

HOUSE BILL NO. 316

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES THOMPSON, Saddler, Feige, Chenault, Herron, Tammie Wilson, Lynn

Introduced: 2/8/12

Referred: House Special Committee on Military and Veterans' Affairs, State Affairs

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to military facility zones in the state; relating to the development of**
2 **housing in military facility zones; relating to the financing of projects in military facility**
3 **zones; and providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 *** Section 1.** AS 26 is amended by adding a new chapter to read:

6 **Chapter 30. Military Facility Zones.**

7 **Sec. 26.30.005. Military facility zones.** The Department of Military and
8 Veterans' Affairs may establish military facility zones in this state in accordance with
9 this chapter.

10 **Sec. 26.30.010. Application for a military facility zone.** (a) The adjutant
11 general may accept applications for designation of a military facility zone or
12 expansion of a military facility zone. The adjutant general shall by regulation specify
13 the content of, and submission requirements for, the application.

14 (b) The chief executive officer or governing body of a municipality may apply

1 for an area to be designated as a military facility zone or for expansion of an existing
2 military facility zone as follows:

- 3 (1) a municipality may apply for an area within its boundaries;
- 4 (2) a borough may apply on behalf of a city located in the borough, for
5 an area within the boundaries of the city only with the prior consent of the city;
- 6 (3) two or more municipalities may jointly apply for an area within the
7 common boundaries of the municipalities.

8 (c) The application must contain the information and be submitted in the form
9 and manner required by the adjutant general and must provide

10 (1) a statement that the applicant has examined the feasibility of
11 creating industry, development, and educational or training opportunities for
12 employers and employees of business entities located or to be located in the proposed
13 military facility zone; and

14 (2) approval of the application by ordinance of the governing body of
15 the applicant, except that, for an area in the unorganized borough that is not in a
16 municipality, the approval must be by law.

17 (d) On receiving an application under this section or an application for
18 expansion under AS 26.30.040, the adjutant general shall give notice of the application
19 to the following:

- 20 (1) the legislature;
- 21 (2) the commissioner of commerce and economic development;
- 22 (3) the executive director of the Alaska Industrial Development and
23 Export Authority;
- 24 (4) the executive director of the Alaska Housing Finance Corporation;
- 25 (5) the public; the notice under this paragraph shall be made by posting
26 on the Alaska Online Public Notice System (AS 44.62.175).

27 (e) The adjutant general shall solicit comments on the application. Notice of
28 the solicitation shall be placed on the Alaska Online Public Notice System
29 (AS 44.62.175).

30 **Sec. 26.30.020. Criteria for designation as a military facility zone; priority**
31 **considerations.** (a) The adjutant general may designate an area as a military facility

1 zone only if the area in the state

2 (1) is in close proximity to a facility;

3 (2) directly supports the military application of a facility;

4 (3) is zoned for industrial or economic development, residential use,
5 and workforce training or education beneficial to the facility; and

6 (4) is in area with inadequate infrastructure to support the continued or
7 expanded operations of the facility.

8 (b) The adjutant general may give priority consideration to an area for
9 designation as a military facility zone if the area is of strategic importance to the
10 economic development interests of the municipality.

11 (c) The adjutant general shall consider the following factors before
12 designating an area as a military facility zone:

13 (1) whether the proposed military facility zone designation is
14 consistent with the comprehensive plan of the municipality;

15 (2) whether it is feasible to develop sites within the proposed zone for
16 purposes of industrial or economic development, residential use, and workforce
17 training or education beneficial to the facility;

18 (3) whether the municipality has targeted the area for revitalization in a
19 plan or ordinance;

20 (4) the relationship between the area and a military facility subject to
21 realignment or closure under 10 U.S.C. 2687, as amended, or a successor statute or the
22 effect of the realignment or closure on the area;

23 (5) the availability, cost, and condition of existing business and
24 educational facilities to support the military facility or facility of a civilian agency;

25 (6) the difference between the median annual income of residents of
26 the area and the median annual income of residents of the state and region, and the
27 number of residents who receive public assistance;

28 (7) the number of residents of the area who receive unemployment,
29 and the ability of the municipality to improve social and economic conditions of the
30 area;

31 (8) the need for financing for small businesses that would improve

1 social and economic conditions in the area;

2 (9) any plans or financial commitments of municipalities to improve
3 the area;

4 (10) any plans or financial commitments of private entities to improve
5 the area;

6 (11) the municipality's participation in economic development
7 activities, including proposals for public or private development;

8 (12) support from community or business organizations in the area;

9 (13) the availability of workforce readiness programs, including
10 workforce recruiting and training support or educational research and curriculum
11 support in the area;

12 (14) the availability or plans for the creation of workforce housing
13 options for residents of the area; and

14 (15) the fiscal effect on the state if the area were to be designated a
15 military facility zone.

16 **Sec. 26.30.030. Designation of military facility zones.** (a) Within 60 days
17 after receiving an application under AS 26.30.010 submitted in compliance with this
18 chapter, after considering comments under AS 26.30.010(e), the adjutant general may
19 designate a military facility zone. The adjutant general shall specify the location and
20 boundaries of the military facility zone.

21 (b) The designation of an area as a military facility zone is effective for 20
22 years, beginning on the date the adjutant general designates the area as a military
23 facility zone.

24 (c) Unless the area of the municipality exceeds 500 square miles, only two
25 military facility zones may be in effect in a municipality at one time.

26 (d) The decision of the adjutant general on an application to designate a
27 military facility zone is a final administrative order subject to appeal to the superior
28 court for review in the manner provided under AS 44.62.560.

29 **Sec. 26.30.040. Expansion of a military facility zone.** (a) Within 60 days
30 after receiving an application for expansion of a zone submitted by a municipality in
31 compliance with AS 26.30.010, the adjutant general may expand the zone, if the

1 applicant demonstrates that the expanded area meets the requirements of
2 AS 26.30.020.

3 (b) The adjutant general may grant up to two applications for expansion of a
4 military facility zone in each calendar year for an area that

5 (1) meets the requirements of AS 26.30.020; and

6 (2) has strategic importance to the economic development of the
7 municipality.

8 (c) The limit in AS 26.30.030(c) does not apply to an expansion of a military
9 facility zone that does not exceed 50 percent of the area of the existing zone or to an
10 expansion of a zone under (b) of this section.

11 **Sec. 26.30.050. Military facility zone authorities.** (a) If a military facility
12 zone is within the boundaries of only one municipality, the municipality may create a
13 military facility zone authority for the zone.

14 (b) If a military facility zone includes areas within the boundaries of more
15 than one municipality, the municipalities may, by agreement, create a military facility
16 zone authority for the zone.

17 **Sec. 26.30.060. Benefits in military facility zones.** (a) A municipality in
18 which a military facility zone is located or a military facility zone authority for a
19 military facility zone may receive

20 (1) financing for one or more projects in the military facility zone from
21 the Alaska Industrial Development and Export Authority or the Alaska Housing
22 Finance Corporation;

23 (2) funding for one or more projects from any other available source of
24 federal, state, or local public or private funding, credit, or guarantee programs.

25 (b) A municipality in which a military facility zone is located, a military
26 facility zone authority for a military facility zone, or a business entity located in a zone
27 may receive priority consideration for financial assistance for projects or operations in
28 the zone from the Department of Military and Veterans' Affairs and from any other
29 appropriate state program, if available under the law establishing the program.

30 **Sec. 26.30.070. Regulations.** The adjutant general may adopt regulations
31 under AS 44.62 to carry out the provisions of this chapter, including specifying criteria

1 and procedures for applications, approvals, and the monitoring of eligibility under this
2 chapter.

3 **Sec. 26.30.900. Definitions.** In this chapter, unless the context otherwise
4 requires,

5 (1) "adjutant general" means the principal executive officer of the
6 Department of Military and Veterans' Affairs appointed under AS 26.05.160;

7 (2) "area" means a geographic area described by a closed perimeter
8 boundary within one or more municipalities in the state;

9 (3) "facility" means a facility of

10 (A) an Alaska military or civilian agency serving a subdivision
11 of the Alaska National Guard, the United States Army, the United States Navy,
12 the United States Marine Corps, the United States Air Force, or the United
13 States Coast Guard, including reserve units of those entities;

14 (B) the National Aeronautics and Space Administration; or

15 (C) a public corporation within the Department of Military and
16 Veterans' Affairs;

17 (4) "military facility zone" means an area that

18 (A) meets the requirements of AS 26.30.020; and

19 (B) is designated as a military facility zone by the adjutant
20 general under AS 26.30.030;

21 (5) "military facility zone authority" means a public corporation
22 established by one or more municipalities to administer a military facility zone located
23 in the municipalities in the state;

24 (6) "zone" means a military facility zone.

25 * **Sec. 2.** AS 44.62.175(a) is amended to read:

26 (a) The lieutenant governor shall develop and supervise the Alaska Online
27 Public Notice System, to be maintained on the state's site on the Internet. The
28 lieutenant governor shall prescribe the form of notices posted on the system by state
29 agencies. The Alaska Online Public Notice System must include

30 (1) notices of proposed actions given under AS 44.62.190(a);

31 (2) notices of state agency meetings required under AS 44.62.310(e),

1 even if the meeting has been held;

2 (3) notices of solicitations to bid issued under AS 36.30.130;

3 (4) notices of state agency requests for proposals issued under
4 AS 18.55.255, 18.55.320; AS 36.30.210; AS 37.05.316; AS 38.05.120; and
5 AS 43.40.010;

6 (5) executive orders and administrative orders issued by the governor;

7 (6) written delegations of authority made by the governor or the head
8 of a principal department under AS 44.17.010;

9 (7) the text or a summary of the text of a regulation or order of repeal
10 of a regulation for which notice is given under AS 44.62.190(a), including an
11 emergency regulation or repeal regardless of whether it has taken effect;

12 (8) notices required by AS 44.62.245(b) regarding an amended version
13 of a document or other material incorporated by reference in a regulation;

14 (9) a summary of the text of recently issued formal opinions and
15 memoranda of advice of the attorney general;

16 (10) a list of vacancies on boards, commissions, and other bodies
17 whose members are appointed by the governor; [AND]

18 (11) in accordance with AS 39.52.240(h), advisory opinions of the
19 attorney general; **and**

20 **(12) notices required by AS 26.30.010(d) and (e) regarding**
21 **applications for military facility zones.**

22 * Sec. 3. AS 44.88.900(9) is amended to read:

23 (9) "project" means

24 (A) a plant or facility used or intended for use in connection
25 with making, processing, preparing, transporting, or producing in any manner,
26 goods, products, or substances of any kind or nature or in connection with
27 developing or utilizing a natural resource, or extracting, smelting, transporting,
28 converting, assembling, or producing in any manner, minerals, raw materials,
29 chemicals, compounds, alloys, fibers, commodities and materials, products, or
30 substances of any kind or nature;

31 (B) a plant or facility used or intended for use in connection

1 with a business enterprise;

2 (C) commercial activity by a business enterprise;

3 (D) a plant or facility demonstrating technological advances of
4 new methods and procedures and prototype commercial applications for the
5 exploration, development, production, transportation, conversion, and use of
6 energy resources;

7 (E) infrastructure for a new tourism destination facility or for
8 the expansion of a tourism destination facility; in this subparagraph, "tourism
9 destination facility" does not include a hotel or other overnight lodging facility;

10 (F) a plant or facility, other than a plant or facility described in
11 (D) of this paragraph, for the generation, transmission, development,
12 transportation, conversion, or use of energy resources;

13 (G) a plant or facility that enhances, provides for, or promotes
14 economic development with respect to transportation, communications,
15 community public purposes, technical innovations, prototype commercial
16 applications of intellectual property, or research;

17 (H) a plant or facility used or intended for use as a federal
18 facility, including a United States military, national guard, or coast guard
19 facility;

20 **(I) infrastructure for an area that is designated as a**
21 **military facility zone under AS 26.30;**

22 * **Sec. 4.** The uncoded law of the State of Alaska is amended by adding a new section to
23 read:

24 TRANSITION: REGULATIONS. The Department of Military and Veterans' Affairs
25 may immediately adopt regulations necessary to implement the changes made by this Act.
26 The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before
27 July 1, 2012.

28 * **Sec. 5.** Section 4 of this Act takes effect immediately under AS 01.10.070(c).

29 * **Sec. 6.** Except as provided in sec. 5 of this Act, this Act takes effect July 1, 2012.