

SPONSOR STATEMENT
Senate Bill 219
Community Dividend Program

“Meets our Needs – Shares our Wealth”

Senate Bill 219 creates a sustainable community dividend program to share state revenue with Alaska’s local municipal governments and unincorporated communities. The proposed community dividend program is in response to concerns expressed by communities throughout Alaska. Higher costs of basic living and government needs, coupled with diminished traditional state support, have placed greater financial burdens on all local governments, large and small alike.

Under Senate Bill 219, the funding source for the new community dividend program is structured to be sustainable, the most important aspect of any meaningful state revenue sharing plan. One-third of the funds come from each of the following sustainable sources: 1) the earnings on the Amerada Hess sub-account of the Permanent Fund, 2) the Constitutional Budget Reserve, and 3) the Permanent Fund Earnings Reserve Account.

Senate Bill 219 provides \$70 per person for all local municipalities and unincorporated communities. Additionally, each municipality that is a school district and is meeting the 4-mill local contribution school requirement will receive an additional \$30 for a total of \$100 per resident.

The Department of Commerce, Community, and Economic Development will issue the dividends to Alaskan communities on July 1 of the year following the actual legislative appropriation. This one-year delay will allow local governments to build an operating budget based on firm numbers. There will be no need for the budget writers to wait for the legislature to take action before drafting and passing their annual budgets.

Alaskans have enjoyed the benefit of their individual Permanent Fund dividend for many years; the time has come to share the state’s wealth with our communities. Senate Bill 219 utilizes three robust and sustainable revenue sources to provide each Alaskan community an annual dividend.

I respectfully request your support.