

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 28(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 2/19/98
Referred: Finance

Sponsor(s): SENATOR TORGERSON

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 in the order of**
 8 **state priority established by the department under (e) of this section subject to**
 9 [DETERMINED BY DIVIDING] the total amount appropriated to the fund during that
 10 fiscal year [BY THE NUMBER OF UNINCORPORATED COMMUNITIES
 11 ELIGIBLE FOR AN ALLOCATION 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 **an**
 14 [EACH] eligible unincorporated community's grant account each fiscal year under (b)
 15 of this section. **If appropriations exceed the amount necessary to fully fund the**
 16 **amount for each eligible unincorporated community, the excess amount lapses into**
 17 **the general fund.** If appropriations are not sufficient to fully fund the [MINIMUM]
 18 amount for each eligible unincorporated community, the amount appropriated shall be
 19 allocated [EQUALLY] among the eligible unincorporated communities **in the order**
 20 **of the state priority for projects ranked by the department under (e) of this**
 21 **section.**

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

23 (d) The department shall designate, in each eligible unincorporated community,
 24 an incorporated nonprofit entity or a Native village council that agrees to receive and
 25 spend grant money allocated to the unincorporated community's individual grant
 26 account under (b) of this section. **If the community is located in a borough or a**
 27 **unified municipality, the department may only designate the entity that has been**
 28 **approved by the assembly and the department must have written evidence of that**
 29 **approval.** If there is more than one qualified entity in a community **in the**
 30 **unorganized borough,** the department shall designate the entity that the department
 31 finds most qualified to make draws from that unincorporated community's individual

1 grant account and spend the money. If there is no qualified incorporated nonprofit
 2 entity or Native village council in an unincorporated community that will agree to
 3 receive and spend money allocated to the community under (b) of this section, draws
 4 may not be made from the unincorporated community's individual grant account and
 5 the amount allocated to the account lapses into the general fund.

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

7 (e) By October 1 of each fiscal year, the incorporated nonprofit entity or
 8 Native village council designated by the department under (d) of this section shall
 9 submit to the **department** [GOVERNOR] a prioritized list of capital projects and
 10 estimated costs to be financed with money from the community's individual grant
 11 account established under (b) of this section. The list must include the amount and
 12 source of the local share required by AS 37.06.030. **If the community is located in**
 13 **a borough or unified municipality, the list is subject to approval of the assembly**
 14 **and must be accompanied by written evidence of that approval.** The **department**
 15 **shall rank all of the projects listed in order of state priority based on health and**
 16 **safety considerations, and the** governor shall include in the capital improvements
 17 program presented to the legislature under AS 37.07.060 the **amount** [PROJECTS
 18 SUBMITTED BY DESIGNATED ENTITIES UNDER THIS SUBSECTION] that the
 19 governor recommends for funding **the unincorporated community capital project**
 20 **matching grant program.** **If the state's priority ranking of** [, IN THE CAPITAL
 21 IMPROVEMENTS PROGRAM, THE GOVERNOR INCLUDES] projects **for a**
 22 **community is** in other than the priority order submitted by a designated entity, the
 23 governor shall provide the legislature with a written statement of the reasons for that
 24 action.

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

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

1 drawn out by a designated entity within **four** [FIVE] years after the effective date of
 2 the appropriation from which the allocation is funded lapses into the general fund.

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

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

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

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

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

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