

RESOLUTION #2019-01

**A resolution in support of the development
of a Community Dividend.**

WHEREAS, community revenue sharing began in 1969 to help ease fiscal problems facing local governments, stabilize or reduce local property taxes, encourage local provision of public services, and stabilize local budgets and planning; and

WHEREAS, revenue sharing has undergone significant and dramatic changes since 1969, leading to a situation in 2004 where all revenue sharing programs were proposed for elimination after years of reductions, which corresponded to increased property taxes, elimination of municipal services, and reduced capacity; and

WHEREAS, the State of Alaska exempts itself from local taxes even though it uses local services and approximately \$1.4 billion (2017) in property taxes are paid by local taxpayers to subsidize State operations; and

WHEREAS, the Alaska Municipal League has been firm in its advocacy for the absolute necessity of a form of and enough revenue sharing that strengthens the capacity of municipal governments, alleviates the need for higher local taxes, and bolsters the delivery of public services; and

WHEREAS, the recent fiscal crisis experienced by the State of Alaska made apparent the reality of cost-shifting to municipalities and the potential for State reductions to municipal budgets, particularly in the form of reduced or eliminated revenue sharing; and,

WHEREAS, uncertainty at the State level – due either to limits to annual appropriations or the mechanism by which current Community Assistance funding is currently secured – necessitates a new way to approach revenue sharing; and

WHEREAS a community dividend is a feasible method with which to reimburse local government for State tax exemptions, fund local contributions to education, replace revenue sharing or community assistance, and keep Alaska's promises; and

WHEREAS, the earnings from the Alaska Permanent Fund are a credible and sustainable vehicle for such funding; and

WHEREAS, the Alaska State Legislature considered this question in 2006, with support from many stakeholders, including the Alaska State Chamber of Commerce; and

WHEREAS, a community dividend meets the State's obligation to municipal governments and provides a sustainable pathway for maximizing local government.

NOW, THEREFORE BE IT RESOLVED, that the Alaska Municipal League encourages the Alaska State Legislature to consider the development of a Community Dividend.