

Chapter 60. State Programs.

Article

1. Municipal Tax Resource Equalization (§§ 29.60.010 — 29.60.080)
2. State Aid for Miscellaneous Purposes (§§ 29.60.100 — 29.60.180)
3. Administration of State Aid Programs (§§ 29.60.280 — 29.60.310)
4. Municipal Assistance (§§ 29.60.350 — 29.60.375)
5. Community Facilities Grants (§§ 29.60.400 — 29.60.440)
6. Shared Fisheries Business Taxes (§ 29.60.450)
7. Oil and Hazardous Substance Municipal Impact Assistance (§§ 29.60.500 — 29.60.599)
8. Human Services Community Match Program (§§ 29.60.600 — 29.60.650)
- 8A. Bulk Fuel Bridge Loan Fund and Program (§ 29.60.660)
9. Reimbursement for Costs of Bonds (§ 29.60.700)
10. Municipal Harbor Facility Grant Program (§§ 29.60.800 — 29.60.820)
11. Community Revenue Sharing Program (§§ 29.60.850 — 29.60.879)

Article 1. Municipal Tax Resource Equalization.

Section

- | | |
|---|---|
| <p>010. State equalization of tax resources for municipal services</p> <p>020. Determination of population</p> <p>030. Determination of millage rate equivalent</p> <p>040. Reports</p> | <p>050. Limitation on computation and use of payments</p> <p>060. Tax equalization account</p> <p>070. Administration</p> <p>080. Definitions</p> |
|---|---|

Sec. 29.60.010. State equalization of tax resources for municipal services.

(a) During each state fiscal year the department shall compute an equalization entitlement for municipal services provided by a taxing unit for payment the following state fiscal year.

(b) The equalization entitlement computed for a taxing unit is based on the population, relative ability to generate revenue, and local tax burden of the taxing unit and is determined by the application of the formula $\text{Entitlement} = P \times R$, where (1) P = population, and (2) R = millage rate equivalent, determined by dividing the sum of the locally generated revenue of the taxing unit by one-tenth of one percent of the full and true value of assessed property of the taxing unit determined under AS 29.60.030(d); however, the per capita property value used under this subsection may not be less than 15 percent of the statewide average per capita full and true assessed property value.

(c) For purposes of this section, locally generated revenue

(1) includes

(A) the actual revenue derived from the levy and collection of local taxes in the taxing unit for municipal services;

(B) motor vehicle payments received by the municipality under AS 28.10.431;

(C) revenue from fees, rentals, leases, penalties, licenses, or permits received by the municipality for a function or service over which it has control, including revenues derived from parks and recreation services, mass transit, off-street parking, and garbage and solid waste disposal services;

(D) special assessments received; and

(E) payments received by a municipality from a utility that are in place of taxes levied and collected by the municipality;

(2) excludes

(A) revenue derived from the levy and collection of municipal taxes and appropriated for the operating expenses and debt service of utilities;

(B) revenue from interest earned on investments and from the sale and lease of land or equipment; and

(C) all other revenue from whatever service derived;

(3) is calculated on the basis of the actual revenue received during the fiscal year of the taxing unit preceding the year in which the department's determination of the millage rate equivalent is made under AS 29.60.030. (§ 16 ch 74 SLA 1985; am § 1 ch 10 SLA 1987)

Sec. 29.60.020. Determination of population.

For purposes of AS 29.60.010 - 29.60.080, the population of a taxing unit shall be determined annually by the latest figures of the United States Bureau of the Census or other population data that in the judgment of the department is reliable. (§ 16 ch 74 SLA 1985)

Sec. 29.60.030. Determination of millage rate equivalent.

(a) The department may require a municipality to return a certification, signed by the municipal treasurer or manager and the mayor, that provides an estimate of the locally generated revenue received by the municipality during its fiscal year preceding the year in which the department's determination of the millage rate equivalent is made under (c) of this section.

(b) *[Repealed, § 8 ch 10 SLA 1987.]*

(c) As early as possible, but not later than January 15 of each year, the department shall make a determination of the millage rate equivalent of each taxing unit to use to compute and distribute equalization entitlements under AS 29.60.010 - 29.60.080 for the following state fiscal year. The department shall base the determination on audits, financial statements, and other financial reports prepared and submitted by a municipality. The department shall adjust the locally generated revenue reported by a municipality to exclude the municipal revenue claimed that does not qualify for inclusion in or recognition as locally generated revenue for municipal purposes under AS 29.60.010(c)(1). The adjustment must be made by deducting from total revenue claimed by the municipality the amount of the department's estimate of revenue that is not recognized for municipal purposes.

(d) The full and true assessed property value shall be determined by the department in the manner provided for the computation of state aid to education under

AS 14.17.510. When the determination of locally generated revenue includes revenue of a utility received under AS 29.60.010(c)(1)(E), the full and true assessed property value must include the computed assessed value of the utility, determined by dividing the amount of the payment in place of taxes made by the utility by the millage rate that would apply to the utility if the utility were subject to levy and collection of taxes under AS 29.45.

(e) In addition to the computation for municipalities that levy and collect a property tax, the department shall determine an estimated full and true assessed property value under (d) of this section for

(1) each municipality that is a school district and that does not levy and collect a property tax;

(2) each second class city with a population of 750 or more persons; however, a computation is not required under this paragraph more often than once during a period of three successive calendar years; and

(3) all other second class cities, by determining the average per capita full and true assessed property value of all cities having a population of less than 750 persons in which an assessment has been completed by a municipality or for which a determination is not made under (1) or (2) of this subsection.

(f) The department shall annually compute a statewide average per capita full and true assessed property value. (§ 16 ch 74 SLA 1985; am §§ 2, 3, 8 ch 10 SLA 1987; am § 34 ch 83 SLA 1998)

Effect of amendments. – The 1998 amendment, effective July 1, 1998, made a section reference substitution in subsection (d).

Sec. 29.60.040. Reports.

A payment of an equalization entitlement may not be made to a municipality under AS 29.60.010 - 29.60.080 until the municipality has submitted its certificate of estimated revenue and its financial report to the department for the municipal fiscal year preceding the year in which the department's determination of the millage rate equivalent is made under AS 29.60.030, together with the municipality's budget for the fiscal year for which an entitlement is sought. The financial report must include a listing of general revenue collected from taxes levied and assessed and any other revenue that, in the opinion of the municipal officials, is eligible for inclusion in computations of the locally generated revenue of the taxing unit. (§ 16 ch 74 SLA 1985; am § 4 ch 10 SLA 1987)

Sec. 29.60.050. Limitation on computation and use of payments.

(a) An equalization entitlement generated by the tax levy of a taxing unit may be used only for authorized expenditures of that taxing unit, but up to 15 percent of the payment of an equalization entitlement generated by areawide revenue of a municipality may be used by the municipality for areawide or nonareawide purposes at the discretion of its governing body. This subsection applies to home rule and general law municipalities.

(b) An equalization entitlement determined with reference to revenue other than revenue obtained from the levy and collection of taxes may be used for areawide or nonareawide purposes, at the discretion of the governing body. (§ 16 ch 74 SLA 1985)

Sec. 29.60.060. Tax equalization account.

The tax equalization account is established. Money to carry out the provisions of AS 29.60.010 - 29.60.080 shall be allocated by the department to the account. The amount allocated to the account shall be fully distributed by the department as payments to municipalities to fulfill each share authorized under AS 29.60.010. The amount allocated to the account shall be distributed by the department pro rata among eligible municipalities. (§ 16 ch 74 SLA 1985)

Sec. 29.60.070. Administration.

(a) The department may adopt regulations necessary to implement AS 29.60.010 - 29.60.080. The regulations must include, among other provisions,

(1) procedures and filing dates for submitting certification and financial reports;

(2) procedures for obtaining information required to compute and determine the municipality's millage rate equivalent; and

(3) procedures by which the department shall notify a municipality in writing of the reasons for a proposed disallowance or adjustment of any factor bearing upon the determination of the municipality's entitlement and by which the municipality will be provided reasonable time in which to respond or to challenge the department's determination.

(b) The department shall make reasonable efforts to advise and assist municipalities in collecting information and completing reports necessary for the determination of entitlements under AS 29.60.010 - 29.60.080.

(c) The department shall, by regulation, classify for inclusion or exclusion as a component of a municipality's millage rate equivalent under AS 29.60.010 any tax revenue appropriated for a utility not included in the definition set out in AS 29.60.080(2). (§ 16 ch 74 SLA 1985)

Sec. 29.60.080. Definitions.

In AS 29.60.010 - 29.60.080

(1) "taxing unit" means a municipality and

(A) in a borough or unified municipality, a service area or the entire area outside cities;

(B) in a city, a differential tax zone;

(2) "utility" means electric, water, sewer, gas, heat, telephone, or refuse and garbage collection service. (§ 16 ch 74 SLA 1985)

Article 2. State Aid for Miscellaneous Purposes.

Section

- | | |
|--|--|
| <p>100. Priority revenue sharing for municipal services</p> <p>110. State aid to municipalities for roads</p> <p>120. State aid to municipalities and other eligible recipients or health facilities and hospitals</p> <p>130. State aid to volunteer fire departments not in organized municipality</p> | <p>140. State aid to unincorporated communities</p> <p>150. Population determination</p> <p>160. Area cost-of-living differential</p> <p>170. Municipal services account</p> <p>180. Regulations</p> |
|--|--|

Sec. 29.60.100. Priority revenue sharing for municipal services.

In addition to the equalization entitlements paid under AS 29.60.010 - 29.60.080, during each fiscal year the department shall pay priority revenue sharing for municipal services to

(1) a municipality or other eligible recipient that has the power to provide the services described in AS 29.60.110 - 29.60.130 and exercises the power in the manner required by AS 29.60.100 - 29.60.180;

(2) an unincorporated community under AS 29.60.140. (§ 16 ch 74 SLA 1985; am § 5 ch 75 SLA 1997)

Effect of amendments. — The 1997 amendment, effective July 1, 1997, substituted “priority revenue sharing for municipal services” for “aid” at the end of the introductory language and made minor stylistic changes.

Sec. 29.60.110. State aid to municipalities for roads.

(a) The department shall pay to a municipality that has power to provide for road maintenance and exercises that power, an entitlement based on 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 AS 19.30.111 - 19.30.251 (local service road program), 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.

(b) A frozen waterway and a connection from an inhabited area to a waterway that may be safely used for public transportation by automotive equipment and is so used during a portion of a year is eligible for payment of \$1,500 per mile if the waterway and connection are maintained during the period of use by a municipality or combination of municipalities. The department, after consultation with the Department of Transportation and Public Facilities, shall determine which waterways and connections qualify and, where the waterways or connections lie outside the corporate limits of a municipality, which municipalities shall receive the payments under this subsection, unless the

municipalities involved have agreed in writing to a particular distribution. (§ 16 ch 74 SLA 1985; am § 1 ch 122 SLA 1990)

Effect of Amendments. — The 1990 amendment, in subsection (a), substituted "an entitlement based on each mile" for "\$2,500 a mile for each mile" in the first sentence and added the third and fourth sentences.

Sec. 29.60.120. State aid to municipalities and other eligible recipients for health facilities and hospitals.

(a) The department shall pay

(1) to a municipality that has the power to provide hospital facilities and services and that exercises that power, \$1,000 per bed for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the hospital, or \$250,000 a hospital for those hospitals with 10 or more beds, or \$50,000 a hospital for those hospitals with less than 10 beds, as the municipality may elect; money received under this paragraph may be used only for hospitals and shall be apportioned among qualifying hospitals as the municipality determines;

(2) on the basis set out in (1) of this subsection to a municipality for a nonprofit hospital not operated by a municipality if the municipality first certifies to the department that the nonprofit hospital is in compliance with all standards for hospitals that have been adopted by the municipality; money may not be paid on behalf of a nonprofit hospital without this certification; payments to the municipality shall be transferred to the nonprofit hospital in accordance with the basis by which the payment was generated by the hospital, and shall be applied to the annual cost of operation and maintenance of the hospital or for the provision of health care service at the hospital as the directors of the hospital determine;

(3) to a municipality in which a health facility is operated, \$2,000 per bed for each bed actually used for patient care, limited to the number of beds provided for in the construction design of the health facility, or \$8,000 per health facility as the municipality determines.

(b) A hospital may not receive payment under both (a)(1) and (a)(2) of this section.

(c) Money received by a municipality under (a)(3) of this section shall be used for expenses of health services or operation and maintenance of health facilities as the municipality determines.

(d) Before money may be distributed under this section, the commissioner of health and social services shall certify to the commissioner of community and economic development that any accumulation of assets by nonprofit corporations or other recipients under this section is dedicated irrevocably to a public purpose.

(e) Subsections (a) and (c) of this section apply to home rule and general law municipalities.

(f) In this section

(1) "health facility"

(A) means a facility that is licensed or certified by the state or approved under regulations adopted by the department and that is owned or operated or both by a municipality or by a nonprofit corporation or other nonprofit sponsor;

(B) includes a public health center, maternity home, community mental health center, facility for persons with mental or physical disabilities, nursing home, convalescent center, domestic violence or sexual assault shelter qualified to receive a grant or contract under AS 18.66, or alcohol or drug abuse facility that meets standards established under AS 47.37;

(C) excludes a facility operated or wholly supported by the state or the federal government;

(2) "hospital" means a licensed hospital determined by the Department of Health and Social Services to be a general or special hospital; the term excludes a facility operated or wholly supported by the state or the federal government. (§ 16 ch 74 SLA 1985; am § 45 ch 37 SLA 1986; am § 91 ch 58 SLA 1999; am § 13 ch 25 SLA 2006)

Effect of Amendments. — The 2006 amendment, effective May 10, 2006, reworded subsection (f)(1)(B). The 1999 amendment, effective July 1, 1999, substituted "community and economic development" for "community and regional affairs" in subsection (d).

Sec. 29.60.130. State aid to volunteer fire departments not in organized municipality.

(a) The department shall pay to a volunteer fire department registered with the state fire marshal and serving an area not in an organized municipality a sum for protection purposes equal to \$10 per capita for the population served by the fire department, as determined by the state fire marshal.

(b) A grant shall be made under (a) of this section to facilitate the organization of a volunteer fire department in an area not in an organized municipality, upon application of the proposed fire protection group to the state fire marshal and upon approval of applications according to standards of organization and service prescribed by regulations adopted by the state fire marshal. (§ 16 ch 74 SLA 1985)

Sec. 29.60.140. State aid to unincorporated communities.

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

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

(b) In this section "unincorporated community" means a place in the unorganized borough that is not incorporated as a city and in which 25 or more persons reside as a social unit. (§ 16 ch 74 SLA 1985; am § 2 ch 122 SLA 1990)

Effect of Amendments. — The 1990 amendment, in subsection (a), deleted "of \$25,000" after "entitlement" in the first sentence and added the eighth and ninth sentences.

Sec. 29.60.150. Population determination.

For purposes of AS 29.60.100 - 29.60.180, population shall be determined by the latest figures of the United States Bureau of the Census or other population data that in the judgment of the department is reliable. (§ 16 ch 74 SLA 1985)

Sec. 29.60.160. Area cost-of-living differential.

(a) Payments to a municipality or other eligible recipient under AS 29.60.110 - 29.60.130 shall reflect area cost-of-living differentials. Payments shall be based on the sum of per capita, per mile and per bed or facility grants due each municipality or other recipient multiplied by the appropriate area cost-of-living differential. The area cost-of-living differential for each recipient shall be determined annually by election district under the provisions of AS 39.27.030. Application of the area cost-of-living differential may not result in distribution of an amount less than the amount of the payment determined without reference to application of this section.

(b) The election districts used to established area cost-of-living differentials under (a) of this section are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor September 3, 1965. (§ 16 ch 74 SLA 1985)

Sec. 29.60.170. Municipal services account.

The municipal services account is established. Money to carry out the provisions of 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 29.60.100 - 29.60.180, the amounts that are available shall be distributed pro rata among eligible municipalities and other recipients. (§ 16 ch 74 SLA 1985; am § 6 ch 75 SLA 1997)

Effect of amendments. — The 1997 amendment effective July 1, 1997, substituted "municipal services" for "miscellaneous services" in the first sentence.

Sec. 29.60.180. Regulations.

The department shall adopt regulations necessary to carry out the purposes of AS 29.60.100 - 29.60.180. The regulations must include minimum standards required to qualify a municipality or other recipient for payments for each service. The department may require a municipality or other recipient to submit a performance report adequate to

demonstrate to the department that a service for which payment is requested under AS 29.60.100 - 29.60.180 was performed by the municipality or other recipient and meets minimum standards of service prescribed by regulation. (§ 16 ch 74 SLA 1985)

Article 3. Administration of State Aid Programs.

Section

280. Allocation and distribution	300. Proration of payments
290. Qualification for minimum payment	310. Time of payment

Sec. 29.60.280. Allocation and distribution.

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

(b) Money in the municipal services account established in AS 29.60.170 that exceeds the amount required to fully fund distributions authorized by AS 29.60.100 - 29.60.180 shall be reallocated to the tax equalization account established in AS 29.60.060 and distributed according to the provisions of AS 29.60.010 - 29.60.080.

(c) Money in the hospital and health facility construction assistance account established in former AS 29.90.020 that exceeds the amount required to fully fund distributions authorized by sec. 9, ch. 95, SLA 1983 shall be reallocated to the tax equalization account established in AS 29.60.060 and distributed according to the provisions of AS 29.60.010 - 29.60.080. (§ 16 ch 74 SLA 1985; am § 7 ch 75 SLA 1997)

Effect of amendments. — The 1997 amendment, effective July 1, 1997, in subsection (b), substituted “municipal services” for “miscellaneous services” near the beginning.

Sec. 29.60.290. Qualification for minimum payment.

(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 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.

(b) The area cost-of-living differential payable to each municipality under this section shall be determined annually by election district under the provisions of AS 39.27.030. Except as provided in AS 29.60.300, application of the area cost-of-living differential may not result in a payment that is less than the minimum payment determined under (a) of this section. For purposes of this subsection, the election districts used are those designated by the proclamation of reapportionment and redistricting of December 7, 1961, and retained for the house of representatives by proclamation of the governor September 3, 1965.

(c) The department shall pay to each municipality eligible to receive a minimum payment under this section an amount equal to the difference between the minimum payment determined under (a) and (b) of this section and the sum of the amounts payable for the same fiscal year under AS 29.60.010 - 29.60.080 and 29.60.100 - 29.60.180.

(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.

(e) Payments under this section shall be made from the money allocated to the tax equalization account established in AS 29.60.060. (§ 16 ch 74 SLA 1985; am § 5 ch 10 SLA 1987; am §§ 3, 4 ch 122 SLA 1990)

Effect of amendments. — The 1990 amendment deleted "of \$25,000" after "minimum payment" in the introductory paragraph subsection (a) and added the first sentence in subsection (d).

Sec. 29.60.300. Proration of payments.

(a) Payments under AS 29.60.290 and 29.60.010 - 29.60.080 shall equal the amount allocated to the tax equalization account established in AS 29.60.060, adjusted in accordance with AS 29.60.280.

(b) Adjustments of payments shall be determined by prorating amounts payable under AS 29.60.290 and amounts payable under AS 29.60.010 - 29.60.080 by a factor that, when applied, reduces all payments in equal proportion so that payment under AS 29.60.290 and payments under AS 29.60.010 - 29.60.080 equal the amount allocated to the tax equalization account established in AS 29.60.060. (§ 16 ch 74 SLA 1985)

Sec. 29.60.310. Time of payment.

The department shall make payments under AS 29.60.010 - 29.60.300 no later than July 31, based upon the entitlement calculations made during the preceding fiscal year. (§ 6 ch 10 SLA 1987)

Article 4. Municipal Assistance.

Section

350. Safe communities program 360. Base amount account distributions 365. Municipalities organized under federal law	370. Per capita account distribution 372. Minimum entitlement 373. Adjustment of payments 375. Definition
--	--

Sec. 29.60.350. Safe communities program.

(a) To implement the revenue sharing for safe communities program, there is established in the department the safe communities program consisting of the base amount account and the per capita account. The legislature may appropriate to the safe communities program during each fiscal year a total amount equal to or greater than 30 percent of the income tax revenue received by the state under AS 43.20.011(e) for the previous fiscal year. Unless otherwise provided in the appropriation, the department shall allocate money to the base amount account and the per capita account in the same proportion as under AS 29.60.360 and 29.60.370 in state fiscal year 1997.

(b) The department shall distribute money appropriated for the safe communities program to each municipality on an annual basis as provided in AS 29.60.360 and 29.60.370 and as adjusted under AS 29.60.373. A municipality may not receive payment until it submits to the department a resolution approved by the governing body of the municipality that requests the money. Distribution of money appropriated for the safe communities program to all municipalities must be made on July 31 of the state fiscal year for which the appropriation to the fund is made. A municipality that incorporates after July 1 of a state fiscal year is not eligible for a distribution under this section until the following state fiscal year.

(c) Money from the revenue sharing for the safe communities program distributed to a municipality shall be used by that municipality only for the following services in the following ranking of priority:

- (1) police protection and related public safety services;
- (2) fire protection and emergency medical services;
- (3) water and sewer services not offset by user fees;
- (4) solid waste management;
- (5) other services determined by the governing body to have the highest

priority.

(d) Subsection (c) of this section may not be construed to require a municipality to fund all requests it receives for services in a category with a higher ranking of priority before funding services in a category with a lower ranking of priority. (§ 16 ch 74 SLA 1985; am § 7 ch 10 SLA 1987; am § 2 ch 43 SLA 1997; am §§ 8, 9 ch 75 SLA 1997)

Effect of amendments. — The first 1997 amendment, effective July 1, 1997, in subsection (a), substituted “program” for “fund” in the first and second sentences; and, in subsection (b), substituted “money appropriated for” for “money from” and “program” for “fund” in the first and third sentences. The second 1997 amendment, effective July 1, 1997, rewrote subsection (a); in subsection (b), substituted “safe communities” for “municipal assistance” and added “and as adjusted under AS 29.60.373” to the end of the first sentence, substituted “safe communities fund” for “municipal assistance fund” and “July 31” for

“February 1” in the next-to-last sentence, and substituted “July 1” for “December 31” in the last sentence; and added subsections (c) and (d).

Sec. 29.60.360. Base amount account distributions.

(a) The base amount to be distributed from the base amount account to each municipality for the fiscal year shall be the amount received by the municipality during fiscal year 1978 under AS 43.70.080 as that section provided before the 1978 amendment. A city incorporated within a borough after June 30, 1977, shall receive as a base amount a share of the amount distributed to the borough in which it is located based on the ratio of population in the city to the total population in the borough. A city incorporated outside a borough after June 30, 1977, shall receive as a base amount the amount received by the city in the state most closely approximating it in population at the time of its incorporation. A borough incorporated after June 30, 1977, shall receive as a base amount the amount received by the borough in the state most closely approximating it in population at the time of its incorporation, excluding each borough with a per capita full and true property value exceeding \$500,000. The base amount to be distributed to each municipality organized under federal law shall be the amount received as a base amount by the city most closely approximating it in population on June 30, 1977.

(b) If the amount in the base amount account from allocation of appropriations to the safe communities program during a fiscal year is insufficient for distribution of the full base amount to each municipality, the department shall prorate the amount available for distribution. (§ 16 ch 74 SLA 1985; am § 46 ch 37 SLA 1986; am § 3 ch 43 SLA 1997; am § 10 ch 75 SLA 1997)

Revisor's notes. — The amendment to subsection (a) made by § 3, ch. 43, SLA 1997 changed language in the first sentence to read “distributed from the appropriation for the municipal assistance program”. However, “distributed from the base amount account”, added by § 10, ch. 75, SLA 1997, was used instead in order to reconcile § 3, ch. 43, SLA 1997 and § 10, ch. 75, SLA 1997. The 1986 amendment of subsection (a) made by § 46, ch. 37, SLA 1986 is retroactive to January 1, 1986, under the terms of § 49, ch. 37, SLA 1986.

Effect of amendments. — The first 1997 amendment, effective July 1, 1997, in subsection (a), substituted “distributed from the appropriation for the municipal assistance program” for “distributed from the municipal assistance fund” in the first sentence; in subsection (b), substituted “municipal assistance program” for “municipal assistance fund” and made a minor stylistic change. The second 1997 amendment, effective July 1, 1997, in subsection (a), substituted “base amount account” for “municipal assistance fund” in the first sentence and added the language beginning “, excluding each borough” to the end of the next-to-last sentence; and rewrote subsection (b).

Sec. 29.60.365. Municipalities organized under federal law.

To qualify to receive money under AS 29.60.350 - 29.60.375, a municipality organized under federal law as an Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is continued in existence under that subsection shall form a community development corporation with authority to determine how money received under AS 29.60.350 - 29.60.375 will be used. The charter must require that the governing board of the corporation shall be elected at an annual election open to all residents of the municipality who are registered and qualified to vote in state elections.

The department may distribute money for the municipality only to a corporation organized in accordance with this section and only after the corporation has delivered a written waiver of sovereign immunity from legal action by the state to recover all or a portion of the money distributed under AS 29.60.350 - 29.60.375. (§ 47 ch 37 SLA 1986; am § 11 ch 75 SLA 1997)

Effect of amendments. — The 1997 amendment, effective July 1, 1997, made section reference substitutions.

Sec. 29.60.370. Per capita account distribution.

(a) The amount allocated to the per capita account in the safe communities program shall be distributed to each municipality on the basis of population. Population for the purpose of this section shall be as certified by the commissioner of community and economic development. In determining the population of a borough, the population of all cities in the borough shall be deducted from the total population of the borough.

(b) *[Repealed, § 15 ch 75 SLA 1997.]* (§ 16 ch 74 SLA 1985; am § 4 ch 43 SLA 1997; am §§ 12, 15 ch 75 SLA 1997; am § 91 ch 58 SLA 1999)

Revisor's notes. — The amendment made by § 4, ch. 43, SLA 1997 changed language in the first sentence of subsection (a) to read “amount appropriated for the municipal assistance program”. However, “amount allocated to the per capita account in the safe communities program” was used instead in order to reconcile § 4, ch. 43, SLA 1997 and § 12, ch. 75, SLA 1997.

Effect of amendments. — The 1999 amendment, effective July 1, 1999, substituted “community and economic development” for “community and regional affairs” in subsection (a). The first 1997 amendment, effective July 1, 1997, in subsection (a), substituted “amount appropriated for the municipal assistance program and available for distribution” for “amount in the municipal assistance fund” in the first sentence. The second 1997 amendment, effective July 1, 1997, rewrote the first sentence of subsection (a) and repealed subsection (b).

Sec. 29.60.372. Minimum entitlement.

(a) If a municipality qualifies for a payment during a fiscal year under AS 29.60.350 and also under AS 29.60.010 - 29.60.080, 29.60.100 - 29.60.180, or 29.60.290, and if the total amount payable to the municipality under those sections is less than a minimum entitlement of \$40,000, the department shall pay to the municipality an amount equal to the difference between the total amount payable under those sections and \$40,000 as adjusted under AS 29.60.373.

(b) If the total amount appropriated to the safe communities fund for a fiscal year is less than \$29,402,300, the minimum entitlement under (a) of this section shall be reduced by a percent equal to the percent of reduction that the amount appropriated for that fiscal year represents when compared to \$29,402,300. (§ 13 ch 75 SLA 1997)

Revisor's notes. — In 1997, in subsection (b), “safe communities program” was substituted for “safe communities fund” in order to reconcile chs. 43 and 75, SLA 1997.

Effective dates. — Section 16, ch. 75, SLA 1997 makes this section effective July 1, 1997.

Sec. 29.60.373. Adjustment of payments.

Adjustment of payments shall be determined by prorating amounts payable under AS 29.60.360, 29.60.370, and 29.60.372 by a factor that, when applied, reduces all payments in equal proportion so that total payments equal the amount appropriated to the safe communities fund. (§ 13 ch 75 SLA 1997)

Revisor's notes. — In 1997, "safe communities program" was substituted for "safe communities fund" in order to reconcile chs. 43 and 75, SLA 1997.

Effective dates. — Section 16, ch. 75, SLA 1997 makes this section effective July 1, 1997.

Sec. 29.60.375. Definition.

In AS 29.60.350 - 29.60.375 "municipality" includes a municipality organized under federal law as an Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is continued in existence under that subsection. (§ 48 ch 37 SLA 1986; am § 14 ch 75 SLA 1997)

Effect of amendments. — The 1997 amendment, effective July 1, 1997, made a section reference substitution.

Article 5. Community Facilities Grants.

Section

400. Grants for community facilities	430. Allocation of money
410. Grant procedures	440. Limitation
420. Annual report; regulations	

Sec. 29.60.400. Grants for community facilities.

(a) Within the limits of appropriations for the purpose the Department of Commerce and Economic Development shall make matching grants in accordance with the provisions of AS 29.60.410 - 29.60.440 to municipalities or their nonprofit designees equal to

(1) 50 percent of the estimated reasonable costs of construction of municipal civic, convention, and community recreation centers; and

(2) 50 percent of the cost of feasibility studies relating to the construction of municipal civic, convention, and community recreation centers.

(b) A grant may be made under this section only to a municipality with the power to implement the study or project for which the grant is authorized or to its nonprofit designee. A grant for only one study and one project may be awarded to a municipality or its designee under this section.

(c) In this section "costs of construction" means, in addition to costs directly related to a project, the sum of all costs of financing and carrying out the project, including the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property and the acquisition of machinery and equipment necessary to the project; an allocable portion of the administrative and operating expenses of the grantee; and the cost

of financing the project, including interest on bonds issued to finance the project, the cost of indemnity and surety bonds, premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and the costs associated with the issuance of bonds. It does not include the cost of feasibility studies. (§ 16 ch 74 SLA 1985)

Sec. 29.60.410. Grant procedures.

(a) An application for a grant under AS 29.60.400 shall be made in a form prescribed by the commissioner of commerce and economic development.

(b) A grant shall be allotted in accordance with an agreement made between the commissioner of commerce and economic development on behalf of the state and the grantee. The agreement may include any provision agreed upon by the parties and must include in substance the following provisions:

(1) estimates of reasonable costs of the study or project as approved by the commissioner after consultation with the Department of Transportation and Public Facilities;

(2) a schedule of disbursements of money from the grant if the commissioner determines that the grant money is not to be disbursed in one sum;

(3) agreement by the grantee

(A) to proceed with and complete the proposed study or project expeditiously;

(B) not to discontinue operation or dispose of all or part of a community facility for which it receives a grant without the approval of the commissioner;

(C) to apply for and make reasonable efforts to secure federal assistance that may be available for the study or project, subject to any conditions the commissioner may require to maximize the amounts of that assistance available for all projects in the state;

(D) to provide for payment of the grantee's share of the cost of the study or project;

(E) that, if federal assistance for a study or project becomes available to the grantee that was not included in the calculation of the amount of the grant, the value of the federal assistance shall be subtracted from the total value of the project and the balance shall be equally divided between the grantee and the state;

(4) alteration or modification of an approved study or project;

(5) alteration or modification of an existing facility that would have qualified for a grant at the time of initial construction if AS 29.60.400 - 29.60.440 had been in effect;

(6) remedies in case of failure to perform the agreement or noncompliance with regulations adopted under AS 29.60.420.

(c) The commissioner of commerce and economic development shall require in negotiations and in each grant agreement that continued maintenance of the community facility is the responsibility of the municipality. The municipality must show the feasibility of continuing to maintain the facility before state money may be authorized for a grant. (§ 16 ch 74 SLA 1985)

Sec. 29.60.420. Annual report; regulations.

(a) *[Repealed, § 35 ch 126 SLA 1994.]*

(b) The commissioner of commerce and economic development shall adopt regulations to carry out the purposes of AS 29.60.400 — 29.60.440. (§ 16 ch 74 SLA 1985; am § 35 ch 126 SLA 1994)

Effect of amendments. — The 1994 amendment, effective July 1, 1994, repealed subsection (a), relating to the commissioner's responsibility to provide an annual report to the legislature concerning grants made under AS 29.60.400.

Sec. 29.60.430. Allocation of money.

If the amount of money appropriated by the legislature for grants under AS 29.60.400 is not adequate to satisfy amounts required for approved grant applications, money shall be allocated on the basis of priority established by regulations of the Department of Commerce and Economic Development. (§ 16 ch 74 SLA 1985)

Sec. 29.60.440. Limitation.

AS 29.60.400 - 29.60.440 do not require that a recipient of a grant for a feasibility study must proceed with construction of the project, regardless of whether the project is determined to be feasible. (§ 16 ch 74 SLA 1985)

Article 6. Shared Fisheries Business Taxes.**Section**

450. Fisheries business tax allocation

Sec. 29.60.450. Fisheries business tax allocation.

(a) A municipality may receive a fisheries business tax allocation under this section if the municipality demonstrates to the department that the municipality suffered significant effects from fisheries business activities during the base year.

(b) The amount transmitted each fiscal year (1) under AS 43.75.137 shall be apportioned by the department to each management area based on the ratio of the management area's production value to the total production value for all of the management areas; the department shall allocate the amount available for each management area to each municipality in that management area based on the demonstrated effects on the municipality of fisheries business activities, the commercial fishing vessel days in that municipality, or both; (2) under AS 43.77.060(d) shall be apportioned by the department to each management area based on the ratio of the management area's fishery resource landing tax production value to the total fishery resource landing tax production value for all of the management areas; the department shall allocate the amount available for each management area to each municipality in that management area based on the demonstrated effects on the municipality of fisheries activities that are subject to the tax levied under AS 43.77.

(c) A municipality that receives a tax allocation under this section shall use the tax allocation to help reduce the effect of fisheries business activities on the municipality, which may include the expenses of any municipal service.

(d) At the request of the department, an applicant or a recipient of a tax allocation shall provide the department with the assistance and information available to the municipality that is necessary for the department to carry out the department's duties under this section relating to that municipality.

(e) The department may adopt regulations necessary to carry out the provisions of this section.

(f) In this section

(1) "base year" means the calendar year that precedes the application deadline for the tax allocation year;

(2) "commercial fishing vessel day" means a day for which a fishing vessel licensed under AS 16.05.490 pays the municipality a moorage, harbor, or docking fee;

(3) "effect" means the result of fisheries business activities on the municipality's

(A) population;

(B) employment;

(C) finances;

(D) air and water quality;

(E) fish and wildlife habitats; and

(F) ability to provide essential public services, including health care, public safety, education, transportation, marine garbage collection and disposal, solid waste disposal, utilities, and government administration;

(4) "fisheries business activity" means activity related to

(A) fishing, including but not limited to the catching and sale of fisheries resources;

(B) vessel moorage and vessel and gear maintenance;

(C) preparing fisheries resources for transportation; and

(D) processing fisheries resources for sale by freezing, icing, cooking, salting, or other method and includes but is not limited to canneries, cold storages, freezer ships, and processing plants;

(5) "fishery resource landing tax production value" has the meaning given the term "value" by AS 43.77.200;

(6) "management area" means one of the geographical units designated by the Board of Fisheries by regulation adopted under AS 16.05.251(a)(2) for the management of commercial fisheries of the state;

(7) "production value" means the weight of the fish and shellfish produced by fisheries businesses as that term is defined by AS 43.75.290. (§ 1 ch 195 SLA 1990; am § 1 ch 53 SLA 1992; am §§ 2, 3 ch 67 SLA 1993)

Effect of amendments. — The 1993 amendment, effective January 1, 1994, in subsection (b), added the paragraph (1) designation, made a stylistic change therein, and added paragraph (2); and, in subsection (f), added paragraph (5).

Article 7. Oil and Hazardous Substance Municipal Impact Assistance.

Section

500. Purpose and policy	550. Records
510. Municipal impact grants authorized	560. Impact assessment and remedial plans
520. Purposes of municipal impact grants	590. Regulations
530. Criteria to evaluate grant applications	599. Definitions
540. Limitations on uses of grants by municipalities and villages	

Sec. 29.60.500. Purpose and policy.

(a) The legislature finds and declares that a major release of oil or hazardous substances into the environment presents a real and substantial threat to the economy and public welfare of the municipalities, villages, and school districts that are affected by the release and the resultant activities to contain and clean up the release.

(b) The legislature concludes that it is in the best interest of the state and its citizens to provide a readily available fund for the payment of the expenses incurred by municipalities, villages, and school districts to mitigate the social and economic effects that arise out of a major release of oil or hazardous substances and resultant cleanup activities.

(c) It is the intent of the legislature and declared to be the public policy of the state that money to defray the cost of social and economic effects on municipalities, villages, and school districts arising from a major release of oil or a hazardous substance and resultant cleanup activities and to pay for efforts to abate that release will be immediately available upon a determination that the release was sudden and that it exceeds 2,500 barrels of oil, or exceeds an amount of a hazardous substance that when released into the environment presents a real and substantial threat to the economy and public welfare of the municipalities, villages, or school districts affected by it. (§ 7 ch 83 SLA 1991; am § 2 ch 128 SLA 1994)

Effect of amendments. — The 1994 amendment, effective October 2, 1994, inserted “, and school districts” and made related stylistic changes in subsections (a)-(c) and, in subsection (c), substituted “a determination” for “(1) a determination by the governor,” inserted “was sudden and that it” and “, or school districts,” deleted paragraphs (2) and (3), relating to disaster emergency declarations and related environmental harm findings, respectively, and made minor stylistic changes.

Sec. 29.60.510. Municipal impact grants authorized.

(a) Subject to (b) of this section, the commissioner may use money from the oil and hazardous substance release prevention and response fund to make grants to a municipality, village, or school district that is affected by the release or by the response to the release and that demonstrates that the release or response to the release involves extraordinary expenditures that are beyond the reasonable capability of the municipality, village, or school district to meet from the current revenue sources of the municipality, village, or school district if a release of oil exceeds 2,500 barrels of oil, or if a release of a hazardous substance exceeds an amount of a hazardous substance that, when released into the environment, presents a threat to the economy and public welfare of the

municipalities, villages, and school districts affected by it at least equivalent in effect to the effect of a release of oil in an amount defined by this subsection.

(b) For each release or threatened release of oil or a hazardous substance

(1) for which the commissioner of environmental conservation may, under AS 46.08.045, expend money from the oil and hazardous substance release response account in the fund, and subject to agreement with the commissioner of environmental conservation as to the amount of money in the fund that may be used by the department to make grants, the commissioner may expend not more than \$10,000,000 of the unrestricted balance of the oil and hazardous substance release response account in the fund for grants for purposes described in AS 29.60.520; if the commissioner and the commissioner of environmental conservation do not agree on the amount of money in the response account in the fund that may be used by the department to make grants under AS 29.60.500 — 29.60.599 for release or threatened release of oil or a hazardous substance, the governor shall make the determination;

(2) for which money may not be expended from the response account under (1) of this subsection, and subject to appropriation of money in the fund that may be used by the department to make grants, the commissioner may expend not more than the amount appropriated from the oil and hazardous substance release prevention account in the fund for grants for purposes described in AS 29.60.520.

(c) Notwithstanding the limitation of AS 37.07.080(e) against the transfer of money between appropriations, when the commissioner and the commissioner of environmental conservation have agreed to the amount of money in the oil and hazardous substance release response account that may be used by the department to make grants, or when that determination has been made by the governor, the commissioner of environmental conservation shall promptly transfer that amount to the department for use under AS 29.60.500 — 29.60.599.

(d) For money that has been transferred under (c) of this section, if within any one-year period thereafter the commissioner does not use the money to make a grant under AS 29.60.500 — 29.60.599, the commissioner shall return the unexpended amount transferred under (c) of this section to the oil and hazardous substance release response account of the fund. (§ 7 ch 83 SLA 1991; am § 3 ch 128 SLA 1994)

Effect of amendments. — The 1994 amendment, effective October 2, 1994, in subsection (a), substituted “Subject to (b) of this section, the commissioner” for “The commissioner” at the beginning, inserted “prevention and,” inserted “, or school district” in three places, substituted “a release of oil” for “(1) the governor determines that a release of oil or a hazardous substance,” inserted “if a release of a hazardous substance” and “, and school districts,” substituted “subsection” for “paragraph,” deleted paragraphs (2) and (3), relating to the proclamation of disaster emergency status by the governor and the requisite findings for such status, respectively, and made minor stylistic changes; rewrote subsection (b); substituted “oil and hazardous substance release response account” for “fund” in subsection (c); and rewrote subsection (d).

Sec. 29.60.520. Purposes of municipal impact grants.

(a) A grant made under AS 29.60.510 may be made

(1) only for

(A) provision of subsistence resources on which the residents of the municipality, village, or school district rely for subsistence needs;

(B) the additional costs of a reasonable and appropriate function or service, including administrative expenses for the incremental costs of providing the function or service, limited to:

(i) public health and welfare functions and services, including hospital, clinic, and emergency medical services; alcohol, drug abuse, and mental health services; family support services; and the operation of waste disposal systems and water quality improvement systems;

(ii) public safety functions and services, including police protection, search and rescue, and fire protection;

(iii) public utility functions and services, including the operation of electric generating plants and distribution systems, water supply systems, telephone systems, and fuel distribution systems; and

(iv) housing functions and services, limited to leasing or making other arrangements for temporary housing to be occupied by persons associated with containment or clean up of the release;

(C) costs associated with leasing transportation facilities for use in activities associated with the containment or clean up;

(D) costs of repair or replacement of equipment or a capital asset associated with a function or service set out in (B) of this paragraph the useful life of which has been substantially reduced by use associated with the containment or clean up; and

(2) to compensate the municipality, village, or school district for

(A) the reduction of revenue attributable to the release of the oil or hazardous substance; and

(B) the actual costs of projects or activities that are delayed or lost because of the efforts of the municipality, village, or school district responding to the release or associated with the containment or cleanup of oil or the hazardous substance.

(b) If money received under this section is used for a capital expenditure, the commissioner may require the municipality, village, or school district that acquired the item as a capital expenditure to transfer it to the state at the end of the period during which the item is actually used for spill response if the commissioner finds that retention of the item would confer an inappropriate benefit on the municipality, village, or school district. (§ 7 ch 83 SLA 1991; am § 4 ch 128 SLA 1994)

Effect of amendments. — The 1994 amendment, effective October 2, 1994, inserted “or school district” throughout the section, made related stylistic changes, and inserted “actual” near the beginning of subparagraph (a)(2)(B).

Sec. 29.60.530. Criteria to evaluate grant applications.

(a) In determining whether an expenditure or proposed expenditure by a municipality, village, or school district is eligible for a grant under AS 29.60.510, the department shall consider

(1) the degree to which the effect on the municipality, village, or school district is directly caused by the oil or hazardous substance release or the response to the release;

(2) the availability of money to the recipient from other sources that can meet the costs of providing the functions or services; and

(3) the severity of the effect addressed in the grant application.

(b) The department may reject an application for a grant under AS 29.60.510 or approve an application for a grant in an amount that is less than the amount requested by a municipality, village, or school district if the department determines that payment of the amount requested is not warranted under (a) of this section.

(c) The department shall adopt, by regulation, criteria by which to rank all or a portion of applications for the purpose of establishing the priority order of awarding grants if money requested by eligible municipalities, villages, and school districts under this section exceeds the amount available. The criteria must be based on the elements set out in (a) of this section. If the total amount of money requested by eligible municipalities, villages, and school districts under this section exceeds the amount available, the department shall rank applications for the purpose of establishing the priority order of awarding grants in accordance with the regulations. (§ 7 ch 83 SLA 1991; am § 5 ch 128 SLA 1994)

Effect of amendments. — The 1994 amendment, effective October 2, 1994, inserted “, or school district” throughout subsections (a) and (b), inserted “and school districts” in the first and last sentences in subsection (c), and made related stylistic changes.

Sec. 29.60.540. Limitations on uses of grants by municipalities and villages.

(a) A municipality may not use a grant made under AS 29.60.510 to reduce current municipal tax rates or to retire its existing bonded indebtedness.

(b) Money received by a municipality, village, or school district under AS 29.60.500 — 29.60.599 may not be used for a capital improvement, as that term is defined in AS 46.08.900. (§ 7 ch 83 SLA 1991; am § 6 ch 128 SLA 1994)

Effect of amendments. — The 1994 amendment, effective October 2, 1994, in subsection (b), inserted “, or school district” and made related stylistic changes.

Sec. 29.60.550. Records.

The department shall maintain records showing the income and expenses of grants made under AS 29.60.510, and shall develop procedures governing the expenditure of, and accounting for, money expended. (§ 7 ch 83 SLA 1991)

Sec. 29.60.560. Impact assessment and remedial plans.

(a) For each disaster emergency declared by the governor under AS 26.23.020 based on a release of oil or a hazardous substance or for each other release of oil or a hazardous substance for which money may be expended under AS 46.08.040, the commissioner, after consulting with and securing the written approval of the attorney general and after consulting with other state agencies, shall

(1) make an assessment of the social and economic effects of the release of the oil or hazardous substance;

(2) develop a plan to

(A) recover the cost of release-related expenditures; and
 (B) mitigate the social and economic effects of the release of the oil or hazardous substance on the municipalities, the villages, the school districts, and the region in which the discharge occurs.

(b) The commissioner may make the assessment and plans required by (a) of this section by

- (1) using staff of the department;
- (2) contracting with a municipality or other entity; or

(3) authorizing a municipality or other entity to perform that work and supporting that effort by a grant.

(c) Only one assessment and one plan may be completed under this section for each declaration of a disaster emergency.

(d) The commissioner may pay the costs of the assessment, the plan, and the recovery of the cost of release-related expenditures from money available in the fund.

(e) Expenditures made under this section may be made only from the amount transferred to the commissioner under AS 29.60.510(c), unless

(1) the commissioner and the commissioner of environmental conservation mutually agree that payment may be made from money in the oil and hazardous substance release response account in the oil and hazardous substance release prevention and response fund not transferred under AS 29.60.510(c); or

(2) the commissioner pays them from another source. (§ 7 ch 83 SLA 1991; am §§ 7, 8 ch 128 SLA 1994)

Effect of amendments. — The 1994 amendment, effective October 2, 1994, in subsection (a), inserted “or for each other release of oil or a hazardous substance for which money may be expended under AS 46.08.040” in the introductory language and “the school districts” in subparagraph (2)(B); and, in subsection (e), inserted “oil and hazardous substance release response account in the” and “prevention and” in paragraph (1).

Sec. 29.60.590. Regulations.

The commissioner and the commissioner of environmental conservation shall jointly develop and adopt regulations that are necessary to implement the purposes of AS 29.60.500 - 29.60.599. (§ 7 ch 83 SLA 1991)

Sec. 29.60.599. Definitions.

In AS 29.60.500 — 29.60.599,

(1) "barrel" when used with reference to oil has the meaning given by AS 43.20.072;

(2) "containment and cleanup" has the meaning given in AS 46.08.900;

(3) "disaster emergency" means a disaster declared by the governor under AS 26.23.020;

(4) "fund" means the oil and hazardous substance release prevention and response fund established by AS 46.08.010;

(5) "hazardous substance" has the meaning given in AS 46.09.900;

(6) "oil" and "release" have the meanings given in AS 46.08.900;

(7) "school district" means a borough school district, a city school district, or a regional educational attendance area under AS 14;

(8) "service"

(A) means

(i) a function performed or service provided by a municipality under a duty or power authorized by this title or by another provision of law authorizing a municipality to perform functions or provide services;

(ii) a comparable function performed or service provided by a village; or

(iii) a function performed or service provided by a school district;

(B) includes functions not previously performed and services not previously provided by the municipality or village;

(9) "village" means a place within the unorganized borough or within a borough if the power, function, or service for which a grant application is submitted under AS 29.60.500 — 29.60.599 is not exercised or provided by the borough on an areawide or nonareawide basis at the time the grant application is submitted, that

(A) has irrevocably waived, in a form approved by the Department of Law, any claim of sovereign immunity that might arise in connection with the use of grant money under this chapter; and

(B) has

(i) a council organized under 25 U.S.C. 476 (sec. 16 of the Indian Reorganization Act);

(ii) a traditional village council recognized by the United States as eligible for federal aid to Indians; or

(iii) a council recognized by the commissioner under regulations adopted by the department to determine and give official recognition of village entities under AS 44.33.755(b). (§ 7 ch 83 SLA 1991; am §§ 9 — 11 ch 128 SLA 1994; am § 30 ch 58 SLA 1999; am § 37 ch 67 SLA 2001)

Effect of amendments. — The 2001 amendment, effective July 4, 2001, rewrote paragraph (7), which read “ ‘school district’ has the meaning given in AS 14.30.350.” The 1999 amendment, effective July 1, 1999, substituted AS 44.33.755(b) for AS 44.47.150(b) in paragraph (9)(B)(iii). The 1994 amendment, effective October 2, 1994, inserted “prevention and” in paragraph (4); in present paragraph (8), added the item (A)(i) and (A)(ii) designations, added item (A)(iii), and made related stylistic changes; and added present paragraph (7).

Article 8. Human Services Community Match Program.

Section

600. Human services community matching grants

610. Grant procedure; contract

620. Allocation of money

650. Definitions

Sec. 29.60.600. Human services community matching grants.

(a) Within the limits of appropriations for the purpose, the Department of Health and Social Services shall, upon application, make a matching grant to a qualified

municipality equal to 70 percent of the estimated reasonable costs of providing essential human services through private nonprofit agencies within the municipality, including services to persons who travel to the municipality from their residences elsewhere in the state.

(b) To qualify for a grant under this section, a municipality is required to

(1) provide from other sources 30 percent of the estimated reasonable costs of providing the services to be funded by the grant; other sources may include federal or municipal money or money from other private or public sources; in this paragraph, "municipal money" includes money derived from appropriations, allocations, entitlements, grants, or other payments from the state other than the state grant under this section but does not include locally contributed staff hours, material, equipment, or other in-kind contributions;

(2) comply with the grant application procedure and contractual agreements under AS 29.60.610; and

(3) establish and consult with a citizens' advisory group, the majority of whose membership consists of persons who do not hold elected municipal office, concerning priorities and allocations among services funded under this section.

(c) A city may not receive a human services matching grant during a fiscal year to provide a specific service if, during that same year, the borough within which it is located has received a grant for the same service. A borough may not receive a grant during a fiscal year to provide a particular service if, during that same year, a city within the borough has received a grant for the same service. (§ 1 ch 74 SLA 1992; am § 1 ch 38 SLA 1993; am §§ 1, 2 ch 42 SLA 1995)

Effect of amendments. — The 1995 amendment, effective July 1, 1995, in subsection (a), substituted "70 percent" for "50 percent" and, in paragraph (b)(1), deleted "the same amount of money" following "provide" near the beginning and substituted "30 percent of the estimated reasonable costs of providing the services to be funded by the grant" for "as is provided by the state grant under this section for the services."

The 1993 amendment, effective August 25, 1993, added subsection (c).

Sec. 29.60.610. Grant procedure; contract.

(a) If a qualified municipality wishes to apply for a grant under AS 29.60.600, the municipality shall apply for a grant for a fiscal year by submitting a form prescribed by the commissioner of health and social services before October 1 of the preceding fiscal year. The application must generally describe the services that are proposed to be funded with the grant and include the following information:

(1) a statement that each proposed service will meet the goals established under AS 47.75.010 and an explanation of why the service is necessary to prevent or alleviate serious mental or physical hardship; this explanation must be supported by a needs assessment carried out by the municipality;

(2) a description of the categories of individuals to whom the services are to be provided; and

(3) an estimate of the expenditures required for each of the services to be provided.

(b) A human services community matching grant shall be allotted in accordance with an agreement made between the grantee and the commissioner of health and social services on behalf of the state. The agreement may include any provision agreed upon by the parties and must include the following provisions:

- (1) a statement by the grantee that the match requirement of AS 29.60.600 has been met by the grantee;
- (2) estimates of reasonable costs of funding the services; and
- (3) a requirement that no more than five percent of the grant money received under AS 29.60.600 may be used for municipal administrative costs connected with distributing the grant money to the private nonprofit agencies providing the services. (§ 1 ch 74 SLA 1992)

Sec. 29.60.620. Allocation of money.

(a) If the amount of money appropriated by the legislature for human services community matching grants under AS 29.60.600 is not adequate to satisfy amounts required for the qualified municipalities who have applied for grants, the money shall be allocated proportionately among the qualified municipalities for which a grant has been approved under AS 29.60.600 - 29.60.650 based on the relationship the population of each municipality bears to the total population of the qualified municipalities for which a grant has been approved under AS 29.60.600 - 29.60.650.

(b) For purposes of (a) of this section, population shall be determined by the Department of Commerce, Community, and Economic Development based on the latest figures of the United States Bureau of the Census or other reliable population data. If a city within a borough has an approved grant for a service to be provided on an areawide basis, the allocation under (a) of this section shall be based on the population of the borough. (§ 1 ch 74 SLA 1992; am § 91 ch 58 SLA 1999)

Effect of amendments – The 1999 amendment, effective July 1, 1999, substituted “community and economic development” for “community and regional affairs” in subsection (b).

Sec. 29.60.650. Definitions.

In AS 29.60.600 — 29.60.650,

(1) "essential human services" and "services" have the meaning given "social services" in AS 47.75.060 except that they include only services whose unavailability would subject persons needing the services to serious mental or physical hardship;

(2) "municipality" means a (A) city whose population is over 20,000; (B) unified municipality whose population is over 100,000; or (C) second class borough whose population is over 65,000; population for purposes of this paragraph shall be determined by the Department of Commerce, Community, and Economic Development. (§ 1 ch 74 SLA 1992; am § 2 ch 38 SLA 1993; am § 91 ch 58 SLA 1999)

Effect of amendments. — The 1999 amendment, effective July 1, 1999, substituted “community and economic development” for “community and regional affairs” in section (2). The 1993 amendment, effective August 25, 1993, rewrote paragraph (2).

Article 8A. Bulk Fuel Bridge Loan Fund and Program.

Section

680. Bulk fuel bridge loan fund and program

Sec. 29.60.660. Bulk fuel bridge loan fund and program.

(a) The bulk fuel bridge loan fund is established in the department to assist communities, utilities providing power in communities, fuel retailers, and other persons in communities in purchasing bulk fuel to generate power or supply the public with fuel for use in communities, if no other funding source exists for the purchase. The fund consists of appropriations to the fund and income earned on investment of money in the fund.

(b) A community, utility, fuel retailer, or other person generating power or supplying fuel in a community as described in (a) of this section is eligible to receive a loan from the bulk fuel bridge loan fund for a purchase of bulk fuel to be used in the community if the community, utility, fuel retailer, or other person

(1) has a written endorsement from the governing body of the community for which a loan from the fund under this section is sought; and

(2) first applied for and has been denied a loan from

(A) the bulk fuel revolving loan fund (AS 42.45.250)

administered by the Alaska Energy Authority;

(B) any other funding source used by the community, utility, fuel retailer, or other person in the past three years to finance purchases of bulk fuel for the community; and

(C) any other funding source that the department determines is available to the community, utility, fuel retailer, or other person to purchase bulk fuel.

(c) Loans made from the bulk fuel bridge loan fund to one borrower in a fiscal year

(1) may not exceed \$750,000; and

(2) shall be repaid within one year after the date of the award.

(d) Interest may not be charged on a loan made from the bulk fuel bridge loan fund.

(e) Repayments of the loans made under this section shall be paid into the bulk fuel bridge loan fund. Money in the fund does not lapse. This fund is not a dedicated fund. Amounts in the fund may be appropriated for expenses directly related to administration of the fund.

(f) The department may contract for the administration of the bulk fuel bridge loan program established in this section.

(g) The department may adopt regulations under AS 44.62 necessary to carry out the provisions of this section.

(h) In this section,

(1) "community" means a municipality or unincorporated village that is a social unit, if the municipality or unincorporated village has a population of less than 2,000 people;

(2) "fund" means the bulk fuel bridge loan fund established in (a) of this section;

(3) "person"

(A) has the meaning given in AS 01.10.060;

(B) includes a cooperative, a joint venture, and a governmental entity. (am § 1 ch 110 SLA 2008; am § 1 ch 2 4SSLA 2008)

Effect of amendments. – The 2008 amendments, effective immediately, created section 29.60.660 and increased the loan amount to \$750,000, respectively.

Article 9. Reimbursement for Costs of Bonds.

Section

700. Reimbursement for costs of municipal capital projects

Sec. 29.60.700. Reimbursement for costs of municipal capital projects.

(a) Subject to appropriations for the purpose, during each fiscal year, the Department of Transportation and Public Facilities shall allocate to each municipality an amount to reimburse the costs paid by the municipality during the immediately preceding fiscal year for the principal and interest on outstanding debt for projects listed in (b) of this section. An allocation may be made to a municipality only if

(1) the debt was incurred by the municipality before July 1, 2007, or, if the debt is for a small boat harbor, before July 1, 2012; and

(2) the project or facility financed with the debt proceeds is located in the municipality and the project or facility is operated or controlled by the municipality.

(b) The Department of Transportation and Public Facilities may make an allocation to a municipality under (a) of this section only for reimbursement of costs incurred for the following construction and renovation projects and only for reimbursement of total project costs incurred up to the following amounts:

PROJECT

Valdez	3,013,500
Nome	1,000,000
Anchorage (Port of Anchorage expansion)	15,000,000
Matanuska-Susitna Borough (deep water port and road upgrade)	10,000,000
Unalaska (LSA small boat harbor)	5,000,000
Aleutians East Borough/Akutan (small boat harbor)	4,000,000
Lake and Peninsula Borough/Chignik (dock project)	1,000,000
Aleutians East Borough/False Pass (small boat harbor)	2,000,000
Fairbanks North Star Borough (Eielson AFB schools, major maintenance and upgrades)	4,500,000
City of Fairbanks (fire headquarters station replacement)	7,500,000
Saxman (public safety building)	1,500,000

(§ 8 ch 130 SLA 2000; am § 5 ch 115 SLA 2002; am §§ 1, 2 ch 42 SLA 2007)

Effective dates. – The 2007 amendments, effective July 1, 2007, add language and a date specific to debt for a small boat harbor. The 2002 amendment, effective July 1, 2002, changed

the name of the section and made substantive changes to it all. Section 8, ch 130, SLA 2000, which enacted this section, took effect on July 1, 2000.

Article 10. Municipal Harbor Facility Grant Program.

Section

- 800. Municipal harbor facility grant fund
- 810. Grant Applications
- 820. Award of Grants

Sec. 29.60.800. Municipal harbor facility grant fund.

(a) There is established the municipal harbor facility grant fund consisting of money appropriated to the fund. Each fiscal year, the legislature may appropriate money to the fund from the watercraft fuel tax account (AS 43.40.010(f)) and from the fisheries business tax collected under AS 43.75.015 after payments to municipalities are made under Sec. AS 43.75.130. The legislature may make other appropriations to the fund. The legislature may appropriate to the fund income earned on money in the fund.

(b) Money appropriated to the municipal harbor facility grant fund may be expended by the Department of Transportation and Public Facilities for municipal harbor facility grants without further appropriation. Money in the fund does not lapse and remains available for expenditure in successive fiscal years.

(c) Each fiscal year, the Department of Transportation and Public Facilities shall use an amount equal to at least 50 percent of the balance of the municipal harbor facility grant fund on June 30 of the preceding fiscal year for municipal harbor facility grants.

Sec. 29.60.810. Grant applications.

A municipality that owns a harbor facility may submit to the Department of Transportation and Public Facilities an application for a municipal harbor facility grant to be used for construction, expansion, major repair, or major maintenance of a harbor facility. The application must include information about the project requested by the department. For a proposed project to be eligible for a grant, the municipality must provide evidence acceptable to the department that the

(1) proposed project is a capital improvement project and not part of a preventive maintenance program or regular custodial care program;

(2) municipality will provide 50 percent of the total project cost as matching funds for the state grant and that money received by the municipality from the state will not be used for the matching funds except money received under

(A) AS 29.60.850 - 29.60.879 (community revenue sharing program); and

(B) AS 29.60.450, AS 43.75.130, and 43.75.137 (shared fisheries business taxes);

(3) municipality has secured and will maintain adequate property loss insurance for the replacement cost of the harbor facility or has an adequate program of insurance;

(4) municipality has a preventive maintenance plan for the harbor facility and will be adequately adhering to the preventive maintenance plan after completion of the proposed project. (am § 5 ch 12 SLA 2008)

Effect of amendments. — The 2008 amendment updates language and statute citation in subsection (2), re-letters as (A) and (B) only, removing “safe communities program.” Also, “community revenue sharing” has replaced “municipal tax resource equalization.”

Sec. 29.60.820. Award of grants.

(a) The Department of Transportation and Public Facilities may award a municipal harbor facility grant during a fiscal year only for a proposed project eligible under AS 29.60.810 based on a grant application filed during the immediately preceding fiscal year before February 1. The total amount of grant money made available to a municipality during a fiscal year may not exceed \$5,000,000.

(b) The Department of Transportation and Public Facilities shall award a grant for every proposed project eligible under AS 29.60.810 that is for repair and major maintenance of a harbor facility that was transferred by the state to a municipality before grants may be made for other proposed harbor facility projects during a fiscal year. However, after the department makes a grant for the repair and major maintenance of a harbor facility under this subsection, no other grants for the repair and major maintenance of that facility may be made during the same or any other fiscal year.

(c) The Department of Transportation and Public Facilities shall establish priorities for the award of grants for proposed municipal harbor facility projects under (b) of this section and priorities for the award of grants for other proposed harbor facility projects, with new construction projects having the lowest priority. The department shall award grants in the order of priority established. In establishing priorities, the department shall include at least the following, in the order listed:

- (1) the extent to which the municipality can demonstrate that it will have sufficient revenue to operate and maintain the harbor facility in the future without state aid;
- (2) public safety and emergency factors;
- (3) the amount spent by the municipality on maintenance of the harbor facility;
- (4) other options that would reduce or eliminate the need for the proposed project; and
- (5) whether alternative harbor projects would better serve the public interest.

(d) The Department of Transportation and Public Facilities may suggest modifications to a project request to achieve cost savings or to better serve the public interest and, if the municipality agrees, award the municipal harbor facility grant for the proposed project as modified. (§ 1 ch 62 SLA 2006)

Effective dates. — § 2 ch 62 SLA 2006 provides for an effective date of July 1, 2006.

Article 11. Community Revenue Sharing Program.

Section

<p>850. Community revenue sharing fund</p> <p>855. Basic community revenue sharing payments</p> <p>860. Per capita payment increases</p>	<p>865. Eligibility requirements for reserves and communities</p> <p>879. Definitions</p>
--	---

Sec. 29.60.850. Community revenue sharing fund.

(a) The community revenue sharing fund is established in the general fund for the purpose of making community revenue sharing payments to municipalities, reserves, and communities for any public purpose. The fund consists of appropriations. Income earned on money in the fund may be appropriated to the fund. Money in the fund does not lapse.

(b) Each fiscal year, the legislature may appropriate to the community revenue sharing fund an amount equal to 20 percent of the money received by the state during the previous calendar year under AS 43.55.011(g). The amount may not exceed

(1) \$60,000,000; or

(2) the amount that, when added to the fund balance on June 30 of the previous fiscal year, equals \$180,000,000.

(c) The balance in the community revenue sharing fund shall be determined on June 30 of each year. If the fund balance is at least \$60,000,000, without further appropriation, the department shall distribute one-third of that amount as community revenue sharing payments for the immediately following fiscal year. Otherwise, no payments may be made.

(d) Notwithstanding the guidelines in (b) of this section, the legislature may appropriate any amount to the community revenue sharing fund. Nothing in this section creates a dedicated fund. (§ 6 ch 12 SLA 2008)

Sec. 29.60.855. Basic community revenue sharing payments.

(a) The department shall calculate the basic amount used for determining the basic community revenue sharing payment for a fiscal year by applying the following formula: the amount available for payments for that fiscal year under AS 29.60.850(c), minus 60,000,000, divided by 60,000,000, plus one, multiplied by 384,000. However, if the amount calculated is less than \$220,000, the basic amount for that fiscal year is \$220,000.

(b) Except as provided in (c) of this section, the basic community revenue sharing payment for a fiscal year equals, for each

(1) unified municipality, the sum of the amounts calculated under (2) and

(3) of this subsection, rounded to the nearest \$1,000;

(2) borough, the basic amount, rounded to the nearest \$1,000;

(3) city and eligible reserve, one-fourth of the basic amount, rounded to the nearest \$100;

(4) eligible community in the unorganized borough, one-twelfth of the basic amount, rounded to the nearest \$100;

(5) eligible community in a unified municipality or borough, one-nineteenth of the basic amount, rounded to the nearest \$100.

(c) The basic revenue sharing payment amount for a succeeding municipality formed when two or more municipalities merge, consolidate, or unify after January 1, 2002, equals the sum of the amounts each of the former municipalities would receive under (b) of this section calculated as if the merger, consolidation, or unification had not occurred. (§ 6 ch 12 SLA 2008)

Sec. 29.60.860. Per capita payment increases.

(a) Subject to (b) of this section, if the amount available for distribution under AS 29.60.850(c) exceeds the amount needed to fully fund all the basic community revenue sharing payments, the balance shall be distributed on a per capita basis to municipalities, to reserves, and to communities in the unorganized borough.

(b) The per capita amount distributed to each community in the unorganized borough may not, when added to the basic community revenue sharing payment for that community, exceed the basic amount calculated under AS 29.60.855(b)(3). If the per capita distribution for a community exceeds the basic amount calculated under AS 29.60.855(b)(3), the excess amount shall be distributed on a per capita basis to other communities in the unorganized borough.

(c) For purposes of this section, the population of a municipality, reserve, or community shall be determined by using the numbers of permanent fund dividend recipients or other population data that the department determines is reliable. For purposes of determining the population of a borough, the population of each city in the borough shall be deducted from the total borough population. (§ 6 ch 12 SLA 2008)

Sec. 29.60.865. Eligibility requirements for reserves and communities.

(a) The department, with advice from the Department of Law, shall determine whether there is in each community or reserve an incorporated nonprofit entity or a Native village council that will agree to receive and spend the community revenue sharing payment. If there is more than one qualified entity in a reserve or community in the unorganized borough, the department shall pay the money to the entity that the department finds most qualified to receive and spend the money on behalf of the reserve or community. The department may not make a community revenue sharing payment to a Native village council unless the council waives immunity from suit for claims arising out of activities of the council related to the payment. A waiver of immunity from suit under this section must be on a form provided by the Department of Law. If there is no qualified incorporated nonprofit entity or Native village council in a reserve or community that is willing to receive the community revenue sharing payment and use the payment on behalf of that reserve or community, the payment for that reserve or community may not be paid. Neither this section nor any action taken under it enlarges or diminishes the governmental authority or jurisdiction of a Native village council.

(b) The department may make a community revenue sharing payment on behalf of a community in a borough or unified municipality only to the municipality for payment by the municipality to an incorporated nonprofit entity or Native village council

that has been approved by the assembly and meets the requirements of (a) of this section. The department shall have written evidence of the assembly approval. If there is more than one qualified entity in a community in a borough or unified municipality, one of the entities may receive the entire payment, or the payment may be shared between two or more of the qualified entities, as determined by the assembly.

(c) A community in a borough or unified municipality is eligible for a community revenue sharing payment only if at least three of the following services are generally available to all residents of the community and each of the three services, in any combination, are provided by one or more qualifying incorporated nonprofit entities or a Native village council or are substantially paid for by the residents of the community through taxes, charges, or assessments levied or authorized by the borough or unified municipality:

- (1) fire protection;
- (2) emergency medical;
- (3) water and sewer;
- (4) solid waste management;
- (5) public road or ice road maintenance;
- (6) public health;
- (7) search and rescue. (§ 6 ch 12 SLA 2008)

Sec. 29.60.879. Definitions.

In AS 29.60.850 - 29.60.879,

(1) "community" means a place in the unorganized borough, in a borough, or in a unified municipality that is not incorporated as a municipality, that is not a reserve, and in which 25 or more individuals reside as a social unit;

(2) "reserve" means a place that is organized under federal law as an Indian reserve that existed before enactment of 43 U.S.C. 1618(a) and is continued in existence under that subsection. (§ 6 ch 12 SLA 2008)

Effect of amendments. — In 2008, AS 29.60 added new Article 11 with five new sections: .850, .855, .860, .865 and .879 under § 6 ch 12 SLA 2008.