."

Letters from constituents, which helped him gain entrance, were supplied by trade groups: the American Fire Sprinkler Association, the American Builders and Contractors, the National Independent Dairy Foods Association, the National Tooling and Machining Association, and 28 other associations with nationwide membership that Mr. Pattie jumped into an umbrella group, the Coalition for Prompt Pay. Each coalition member paid dues of \$350 a year to help underwrite lobbying costs.

Key Action

Mr. Pattie also labored to line up cosponsors for prompt-pay bills introduced in the House and Senate. "Cosponsoring sounds Mickey Mouse . . . but it's the key to getting things going," Mr. Pattie says. "One of my techniques was to issue a press release when they agreed to become a cosponsor—'Congressman Fights Late Bill Payers,' or something like that."

Partisan politics complicated the effort. Republicans took control of the Senate in 1980, then lost their majority six years later. With each shift, Mr. Pattie had to recruit a new senator from the majority

party to lead the Senate fight.

A break came in 1986, during debate over amendments to the Prompt Payment Act, when Rep. Jack Brooks (D., Texas), then chairman of the House Government Operations Committee, produced a General Accounting Office report detailing the government's late-payment record.

At first, the Office of Management and Budget fought change, but its arguments didn't sway Rep. Brooks. "Y'all paying your bills late? Y'all suppose I could pay my bills late?" draws Mr. Pattie, puffing an imaginary cigar and imitating Rep. Brooks's interrogation of officials.

Change of Heart

Ultimately, the administration agreed to support the legislation. "I think they just feared the wrath of Jack Brooks," Mr. Pattie says.

The amendments prevent ploys like pushing back the stated date of arrival of goods and the almost routine invocation of a 15-day "grace period" for special cases, and also extend the application of the law. Despite that, federal agencies are already figuring out new ways to drag out payments by keeping invoices floating in bureaucratic limbo, forcing Mr. Pattie to keep to his dogged pursuit of the issue. He is keeping his coalition alive to monitor compliance, and is working for prompt pay bills in Vermont, New Hampshire and Georgia, having masterminded prompt pay legislation in 35 other states.

The rewards of the lengthy campaign? Mr. Pattie says company presidents have sent him photocopies of interest checks from the government covering late payments. "I've got quite a few of them," he says. "It's pretty neat."

HB 139

COALITION FOR PROMPT PAY

Hon. Dave Donley
Alaska House of
Representatives
4852 Newcastle Way
Anchorage AK 99503

August 10, 1989

Dear Representative Donley:

Enclosed is a complimentary copy of our new prompt pay book, Guide to Getting Paid Promptly by State and Local Agencies.

Because of legislators like yourself, forty-seven states plus the District of Columbia have prompt pay laws.

In addition to the synopsis of the major prompt pay laws in each of the forty-seven states, the book contains an updated version of our model state prompt pay law. As you know, Congress passed a major revision of the Federal prompt pay law in October of 1988, and we have included in our revised state prompt pay law many of the provisions of the Federal law. We encourage you to look at this model law to see how you can strengthen your own state law.

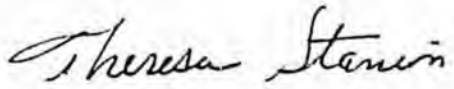
If you know of other state legislators who would like a complimentary copy of our book, send us their names and addresses and I will send them a copy.

I would also encourage you to show the book to your constituents and to business associations. Many businesses have clients in a number of states and this would be an invaluable resource to them. The book contains a summary of the new Federal prompt pay regulations for those businesses who sell to the Federal government.

We have enclosed an order form for additional books which you can give to constituents and associations whose members sell to the government. This will help all of us. It will help you to get better laws passed and publicize what you are doing. It will help small businesses in your state know how to get paid promptly. And it will help the coalition by allowing us to continue to our work of promoting prompt pay by government agencies.

The coalition thanks you for your support.

Sincerely,



Theresa Stanion
Legislative Assistant

Enclosure: Getting Paid Promptly By State and Local Agencies
Order Form

COALITION FOR PROMPT PAY

MEMBERS OF THE COALITION FOR PROMPT PAY

International Communications Industries Association (ICIA)
Air Conditioning Contractors of America (ACCA)
American Association of Nurserymen (AAN)
American Fire Sprinkler Association, Inc. (AFSA)
American Consulting Engineers Council (ACEC)
American Institute of Steel Construction (AISC)
American Logistics Association (ALA)
American Subcontractors Association (ASA)
American Traffic Safety Services Association (ATSSA)
Associated Builders and Contractors (ABC)
Associated Specialty Contractors (ASC)
Association for Information and Image Management (AIIM)
Association of Data Processing Service Organizations (ADAPSO)
Association of the Wall & Ceiling Industries--International (AWCI)
Ceilings & Interior Systems Construction Association (CISCA)
Coalition for Government Procurement
Mechanical Contractors Association of America (MCAA)
National Association of Manufacturers (NAM)
National Association of Medical Equipment Suppliers (NAMES)
National Association of Minority Contractors (NAMC)
National Association of Retail Druggists (NARD)
National Association of Wholesalers-Distributors (NAW)
National Association of Credit Management (NACM)
National Electrical Contractors Association (NECA)
National Independent Dairy Foods Association (NIDFA)
National Moving and Storage Association (NMSA)
National Roofing Contractors Association (NRCA)
National Small Business United (NSBU)
National Tooling and Machining Association (NTMA)
Painting and Decorating Contractors of America (PDCA)
Professional Services Council (PSC)
Sheet Metal & Air Conditioning Contractors National Association (SMACNA)
Small Business Legislative Council (SBLC)

COALITION FOR PROMPT PAY
ORDER FORM

Date: _____
Name _____
Title _____
Company/Organization _____
Address _____
City/State/Zip _____
Phone _____

GUIDE TO GETTING PAID PROMPTLY BY STATE AND LOCAL AGENCIES

PRICE LIST

1 - 5 COPIES _____ \$18.00 EACH
6 - 25 COPIES _____ \$15.00 EACH
26 OR MORE COPIES _____ \$12.00 EACH

PLEASE SEND ME _____ COPIES @ _____ EACH = \$ _____
POSTAGE AND HANDLING = \$ 3.00
TOTAL AMOUNT ENCLOSED = \$ _____

Make your check out to:
COALITION FOR PROMPT PAY

Send your check with this order form to:
COALITION FOR PROMPT PAY
3150 Spring Street
Fairfax, VA 22031-2399

Thank you very much for your support.

1. Take portion of amendment 6-0553Ha (dated 3/27/89, that applies the "dispute" language to the state procurement code (Title 37.05) and draft it to fit in the proposed H.Finance CS. (The "dispute" language has already been adopted into the H.Finance CS as it pertains to school districts and municipalities).

(THE STATE ALREADY HAS A MECHANISM FOR APPEALING A DISPUTE SO THAT A VENDOR MAY GET THE PENALTY/INTEREST WHEN A DISPUTE HAS BEEN SETTLED IN THEIR FAVOR. IT'S NOT A GOOD IDEA TO AMEND THE STATE PROCUREMENT LAW IN THIS MANNER. MUNICIPALITIES AND SCHOOL DISTRICTS DO NOT HAVE SUCH A MECHANISM FOR SETTLING DISPUTES, THEREFORE THE DISPUTE LANGUAGE ALREADY INCLUDED IN THE HOUSE FINANCE CS MAKES SENSE).

2. Draft an amendment that changes the interest penalty provisions under the Finance CS for HB 139 (for school districts and municipalities) from 1.5 percent per month to 10.5 percent per year, as under AS 45.45.010(a) - standard state rate of interest.

(THE 1.5 PERCENT/MONTH INTEREST RATE IS WHAT IS IN CURRENT STATE LAW. IF THE STATE CAN LIVE WITH IT, WHY NOT MUNICIPALITIES AND SCHOOL DISTRICTS? ALSO, THE STANDARD RATE OF INTEREST (10.5 PERCENT/YEAR) IS A STATUTE DESIGNED TO COVER INSTANCES WHERE THE STATE IS WITHHOLDING CERTAIN MONEY DUE TO A VENDOR OR OTHER PERSON AND ASSURES THAT THEY ARE PAID A REASONABLE RATE OF INTEREST WHILE THE MONEY IS BEING HELD. THE PURPOSE OF THE INTEREST/PENALTY IN HB 139 IS A PENALTY TO DETER LATE PAYMENT. SIMPLY REQUIRING A "REASONABLE RATE OF INTEREST" WILL NOT SERVE AS A DETERMENT TO DELAY PAYMENT AND WILL DEFEAT THE PURPOSE OF THE SECTION).

3. Draft an amendment that applies the interest rate change in amendment #2 to the state procurement code, as well as to municipalities and school districts.

(EVEN WORSE THAN THE ARGUMENTS OFFERED IN #2 BECAUSE IT WILL CHANGE EXISTING STATE LAW. ALASKA'S SMALL BUSINESS COMMUNITY ASKED FOR HB 139 TO HELP THEM GET PAID ON TIME. AMENDMENT #3 WILL NOT ONLY GUT HB 139, BUT WILL GUT EXISTING STATE LAW THAT HAS HELPED SMALL BUSINESSES. TALK ABOUT KICKING THEM WHEN THEY ARE DOWN!!).

4. Draft an amendment that says this act does not apply to municipalities if:
(1) the municipality has adopted by ordinance a procedure addressing payments for purchases

(THIS WOULD EXEMPT LARGER MUNICIPALITIES THAT ADOPT ANY ORDINANCE PROVIDING FOR ANY RULES FOR PAYMENT FOR GOODS AND SERVICES AND LEAVE SMALLER COMMUNITIES UNDER HB 139. A REASONABLE ALTERNATIVE MAY BE TO EXEMPT MUNI'S IF THEY ADOPT, BY ORDINANCE, A "PAY ON TIME" PROVISION THAT IS SUBSTANTIALLY SIMILAR TO THE REQUIREMENTS UNDER HB 139.

Carol, call me if this is still confusing.

Ginger - 4954

HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

P.O. BOX Y, JUNEAU 99811

(907) 465-3892



March 29, 1989

PROBLEM

Under HB 139 (and current state procurement law AS 37.05) the penalty provisions for failure to pay on time do not apply when a delivery has been disputed by the reciever of the goods and services, even when the dispute is eventually decided in favor of the vendor.

Amendment #1

Provides that the interest penalty for failure to pay on time applies to municipalities and school districts if the dispute is eventually settled in favor of the vendor.

(The HESS CS places the "pay on time" provisions under Title 29 for municipalites and Title 14 for school districts. It makes no mention or reference to state law under Title 37.05.)

Amendment #2

Provides that the interest penalty for failure to pay on time applies to the state, municipalities and school districts if the dispute is eventually settled in favor of the vendor.

(Since the HESS CS applies only to Title 29 (muni's) and Title 14 (School Districts), its necessary to amend the title of the bill and add additional language to get this amendment to apply to the state as well as the entities under HB 139).

ANCHORAGE DAILY NEWS SAT., MAY 21, 1988

State agencies save funds by paying the bills on time

By LARRY PERSILY
The Associated Press

JUNEAU — The state will save almost \$24,000 this year doing something most people try, but don't always succeed at.

State agencies will save the money by paying their bills on time and avoiding monthly finance charges.

Tired of complaints that the state was slow in paying its bills, the 1986 Alaska Legislature adopted a law requiring payment within 30 days. Agencies would have to pay 1½ percent a month in finance charges after the deadline.

The law went into effect Oct. 1, 1986, and in the next nine months of the fiscal year the state paid \$32,930 in finance charges on about \$2.2 million in late payments.

In the first nine months of this fiscal year, the state paid \$7,391 in finance charges on about \$493,000 in late payments.

If that rate holds through the end of the fiscal year June 30, the state will have paid

about \$9,300 in interest — a \$23,600 savings from the first year the law was in place.

Looking at the number of bills paid by the state, some people may wonder how so many of them get paid on time.

In the first nine months of the current fiscal year, state agencies issued more than 373,000 checks, with almost half a million expected by June 30. That's down about 3 percent from last year, however, just as state spending is down.

Those 500,000 checks will total about \$1.3 billion for goods and services.

"We always have our problem child," said Lauri Sewill, of the Department of Administration's finance division. There always are some bills that get held up for any number of reasons, she said.

But agency payment procedures have been getting better, and the division plans to improve the process even more.

FILM: State luri

Continued from Page B-5

(states that) spend a lot of money," Lukens said.

Alaska should try to make up for the relatively high cost of doing business in the state by lining up hotel and other discounts for film crews, waiving commercial-use fees at parks and other public facilities, and offering rebates for local hire, Lukens said.

Asked if such incentives would produce enough to be worthwhile, Lukens used a restaurant analogy. He said that's like asking a hamburger stand if it will make enough money offering discounts on steaks. Unless it uses discounts and other promotions, it probably never will be able to break into the steak market, he said.

The state also should try harder to sell its filming advantages — and in language producers understand, he said.

"They (producers) need to be talking to someone who can reflect the buzzword context they're used to," Lukens said.

"We need to inform people

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Payments For Purchases By School
Districts and Municipalities
 Sponsor: Senate C&RA
 Requestor: Senate C&RA

Agency Affected: Education
 BRU: K-12 Support
 Components: Foundation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Mary Hakala
 Division: Commissioner's Office
 Approved by Commissioner: William G. Demmert
 Agency: Education

Phone: 465-2800
 Date: 3/22/90
 Date: 3/22/90

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

6-0553D
Bannister
3/22/90

Original sponsor(s): Labor & Commerce Committee

1 IN THE HOUSE

BY THE C&RA COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 139 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to payments for purchases by school
7 districts and municipalities; and providing for an
8 effective date."

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

10 * Section 1. PURPOSE. The purpose of this bill is to require munic-
11 ipalities and school districts to pay for their purchases of goods and
12 services in a timely manner.

13 * Sec. 2. AS 14.03 is amended by adding a new section to read:

14 Sec. 14.03.087. PAYMENTS FOR PURCHASES. (a) Payment for pur-
15 chases of goods or services provided to a school district must be made
16 by a required payment date that is

17 (1) the date on which payment is due under the terms of a
18 contract; or

19 (2) 30 days after the goods or services are received and
20 the school district that is responsible for paying for the purchase
21 receives a proper billing for the amount of the payment due, if a date
22 on which payment is due is not established by contract and if the
23 billing contains or is accompanied by documents required by the con-
24 tract or purchase order.

25 (b) If a seller offers a discount from the amount otherwise due
26 for property or services in exchange for payment within a specified
27 period of time, the school district may make payment in an amount
28 equal to the discounted price only if payment is made within the
29 specified period of time.

1 (c) If payment for goods or services purchased by the school
2 district is not made on or before a required payment date under (a) of
3 this section, the school district shall pay interest on the unpaid
4 balance from the required payment date at an interest rate that is
5 equal to the amount set out in AS 45.45.010(a), unless an agreement
6 exists between the seller and the school district that establishes a
7 lower rate of interest or precludes the charging of interest.

8 (d) Except as provided in (f) of this section, this section does
9 not apply

10 (1) if the cost of the goods or services purchased exceeds
11 \$500,000;

12 (2) to payment for specific goods or services in dispute
13 after a seller of goods or services receives notice from the school
14 district official responsible for authorizing payment for goods and
15 services that the amount of the invoice or quality of specific goods
16 or services is in dispute and stating the reasons for the dispute; the
17 school district shall pay for the specific goods or services in dis-
18 pute within 30 days after the resolution of the dispute;

19 (3) to a contract covered by AS 36.90.010; or

20 (4) to a payment for which reimbursement is available to
21 the school district under an insurance contract.

22 (e) In this section, payment is considered made on the date when
23 the payment is personally delivered to the seller or agent of the
24 seller or on the date the payment is mailed.

25 (f) If a dispute under (d)(2) of this section is resolved in
26 favor of the seller, (c) of this section applies to the payment for
27 the goods or services involved in the dispute.

28 (g) In this section,

29 (1) "dispute" means a determination by the school district

1 official responsible for authorizing the payments for the purchase of
2 goods or services that the performance or price charged is not in
3 compliance with the terms of the contract or purchase order;

4 (2) "school district" means a borough or city school dis-
5 trict and a regional educational attendance area.

6 * Sec. 3. AS 29.10.200 is amended by adding a new paragraph to read:

7 (51) AS 29.71.060 (payments for purchases).

8 * Sec. 4. AS 29.71 is amended by adding a new section to read:

9 Sec. 29.71.060. PAYMENTS FOR PURCHASES. (a) Payment for pur-
10 chases of goods or services provided to a municipality must be made by
11 a required payment date that is

12 (1) the date on which payment is due under the terms of a
13 contract; or

14 (2) 30 days after the goods or services are received and
15 the municipality that is responsible for paying for the purchase
16 receives a proper billing for the amount of the payment due, if a date
17 on which payment is due is not established by contract and if the
18 billing contains or is accompanied by documents required by the con-
19 tract or purchase order.

20 (b) If a seller offers a discount from the amount otherwise due
21 for property or services in exchange for payment within a specified
22 period of time, the municipality may make payment in an amount equal
23 to the discounted price only if payment is made within the specified
24 period of time.

25 (c) If payment for goods or services purchased by the municipal-
26 ity is not made on or before a required payment date under (a) of this
27 section, the municipality shall pay interest on the unpaid balance
28 from the required payment date at an interest rate that is equal to
29 the amount set out in AS 45.45.010(a), unless an agreement exists

1 between the seller and the municipality that establishes a lower rate
2 of interest or precludes the charging of interest.

3 (d) Except as provided in (f) of this section, this section does
4 not apply

5 (1) if the municipality has adopted by ordinance substan-
6 tially similar procedures governing the payment of its purchases;

7 (2) if the cost of the goods or services purchased exceeds
8 \$500,000;

9 (3) to payment for specific goods or services in dispute
10 after a seller of goods or services receives notice from the municipal
11 official responsible for authorizing payment for goods and services
12 that the amount of the invoice or quality of specific goods or ser-
13 vices is in dispute and stating the reasons for the dispute; the
14 municipality shall pay for the specific goods or services in dispute
15 within 30 days after the resolution of the dispute;

16 (4) to a contract covered by AS 36.90.010; or

17 (5) to a payment for which reimbursement is available to
18 the municipality under an insurance contract.

19 (e) In this section, payment is considered made on the date when
20 the payment is personally delivered to the seller or agent of the
21 seller or on the date the payment is mailed.

22 (f) If a dispute under (d)(3) of this section is resolved in
23 favor of the seller, (c) of this section applies to the payment for
24 the goods or services involved in the dispute.

25 (g) In this section, "dispute" means a determination by the
26 municipal official responsible for authorizing the payments for the
27 purchase of goods or services that the performance or price charged is
28 not in compliance with the terms of the contract or purchase order.

29 * Sec. 5. This Act does not apply to purchase contracts entered into
SCS CSHB 139(C&RA)

1 before July 1, 1990.

2 * Sec. 6. This Act takes effect July 1, 1990.

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HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

P.O. BOX V, JUNEAU 99811

(907) 465-3892



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FEB 20 1990

February 16, 1990

MEMORANDUM

To: Senator Mike Szymanski, Chair
Senate Community and Regional Affairs Committee

From: Representative Dave Donley, Chair *DD*
House Labor and Commerce Committee

Re: Request for hearing on HB 139

I am writing to request that HB 139, relating to timely payment for goods and services by municipalities and school districts, be scheduled for a hearing before the Senate Community and Regional Affairs Committee at your earliest convenience.

A referral file has already been sent to your Committee. Please contact me or House Labor and Commerce Committee staff at 4954 if you have any questions or need additional information.

dd/gbs90
b/hb139



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ASSOCIATION OF ALASKA**

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Anchorage, Alaska 99501
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RECEIVED

FEB 20 1990

February 16, 1990

Senator Szymanski
P.O. Box V
Juneau, AK 99811

Dear Senator Szymanski:

On behalf of the Alaska Chapter of American Subcontractors Association I want to ask for your support and assistance in passing HB 284 having to do with prompt payment on public construction projects.

Prompt payment has led the concerns of subcontractors for some years now. In 1989 A.S.A. joined forces with A.G.C. of Alaska to work on legislation fair to all contractors, subcontractors, material suppliers and government owners before presenting the principals in Juneau. In March 89, a draft was presented to Representative Boyer with full support by A.S.A. and A.G.C. Alaska Chapters.

Before passing the House, because of objections by the Municipal League, revisions were made in three areas. The first change in section #1 -- payment deadline has been changed to 30 days after receipt of payment request. Second, if grant money is to be used, payment terms are 21 days after payment request has been received. Here we inserted "or within 21 calendar days of the date the subdivision actually receives the grant money, which ever is later." The third change will exempt approximately 75 % of the political subdivisions by exempting those with a population of 800 or less, (page 7 <4>).

I understand you have requested and received this bill for review and hearings before it is to be heard by the one committee referral, Labor and Commerce, in 1989.

We believe prompt payment as outlined in HB 284 is a positive step to assure fair dealings among the entire construction industry. As funds are available and set aside for public projects and only require interest on late payments, passage of this bill will protect interest of prime contractors, subcontractors, material suppliers as well as government in the payment process.


I urge you to schedule this bill as early as possible in this session and ask your consideration in supporting prompt payment on public construction projects. I will be in Juneau February 26th - 27th and look forward to meeting with you to discuss this further.

Sincerely,



Roxanna Horschel
Chapter President

cc: Senators Steve Frank
Al Adams
Drue Pearce
Pat Pourchot



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February 16, 1990

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FEB 20 1990

Senator Szymanski
P. O. Box V
Juneau, Alaska 99811

Dear Senator Szymanski:

I understand HB 284 has been turned over to the Senate Community and Regional Affairs Committee and has received opposition by the Municipal League.

Whatever reason the Municipal League has for opposing prompt payment, I ask you to give at least equal consideration to the contractor's reasons for supporting HB 284.

Cash flow is a very important factor to contractors who must pay labor wages weekly, post a contractor's bond, make timely tax payments and prepay insurance to comply with required coverages, in order to participate in a public construction project.

The purpose of HB 284 is to recognize the "time value of money." The requirement to pay promptly or pay interest recognizes this concept and encourages timely payments. The failure of an owner to promptly pay a contractor, or a contractor to promptly pay a lower tiered subcontractor or supplier should carry an interest assessment to recognize the time value of money.

Please schedule HB 284 for hearings as early as possible this session. This is important to contractors in Alaska, and we will appreciate your consideration for supporting this bill.

Sincerely,

RIBELIN LOWELL & COMPANY



Richard L. Lowell
President

RLL:crb

cc: Senators Steve Frank
Albert Adams
Drue Pearce
Pat Pourchot