

# ALASKA STATE LEGISLATURE

SESSION

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## SENATOR BERT K. STEDMAN

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### SPONSOR STATEMENT HCS CS SS SB 328(CRA)

**“An Act relating to the National Forest income program in the Department of Community and Economic Development and to the authority of the department to adopt regulations; making conforming amendments; and providing an effective date.”**

This legislation makes the statutory changes required for the Department of Community and Economic Development to disburse federal funds commonly referred to as the “National Forest Receipts”.

The National Forest Receipts program was originally authorized under a 1908 federal law (16 USC 500), where 25% of the annual income earned from activities within a National Forest was shared with the state for distribution to boroughs, cities, and regional education attendance areas located within the forest boundary for schools and roads.

The “Secure Rural Schools and Community Self-Determination Act of 2000” (P.L. 106-393) made substantive changes to the federal program commonly known as National Forest Receipts. National Forest Receipts payments to the State for fiscal years 2001-2006 are based upon the average of the three highest annual payments made to the State during the fiscal years 1987-2000. The Federal Act is subject to reauthorization in 2006.

Under this federal act, payments to the local communities were stabilized for the period 2001-2006 rather than significantly drop due mainly to the drastic reduction in National Forest timber harvest the past several years. Distribution to the boroughs, cities, and rural educational attendance areas changed only in that the federal act required that at least 15% but no more than 20% of each local entities payment be spent on “special projects” with the balance to be spent on the traditional schools and roads categories.

Senate Finance Committee and House Community and Regional Affairs Committee amended the bill to define the student “average daily membership” for the purposes of

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distribution of the forest receipts in the unorganized boroughs within a National Forest boundary.

In order to address the federal changes, the Department of Community and Economic Development needs to amend its program regulations so the payments to communities located within the Tongass and Chugach National Forests would conform to the new federal requirements.

Subsequent to the adoption of the program regulation changes, the Department of Law advised the Department of Community and Economic Development that it lacks the statutory authority to implement the federal changes through its regulations. This legislation provides the Department with the authority to adopt regulations necessary to implement the revised federal program in a manner consistent with federal law.

This legislation also provides general regulation adoption authority for the Department to carry out its statutory functions. The change corrects a statutory problem created by the merger of the former Department of Commerce and Economic Development and the former Department of Community and Regional Affairs.