Submitted by: Assemblymembers VON GEMMINGEN, Shamberg, Taylor, Tesche, Traini, Tremaine, Van Etten, and Whittle
Prepared by: Department of Assembly
For reading: April 13, 2004

CLERK'S OFFICE
APPROVED
Date: 4-13-04

ANCHORAGE, ALASKA
AR NO. 2004- 91

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING AND URGING PASSAGE OF HOUSE BILL NO. 431, "AN ACT RELATING TO THE MUNICIPAL DIVIDEND PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE"

WHEREAS, State Revenue Sharing has continued to diminish and, most recently, the Municipality of Anchorage - along with other cities in Alaska - has completely lost both State Revenue Sharing and Safe Communities funds; and

WHEREAS, recognizing that municipalities and local communities deliver direct services of a critical nature, Representative Carl Moses introduced House Bill 431 to establish a Municipal Dividend Program to assist in providing for the safety and welfare of the people of Alaska; and

WHEREAS, establishment of this Program would empower local governments by allowing them to decide how to best spend the funding; and

WHEREAS, through his plan, surplus earnings of the Permanent Fund would be provided annually to municipalities after inflation proofing the fund and distributing the annual dividend; and

WHEREAS, the distribution would be determined by population and a per head allocation based on the number of local PFD recipients at $250 per person and, in the event that earnings decline, the annual distribution would be reduced on a pro-rata basis; and

WHEREAS, based on the 2003 dividend distribution, a total 156,597 adult and 60,741 child applications were received which, if all applications qualified, could have resulted in Anchorage receiving roughly $54.3M through a Municipal Dividend Program.

NOW, THEREFORE, the Anchorage Assembly resolves:

Section 1: That this body supports and urges passage of HB431 or similar legislation providing for a Municipal Dividend Program.

Section 2: That copies of this resolution be forwarded to the Governor and Alaska State Legislature immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 13th day of April, 2004.

Chair

ATTEST:

Municipal Clerk

EGJ/2004RESOLUTIONS/AR08

CS FOR HOUSE BILL NO. 431(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/24/04
Referred: Finance

Sponsor(s): REPRESENTATIVE MOSES

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the municipal dividend program; and providing for an effective**
2 **date."**

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

4 *** Section 1.** AS 29.60 is amended by adding new sections to read:
5 **Article 10. Municipal Dividend Program.**
6 **Sec. 29.60.800. Municipal dividend fund.** There is established in the
7 department the municipal dividend fund consisting of money transferred to the fund
8 under AS 37.13.145(e). Subject to appropriations for the purpose, the amount
9 transferred to the fund shall be distributed by the department as dividends to
10 municipalities for each fiscal year.
11 **Sec. 29.60.810. Amount of municipal dividends.** (a) The amount of a
12 municipal dividend for a fiscal year equals $250 for each person physically residing in
13 the municipality. The population of each municipality shall be determined annually
14 by using the latest numbers of permanent fund dividend recipients or other population

1 data that, in the judgment of the department, is reliable. In determining the population
2 of a borough, the population of all cities in the borough shall be deducted from the
3 total population of the borough.
4 (b) Notwithstanding (a) of this section, the minimum amount of a municipal
5 dividend for each municipality is $40,000.
6 (c) If the amount appropriated is not sufficient to fully fund municipal
7 dividends for a fiscal year under (a) and (b) of this section, the amount of each
8 dividend shall be reduced on a pro-rata basis.
9 * **Sec. 2.** AS 37.13.145 is amended by adding a new subsection to read:
10 (e) After the transfers under (b) and (c) of this section, on June 30 of each
11 year, the corporation shall transfer from the earnings reserve account to the municipal
12 dividend fund established under AS 29.60.800 the amount needed to fund municipal
13 dividends for the next fiscal year, or the balance in the earnings reserve account,
14 whichever is less.
15 * **Sec. 3.** This Act takes effect June 30, 2004.