

**CS FOR HOUSE BILL NO. 478(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/3/06

Referred: Finance

Sponsor(s): REPRESENTATIVES THOMAS, Elkins, Wilson, LeDoux, Kerttula

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the municipal harbor facility grant program; and providing for an  
2 effective date."

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

4 \* **Section 1.** AS 29.60 is amended by adding new sections to read:

5 **Article 10. Municipal Harbor Facility Grant Program.**

6 **Sec. 29.60.800. Municipal harbor facility grant fund.** (a) There is  
7 established the municipal harbor facility grant fund consisting of money appropriated  
8 to the fund. Each fiscal year, the legislature may appropriate money to the fund from  
9 the watercraft fuel tax account (AS 43.40.010(f)) and from the fisheries business tax  
10 collected under AS 43.75.015 after payments to municipalities are made under  
11 AS 43.75.130. The legislature may make other appropriations to the fund. The  
12 legislature may appropriate to the fund income earned on money in the fund.

13 (b) Money appropriated to the municipal harbor facility grant fund may be  
14 expended by the Department of Transportation and Public Facilities for municipal

1 harbor facility grants without further appropriation. Money in the fund does not lapse  
2 and remains available for expenditure in successive fiscal years.

3 (c) Each fiscal year, the Department of Transportation and Public Facilities  
4 shall use an amount equal to at least 50 percent of the balance of the municipal harbor  
5 facility grant fund on June 30 of the preceding fiscal year for municipal harbor facility  
6 grants.

7 **Sec. 29.60.810. Grant applications.** A municipality that owns a harbor facility  
8 may submit to the Department of Transportation and Public Facilities an application  
9 for a municipal harbor facility grant to be used for construction, expansion, major  
10 repair, or major maintenance of a harbor facility. The application must include  
11 information about the project requested by the department. For a proposed project to  
12 be eligible for a grant, the municipality must provide evidence acceptable to the  
13 department that the

14 (1) proposed project should be a capital improvement project and not  
15 part of a preventive maintenance program or regular custodial care program;

16 (2) municipality will provide 50 percent of the total project cost as  
17 matching funds for the state grant and that money received by the municipality from  
18 the state will not be used for the matching funds;

19 (3) municipality has secured and will maintain adequate property loss  
20 insurance for the replacement cost of the harbor facility or has an adequate program of  
21 insurance;

22 (4) municipality has a preventive maintenance plan for the harbor  
23 facility and will be adequately adhering to the preventive maintenance plan after  
24 completion of the proposed project.

25 **Sec. 29.60.820. Award of grants.** (a) The Department of Transportation and  
26 Public Facilities may award a municipal harbor facility grant during a fiscal year only  
27 for a proposed project eligible under AS 29.60.810 based on a grant application filed  
28 during the immediately preceding fiscal year before February 1. The total amount of  
29 grant money made available to a municipality during a fiscal year may not exceed  
30 \$5,000,000.

31 (b) The Department of Transportation and Public Facilities shall award a grant

1 for every proposed project eligible under AS 29.60.810 that is for repair and major  
2 maintenance of a harbor facility that was transferred by the state to a municipality  
3 before grants may be made for other proposed harbor facility projects during a fiscal  
4 year. However, after the department makes a grant for the repair and major  
5 maintenance of a harbor facility under this subsection, no other grants for the repair  
6 and major maintenance of that facility may be made during the same or any other  
7 fiscal year.

8 (c) The Department of Transportation and Public Facilities shall establish  
9 priorities for the award of grants for proposed municipal harbor facility projects under  
10 (b) of this section and priorities for the award of grants for other proposed harbor  
11 facility projects, with new construction projects having the lowest priority. The  
12 department shall award grants in the order of priority established. In establishing  
13 priorities, the department shall include at least the following, in the order listed:

14 (1) the extent to which the municipality can demonstrate that it will  
15 have sufficient revenue to operate and maintain the harbor facility in the future  
16 without state aid;

17 (2) public safety and emergency factors;

18 (3) the amount spent by the municipality on maintenance of the harbor  
19 facility;

20 (4) other options that would reduce or eliminate the need for the  
21 proposed project; and

22 (5) whether alternative harbor projects would better serve the public  
23 interest.

24 (d) The Department of Transportation and Public Facilities may suggest  
25 modifications to a project request to achieve cost savings or to better serve the public  
26 interest and, if the municipality agrees, award the municipal harbor facility grant for  
27 the proposed project as modified.

28 \* **Sec. 2.** This Act takes effect July 1, 2006.