

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 28

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY SENATOR TORGERSON

Introduced: 5/5/97

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
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 exceed the amount necessary to fully fund the amount**
 16 **for each eligible unincorporated community, the excess amount lapses into the**
 17 **general fund.** [IF APPROPRIATIONS ARE NOT SUFFICIENT TO FULLY FUND
 18 THE MINIMUM AMOUNT FOR EACH ELIGIBLE UNINCORPORATED
 19 COMMUNITY, THE AMOUNT APPROPRIATED SHALL BE ALLOCATED
 20 EQUALLY AMONG THE ELIGIBLE UNINCORPORATED COMMUNITIES.]

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

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

1 entity or Native village council in an unincorporated community that will agree to
 2 receive and spend money allocated to the community under (b) of this section, draws
 3 may not be made from the unincorporated community's individual grant account and
 4 the amount allocated to the account lapses into the general fund.

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

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

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

21 (h) An entity designated by the department under (d) of this section shall repay
 22 to the department money it has drawn from an unincorporated community's individual
 23 grant account if substantial, ongoing work on the project is not started within **four**
 24 **[FIVE]** years after the effective date of the appropriation from which the draw is
 25 funded. Money repaid shall be deposited into the general fund. Money from an
 26 allocation to an unincorporated community's individual grant account that has not been
 27 drawn out by a designated entity within **four** **[FIVE]** years after the effective date of
 28 the appropriation from which the allocation is funded lapses into the general fund.

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

30 (b) For each draw made by an entity or council under AS 37.06.020, the
 31 incorporated entity or Native village council that makes the draw shall contribute a

1 local share of the cost of the capital project for which the draw is made. **The amount**
2 **of the local share for an unincorporated community in a borough or unified**
3 **municipality is the amount of the local share for that borough or unified**
4 **municipality as calculated under (a) of this section.** The amount of the local share
5 **for an unincorporated community in the unorganized borough** equals the local
6 share percentage as calculated under (1) of this subsection, divided by the state share
7 percentage as calculated under (2) of this subsection, multiplied by the amount of the
8 draw. For purposes of this subsection,

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

10 (2) the state share percentage equals one minus the local share
11 percentage;

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

22 * **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).