



CITY OF BETHEL

P O Box 388 Bethel, Alaska 99559
907-543-2297
FAX # 543-4171

Presented by: Council member O'Brien
Date: March 11, 1997
Action: Tabled until March 25, 1997
Action: Adopted
Vote: Unanimous

RESOLUTION #97-15

A RESOLUTION OF THE BETHEL CITY COUNCIL URGING THE LEGISLATURE TO STABILIZE THE APPROPRIATION FOR MUNICIPAL REVENUE SHARING PROGRAMS AND URGING THE ADOPTION OF SB 29, THE "SAFE COMMUNITIES" PROGRAM.

WHEREAS, over the past ten years, the state has steadily caused local property taxes to be raised by as much as 300% by disproportionately reducing municipal government's share of Alaska's oil wealth and mandating state service responsibilities to municipal governments; and

WHEREAS, the Local Boundary Commission has stated that the state has "penalized" cities and boroughs for incorporating because the state has withdrawn revenues and services "promised" as a condition of incorporation; and

WHEREAS, the Municipal Assistance and Revenue Sharing programs have been cut far more than any other major state program. They have been cut by nearly 70% in the past ten years, and 15% in the last two years. Due to past cuts, municipal taxpayers are already contributing over \$80 million per year to balance the state's budget; and

WHEREAS, according to state leaders, the proposed \$60 million reduction in state spending this year will "NOT include new taxes or revenues". Cuts to Municipal Assistance and Revenue Sharing simply pass higher taxes on to local taxpayers. Therefore, reductions to municipal revenue sharing should not be considered as part of the \$60 million budget cuts; and

WHEREAS, reductions to Municipal Assistance and Revenue Sharing will ensure that there will be more dissolutions of small rural municipalities, loss of basic public services, and may lead to a breakdown of municipal government in rural areas; and

WHEREAS, accelerating local sales and property taxes caused by cuts in municipal revenue sharing, and reduced funding for maintenance of public facilities (like roads and schools), are already discouraging long term business investments in Alaska's communities and local economies; and

WHEREAS, the four "legs" of the "Safe Communities" SB 29 are:

1. Requires the funds received under this program (formerly Municipal Assistance Program) be used primarily for basic public safety/health services and changes the name of the program to "Safe Communities".
2. Creates a \$40,000 minimum payment for small incorporated municipalities. All large municipalities support this provision to reduce dissolutions of small municipalities.
3. Creates equity among municipalities if there are further reductions in funding by: removing the "hold harmless" clause of the current Municipal Assistance Program (the

“hold harmless” provision creates wide variations among funding for communities and is no longer relevant) and by allowing all municipalities to equally share reductions on a pro rata basis (including the \$40,000 minimum entitlement communities, but only down to approximately FY 97 funding levels)

4. Advances the payment date for Municipal Assistance from February 1 to July 31, which is the same date Revenue Sharing payments are made. This provision creates the internal equity in the bill that allows support from all municipalities.

WHEREAS, during the last Legislative Session, the “Safe Communities” Bill received 58 affirmative votes in the Legislature, but failed because it was not brought up for a concurrence vote in the final hour of the session;

NOW, THEREFORE BE IT RESOLVED by the City Council of Bethel Alaska, that the Legislature and the Governor:

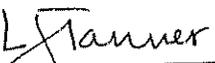
1. Adopt SB 29, the “Safe Communities” Bill.
2. Do not cut Municipal Assistance and Revenue Sharing Programs in light of the impact on local property taxpayers and communities.

PASSED AND APPROVED THIS 25TH DAY OF MARCH, 1997.



Ruth M. Richardson, Mayor

ATTEST:



L.J. Fanner, City Clerk