



THE STATE  
*of* **ALASKA**  
GOVERNOR SEAN PARNELL

## Department of Commerce, Community, and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

P.O. Box 110809  
Juneau, Alaska 99811-0809  
Main: 907.465.4731  
Programs fax: 907.465.4761

May 24, 2017

Dennis Ragsdale, City Manager  
City of Valdez  
PO Box 307  
Valdez, AK 99686

### RE: **FY 18 PAYMENT IN LIEU OF TAXES PROGRAM FOR CITIES IN THE UNORGANIZED BOROUGH**

Dear Municipal Official:

On May 5, 2017, the President signed the Consolidated Appropriations Act, 2017 (H.R. 244) which appropriated \$465 million in discretionary funding for Payment in Lieu of Taxes (PILT). The U.S. Department of Interior is currently preparing the necessary calculations to issue payments for the FY 2017 PILT program.

The State of Alaska expects to receive the funds for the PILT program in June 2017. This will allow the Department of Commerce, Community, and Economic Development to disburse payments to PILT recipients in July 2017. At this time, it is unknown how much the State of Alaska will receive for the cities in the unorganized borough.

If your city is waiting for an estimated payment in order to prepare an annual budget, please know that DCRA has not received any payment information from the US Department of the Interior yet. As in prior years, DCRA suggests that the city budget \$0 if possible under this program. If a balanced budget is unattainable with a \$0 line item for PILT, then it is suggested that the city estimate a minimum of a 25% reduction of the FY17 actual PILT payment received.

In order to receive payment under the PILT program, a city must submit to the Department the attached application, which includes a cover page and resolution requesting payment. A number of requirements have been waived for the State Fiscal Year 2018, so please read the application and resolution thoroughly to understand what is required to receive a payment.

The completed application must be received by **June 30, 2017**. Enclosed is a sample resolution for the FY 18 Payment in Lieu of Taxes (PILT) Program for cities in the unorganized borough. The cover page and adopted resolution should be submitted to:

Division of Community and Regional Affairs  
Attention: Robin Park  
Payment in Lieu of Taxes Program  
P.O. Box 110809  
Juneau, AK 99811

Or submitted via email to [robin.park@alaska.gov](mailto:robin.park@alaska.gov)

Should you have any questions regarding the FY 17 PILT program, please feel free to contact me. I can be reached via email at [robin.park@alaska.gov](mailto:robin.park@alaska.gov), or you may call me at 907-465-4731. You may also contact Debi Kruse at [debi.kruse@alaska.gov](mailto:debi.kruse@alaska.gov) or call her at 907-465-4451.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robin Park", with a stylized flourish at the end.

Robin Park  
Grants Administrator II

Enclosures: FY 18 PILT Cover Page  
Sample FY 18 PILT Resolution

## FY 2018 PAYMENT IN LIEU OF TAXES ~ APPLICATION

NAME OF MUNICIPALITY <b>CITY OF VALDEZ</b>	VENDOR NUMBER <b>CIV84401</b>
CONTACT NAME	CONTACT EMAIL ADDRESS
MAILING ADDRESS <b>PO Box 307</b>	CONTACT PHONE NUMBER
CITY, STATE, ZIP CODE <b>VALDEZ, AK 99686</b>	FAX NUMBER

### Eligibility requirements Per 3 AAC 152.100:

*To be eligible to receive a distribution under the payment in lieu of taxes in the unorganized borough program a city must*

1. Be located within the circumference of the boundaries of a federally designated area in the unorganized borough;
2. Be incorporated as a city under AS 29.04.010 – 29.04.020 before July 1 of the state fiscal year in which the distribution is requested;
3. Submit a resolution to the department that requests the distribution and verifies that
  - a. The city has conducted a regular election during the state fiscal year preceding the state fiscal year in which the distribution is requested and has reported the results of the election to the commissioner;
  - b. Regular meetings of the city's governing body are held in the city and a record of the proceedings is maintained; and
  - c. Local ordinances adopted by the city have been codified in accordance with AS 29.25.050;
4. Adopt and submit to the department a copy of the city's budget for its fiscal year in which the distribution is requested;
5. For a home rule or first class city, file with the department a copy of the city's audit for the city's second fiscal year preceding its fiscal year in which the distribution is requested; and
6. For a second class city, file with the department a copy of the city's audit or certified statement of annual income and expenditures for the city's second fiscal year preceding its fiscal year in which the distribution is requested.

The Department of Commerce, Community, and Economic Development (DCCED), Division of Community and Regional Affairs (DCRA) is in the process of revising the Payment in Lieu of Taxes program regulations. For the State Fiscal Year 2018 PILT application process, the DCCED Commissioner has waived requirements 3-6. A resolution is still required, but has been revised. Please see the enclosed sample.

**Please submit your resolution and application to Robin Park, no later than June 30, 2017.**

### CERTIFICATION:

As the highest ranking official, I certify City of Valdez understands the  
(Name of Municipality)  
requirements for receiving the Payment in Lieu of Taxes funds and agrees to comply with all laws and regulations governing PILT funds.

\_\_\_\_\_  
Signature (Highest Ranking Official)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name and Title