



25th ALASKA STATE LEGISLATURE SENATE REPUBLICAN CAUCUS

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Fact Sheet for: Senate Bill 34

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Bill Version: SB 34

Sponsor: Senator Con Bunde

Short Title: TAX ON RESIDENTS/EMPLOYEES IN REAA;GRANTS

Summary:

- Imposes an annual tax in Regional Education Attendance Areas (REAA) to pay operating costs of local schools within the area.
- Levies a flat tax rate of \$70 per person per year on persons 18 years of age, or older, who reside in an REAA on January 1.
- Exempts senior citizens, those with income below federal poverty guidelines, disabled vets and those paying a property tax in another area of the state.
- Intent language specifies that the revenue collected is to be returned to REAAs as additional funding, not supplanting state or federal funds.
- Establishes a regional educational attendance area grant program and allows the legislature to appropriate the REAA tax for grants to REAAs.

Benefits:

- Provides schools in REAAs a new source of revenue to increase school funding.

Background:

- Currently, residents in Alaska who reside in organized boroughs pay a local tax that helps fund the capital and operating costs of schools. Residents of REAAs do not currently contribute to the costs of schools on a local level. SB 34 ensures that all Alaska residents contribute on a local level to the costs of creating and maintaining high quality education in our state. The REAA grant program language was added when similar legislation was under consideration last year at the request of a legislator whose district encompasses REAAs. The language helps ensure the money goes to those areas.