



Alaska State Legislature Senate Majority News

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Legislation to Strengthen Rural Schools Introduced

(Juneau) – Today Sen. Con Bunde (R – Anchorage) introduced legislation creating a new source of revenue for public schools in rural areas. SB 112 imposes an annual tax on residents living in Regional Education Attendance Areas (REAA) that have no local tax base to help pay the capital and operating expenses for local schools.

“This bill provides an equal opportunity to all residents to support education. I hope that rural residents will embrace this opportunity to provide local support for their schools,” said Sen. Bunde, who introduced the legislation on the Senate floor earlier today.

Currently there are 24 rural school districts in Alaska that do not have local taxes to provide funding for local schools. The Alaska Department of Revenue estimates residents living in unorganized boroughs had an earned income of \$505 million dollars last year.

SB 112 calculates the amount of tax due each year based on the average amount residents of organized boroughs contribute to local schools. Employers in REAAs will collect the tax from their employee’s paychecks while unemployed residents will make the payment directly to the state.

The bill was referred to the Senate Community & Regional Affairs and Finance committees.

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