

SENATE BILL NO. 28

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY SENATOR TORGERSON

Introduced: 1/13/97

Referred: CRA, Finance

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
 22 COUNCIL] 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 corporation that has been approved by the assembly and the department must**
 26 **have written evidence of that approval.** If there is more than one qualified
 27 **corporation** [ENTITY] in a community **in the unorganized borough**, the department
 28 shall designate the **corporation** [ENTITY] that the department finds most qualified to
 29 make draws from that unincorporated community's individual grant account and spend
 30 the money. If there is no qualified [INCORPORATED] nonprofit **corporation** [ENTITY
 31 OR NATIVE VILLAGE COUNCIL] in an unincorporated community that will agree to
 32 receive and spend money allocated to the community under (b) of this section, draws

1 may not be made from the unincorporated community's individual grant account and the
 2 amount allocated to the account lapses into the general fund. **A corporation qualifies**
 3 **for designation under this subsection only if it**

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

5 **(2) is registered and in good standing with the Department of**
 6 **Commerce and Economic Development;**

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

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

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

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

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

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

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

30 (h) **A corporation** [AN ENTITY] designated by the department under (d) of this
 31 section shall repay to the department money it has drawn from an unincorporated
 32 community's individual grant account if substantial, ongoing work on the project is not

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

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

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

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

19 (2) the state share percentage equals one minus the local share
 20 percentage;

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

30 * **Sec. 7.** TRANSITION. A Native village council that has made a draw before the effective
 31 date of this Act from an unincorporated community's individual grant account for a capital
 32 project that has not been completed by the effective date of this Act may continue to make

1 draws for that project. For purposes of this section, AS 37.06.020(b) - (e) and (g) and
2 37.06.030(b) apply as they read immediately before the effective date of this Act.

3 * **Sec. 8.** AS 37.06.020(g) is repealed.

4 * **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).