

_____ **BILL NO.**

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY _____
Introduced: __/__/06
Referred:

A BILL

FOR AN ACT ENTITLED

"An Act amending the allocation of National Forest income to local governments under 16 U.S.C. 500."

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

* **Section 1.** AS 41.15.180 is amended to read:

Sec. 41.15.180. National forest income.

(a) When the commissioner of community and economic development receives national forest income under 16 U.S.C. 500, the commissioner shall immediately pay to each organized borough in which national forest land is located a share of the income from that forest; an organized borough's share of income from a national forest shall be proportional to the area of the national forest located within its boundaries.

(b) There is created as a separate account in the general fund the unorganized borough national forest receipts fund. The fund consists of national forest income received by the Department of Community and Economic Development under 16 U.S.C. 500 for the percentage of a national forest located within the unorganized borough. Seventy-five percent of the fund shall be allocated for public schools and 25 percent for public roads.

(c) From the percentage of the unorganized borough national forest receipts fund allocated to the public schools under (b) of this section, the commissioner shall pay to each [*HOME RULE OR FIRST CLASS CITY LOCATED WITHIN THE UNORGANIZED BOROUGH AND WITHIN A NATIONAL FOREST OR WITHIN 20 MILES OF A NATIONAL FOREST, OR*] regional educational attendance area that has a school located within the unorganized borough and within a national forest or within 20 miles of a national forest, a share of the income from the public schools allocation of the fund. A [HOME RULE CITY, FIRST CLASS CITY, OR] regional educational attendance area's share shall be calculated as the proportion of the number of children in average daily membership of the [CITY SCHOOL DISTRICT OR] regional educational attendance area compared to the total number of children in average daily membership in [CITY SCHOOL DISTRICTS LOCATED WITHIN THE UNORGANIZED BOROUGH AND WITHIN THE NATIONAL FOREST OR

WITHIN 20 MILES OF THE NATIONAL FOREST AND IN] regional educational attendance areas that have a school located within the unorganized borough and within the national forest or within 20 miles of the national forest.

(d) From the percentage of the unorganized borough national forest receipts fund allocated to public roads under (b) of this section, the commissioner shall pay to each

(1) home rule city, first class city, or second class city that exercises road powers, that is located within the unorganized borough and within a national forest or within 20 miles of a national forest, a share of the income from the roads allocation of the fund; a home rule city, first class city, or second class city's share shall be calculated as the proportion of the number of road miles within municipal boundaries over which the community exercises road powers plus the number of state road miles maintained by the municipality under agreement with the state compared to the total number of road miles maintained by state or local governments in the unorganized borough and within the national forest or within 20 miles of the national forest;

(2) municipality organized under federal law as an Indian reserve that existed before the enactment of 43 U.S.C. 1618(a) and is continued in existence under that subsection and that has formed a community development corporation under AS 29.60.365, that exercises road powers and that is located within the unorganized borough and within the national forest or within 20 miles of the national forest a share of the income from the roads allocation of the fund; the share due a municipality organized under federal law that exercises road powers shall be calculated as the proportion of the number of road miles within municipal boundaries over which the community exercises road powers plus the number of state road miles maintained by the municipality under agreement with the state compared to the total number of road miles maintained by state or local governments in the unorganized borough and within the national forest or within 20 miles of the national forest; however, the commissioner may pay income from national forest receipts under this paragraph 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 this section.

(e) A distribution made under (a) of this section shall be expended for public schools and public roads. A distribution made under (c) of this section shall be expended for public schools. A distribution made under (d) of this section shall be expended for public roads.

(f) For the purpose of making distributions from the fund, the commissioner of community and economic development shall consult with the commissioner of education and early development, for purposes of determining the number of children in average daily membership in the public schools affected by this section, and the commissioner of transportation and public facilities, to determine the total number of road miles in the unorganized borough affected by this section.

(g) An organized borough, home rule city, first class city, second class city, regional educational attendance area, or a municipality organized under federal law that receives a national forest income payment or distribution under 16

U.S.C. 500 or this section shall annually report and account to the commissioner of community and economic development its use of the payment or distribution for the purposes provided in (a) - (e) of this section. The commissioner of community and economic development may not distribute national forest income under this section to an entity in the unorganized borough that has previously failed to report and account as required under this subsection.

(h) For purposes of this section, if a portion of a home rule city, first class city, or second class city, or municipality organized under federal law in the unorganized borough is located within the national forest or within 20 miles of a national forest or if a regional educational attendance area has a school located within the national forest or within 20 miles of the national forest, the entire home rule city, first class city, or second class city, regional educational attendance area, or municipality organized under federal law is considered to be within the national forest.

(i) A payment or distribution made under this section shall be made under an appropriation for the purpose.

(j) That portion of the unorganized borough national forest receipts fund remaining in the account unobligated and unexpended on June 30 of a fiscal year shall be deposited into the unrestricted portion of the general fund and shall be used to offset expenses of the general fund for school and road maintenance in the affected areas of the unorganized borough for which direct distribution of funds has not been made.

- **Section 2. Effective Date**

The amendments set forth in section 1 of this bill shall become effective beginning July 1, 2005.