

**CS FOR SENATE BILL NO. 287(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/22/96  
Referred: Finance

Sponsor(s): SENATORS TORGERSON, Hoffman

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the unincorporated community capital project matching grant  
2 program; and providing for an effective date."

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

4 \* **Section 1.** AS 37.06.020(b) is amended to read:

5 (b) The unincorporated community capital project matching grant fund is  
6 established in the department and consists of appropriations to the fund. Appropriations  
7 to the fund do not lapse except as provided in (h) of this section. The money in the fund  
8 is held by the department in custody under this subsection for each unincorporated  
9 community eligible for an allocation under this subsection. The department shall  
10 establish an individual grant account within the fund for each eligible unincorporated  
11 community [THAT WAS ENTITLED TO RECEIVE STATE AID UNDER  
12 AS 29.60.140 DURING THE PRECEDING FISCAL YEAR]. As provided in this  
13 subsection, each fiscal year the department shall allocate, to the individual grant  
14 accounts, appropriations to the fund. An unincorporated community is eligible for an  
15 allocation in a fiscal year if the requirements of (d) are met and the community was

1 a place in the state in which 25 or more individuals resided as a social unit  
2 [ELIGIBLE TO RECEIVE STATE AID UNDER AS 29.60.140] during the preceding  
3 fiscal year. The department shall credit interest earned on money in an individual grant  
4 account to that account. Except as provided in (c) of this section, the amount allocated  
5 under this subsection to an individual grant account in a fiscal year is **the amount**  
6 **needed to fund the projects presented to the legislature under (e) of this section**  
7 [DETERMINED BY DIVIDING THE TOTAL AMOUNT APPROPRIATED TO THE  
8 FUND DURING THAT FISCAL YEAR BY THE NUMBER OF UNINCORPORATED  
9 COMMUNITIES ELIGIBLE FOR AN ALLOCATION DURING THAT FISCAL  
10 YEAR].

11 \* **Sec. 2.** AS 37.06.020(c) is amended to read:

12 (c) A **maximum** [MINIMUM] of \$25,000 **may** [SHALL] be allocated to each  
13 eligible unincorporated community's grant account each fiscal year under (b) of this  
14 section. If appropriations are not sufficient to fully fund the [MINIMUM] amount for  
15 each eligible unincorporated community, the amount appropriated shall be allocated **on**  
16 **a pro rata basis** [EQUALLY] among the eligible unincorporated communities. **If**  
17 **appropriations exceed the amount necessary to fully fund the amount for each**  
18 **eligible unincorporated community, the excess amount lapses into the general fund.**

19 \* **Sec. 3.** AS 37.06.020(d) is amended to read:

20 (d) The department shall designate, in each eligible unincorporated community,  
21 **a** [AN INCORPORATED] nonprofit **corporation** [ENTITY] or a Native village council  
22 that agrees to receive and spend grant money allocated to the unincorporated  
23 community's individual grant account under (b) of this section. **If the community is**  
24 **located in a borough or a unified municipality, the department may only designate**  
25 **the entity that has been approved by the assembly and the department must have**  
26 **written evidence of that approval.** If there is more than one qualified entity in a  
27 community **in the unorganized borough,** the department shall designate the entity that  
28 the department finds most qualified to make draws from that unincorporated  
29 community's individual grant account and spend the money. If there is no qualified  
30 [INCORPORATED] nonprofit **corporation** [ENTITY] or Native village council in an  
31 unincorporated community that will agree to receive and spend money allocated to the  
32 community under (b) of this section, draws may not be made from the unincorporated

1 community's individual grant account and the amount allocated to the account lapses into  
2 the general fund. An entity qualifies for designation under this subsection only if it

3 (1) was formed to serve a public or civic purpose;

4 (2) is registered and in good standing with the Department of  
5 Commerce and Economic Development if it is a nonprofit corporation;

6 (3) agrees to use the grant money for a public purpose;

7 (4) provides the residents of the community with a public facility or  
8 service;

9 (5) has held a public meeting to give residents of the community the  
10 opportunity to express their preferences and ideas for use of the grant money; and

11 (6) agrees to make a facility provided with grant money available to  
12 every person in the community.

13 \* **Sec. 4.** AS 37.06.020(e) is amended to read:

14 (e) By October 1 of each fiscal year, the [INCORPORATED] nonprofit  
15 corporation [ENTITY] or Native village council designated by the department under (d)  
16 of this section shall submit to the governor a prioritized list of capital projects and  
17 estimated costs to be financed with money from the community's individual grant  
18 account established under (b) of this section. The list must include the amount and  
19 source of the local share required by AS 37.06.030. If the community is located in a  
20 borough or unified municipality, the list is subject to approval of the assembly and  
21 must be accompanied by written evidence of that approval. The governor shall  
22 include in the capital improvements program presented to the legislature under  
23 AS 37.07.060 the projects submitted by designated entities under this subsection that the  
24 governor recommends for funding. If, in the capital improvements program, the  
25 governor includes projects in other than the priority order submitted by a designated  
26 entity, the governor shall provide the legislature with a written statement of the reasons  
27 for that action.

28 \* **Sec. 5.** AS 37.06.020(h) is amended to read:

29 (h) An entity designated by the department under (d) of this section shall repay  
30 to the department money it has drawn from an unincorporated community's individual  
31 grant account if substantial, ongoing work on the project is not started within **four**  
32 [FIVE] years after the effective date of the appropriation from which the draw is funded.

1 Money repaid shall be deposited into the general fund. Money from an allocation to an  
2 unincorporated community's individual grant account that has not been drawn out by a  
3 designated entity within **four** [FIVE] years after the effective date of the appropriation  
4 from which the allocation is funded lapses into the general fund.

5 \* **Sec. 6.** AS 37.06.030(b) is amended to read:

6 (b) For each draw made by an entity [OR COUNCIL] under AS 37.06.020, the  
7 **nonprofit corporation** [INCORPORATED ENTITY] or Native village council that  
8 makes the draw shall contribute a local share of the cost of the capital project for which  
9 the draw is made. **The amount of the local share for an unincorporated community**  
10 **in a borough or unified municipality is the amount of the local share for that**  
11 **borough or unified municipality as calculated under (a) of this section.** The amount  
12 of the local share **for an unincorporated community in the unorganized borough**  
13 equals the local share percentage as calculated under (1) of this subsection, divided by  
14 the state share percentage as calculated under (2) of this subsection, multiplied by the  
15 amount of the draw. For purposes of this subsection,

16 (1) the local share percentage is five percent;

17 (2) the state share percentage equals one minus the local share  
18 percentage;

19 (3) the local share may be satisfied from (A) federal or local money; (B)  
20 labor, materials, or equipment used directly in the construction of the project, or land,  
21 including land transferred by the state; the department shall determine the value of a  
22 contribution under this subparagraph; (C) money from another nonstate source; (D)  
23 money received by the unincorporated community under AS 29.60.010 - 29.60.375; or  
24 (E) money obtained from the sale or lease of land or other assets transferred by the state;  
25 except as provided in this paragraph, the local share may not be satisfied with money  
26 from, or with the portion of an asset that was obtained with money from, an  
27 appropriation, allocation, entitlement, grant, or other payment from the state.

28 \* **Sec. 7.** TRANSITION. Notwithstanding AS 37.06.020(h) as amended by sec. 5 of this Act,  
29 money from an allocation deposited into an unincorporated community's individual grant account  
30 before the effective date of sec. 5 must be repaid or lapse in accordance with AS 37.06.020(h)  
31 as it read immediately before the effective date of sec. 5.

32 \* **Sec. 8.** This Act takes effect July 1, 1996.