

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

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 4/30/96
Referred: Finance

Sponsor(s): SENATOR TORGERSON

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the unincorporated community capital project matching
2 grant 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
8 fund is held by the department in custody under this subsection for each
9 unincorporated community eligible for an allocation under this subsection. The
10 department shall establish an individual grant account within the fund for each **eligible**
11 unincorporated community [THAT WAS ENTITLED TO RECEIVE STATE AID
12 UNDER AS 29.60.140 DURING THE PRECEDING FISCAL YEAR]. As provided
13 in this 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

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

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

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

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

22 (d) The department shall designate, in each eligible unincorporated community,
23 **a** [AN INCORPORATED] nonprofit **corporation** [ENTITY] or a Native village
24 council that agrees to receive and spend grant money allocated to the unincorporated
25 community's individual grant account under (b) of this section. **If the community is**
26 **located in a borough or a unified municipality, the department may only designate**
27 **the entity that has been approved by the assembly and the department must have**
28 **written evidence of that approval.** If there is more than one qualified entity in a
29 community **in the unorganized borough,** the department shall designate the entity that
30 the department finds most qualified to make draws from that unincorporated
31 community's individual grant account and spend the money. If there is no qualified

1 [INCORPORATED] nonprofit **corporation** [ENTITY] or Native village council in an
2 unincorporated community that will agree to receive and spend money allocated to the
3 community under (b) of this section, draws may not be made from the unincorporated
4 community's individual grant account and the amount allocated to the account lapses
5 into the general fund. **An entity qualifies for designation under this subsection only**
6 **if it**

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

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

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

11 **(4) provides the residents of the community with a public facility**
12 **or service;**

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

16 **(6) agrees to make a facility provided with grant money available**
17 **to every person in the community.**

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

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

1 for that action.

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

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

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

14 (2) the state share percentage equals one minus the local share
15 percentage;

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

25 * **Sec. 6.** This Act takes effect July 1, 1996.