



# Alaska State Legislature

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**Sponsor:** Community & Regional Affairs By Request  
**Current Version:** CSSB 246 (CRA)  
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## Fact Sheet for: Senate Bill 246

**Short Title:** APPROP TO REVENUE SHARING FUND

### Summary:

- Appropriates \$29.3 million from the general fund to the municipal employees' retirement system underfunded liability relief account to prevent additional unfunded liability in the system.
- Appropriates \$28 million from the Alaska capital income fund (AS 37.05.565) to the revenue sharing fund (AS 29.60.800), contingent on passage of a bill that establishes the revenue sharing fund.

### Benefits:

- Provides a one-time appropriation to the municipal employees' retirement system to give the Alaska Retirement Management Board more time to craft a long-term solution to the \$6 billion underfunding.
- Provides a sustainable source of revenue for Alaska's local governments on a predictable, long-term basis.
- Helps stabilize or reduce local property taxes.
- Encourages local governments to provide adequate levels of public services.
- Helps local governments with budget planning.

### Background:

- SB 246, SB 247 and SB 248 were introduced at the request of the Advisory Commission on Local Government, which was established during the first session of the Twenty-fourth Legislature to examine local governance issues. SB 247 establishes the revenue sharing program, SB 246 provides funding for the revenue sharing program, and SB 248 establishes a new administrative borough.

The special appropriation of \$29.3 million to the retirement system relief account is intended to make up the difference between the employer contribution rate established by the Alaska Retirement Management Board and the actuarially calculated employer contribution rate for FY 2007. The appropriation will be allocated to each political subdivision whose certified contribution rate is less than the full actuarially calculated rate, as determined in the supplement to the valuation dated June 30, 2004.

SB 246 will only take effect if SB 247, establishing the revenue sharing fund and the municipal employees' retirement system underfunded liability relief account, is enacted this legislative session.