

SENATE BILL NO. 291

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY SENATOR STEDMAN

Introduced: 2/14/06

Referred: Community and Regional Affairs, Finance

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 from the
9 watercraft fuel tax account (AS 43.40.010(f)) to the fund. The legislature may make
10 other appropriations to the fund. The legislature may appropriate to the fund income
11 earned on money in the fund.

12 (b) Money appropriated to the municipal harbor facility grant fund may be
13 expended by the Department of Transportation and Public Facilities for municipal
14 harbor facility grants without further appropriation. Money in the fund does not lapse

1 and remains available for expenditure in successive fiscal years.

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

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

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

15 (2) municipality will provide 50 percent of the total project cost as
16 matching funds for the state grant;

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

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

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

29 (b) The Department of Transportation and Public Facilities shall award a grant
30 for every proposed project eligible under AS 29.60.810 that is for repair and major
31 maintenance of a harbor facility that was transferred by the state to a municipality

1 before grants may be made for other proposed harbor facility projects during a fiscal
2 year. However, after the department makes a grant for the repair and major
3 maintenance of a harbor facility under this subsection, no other grants for the repair
4 and major maintenance of that facility may be made during the same or any other
5 fiscal year.

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

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

15 (2) public safety and emergency factors;

16 (3) the amount spent by the municipality on maintenance of the harbor
17 facility;

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

20 (5) whether alternative harbor projects would better serve the public
21 interest.

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

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