

Introduced: 3/17/70  
Referred: State Affairs  
and Finance

BY THE RULES COMMITTEE  
BY REQUEST OF THE  
LEGISLATIVE COUNCIL

1 IN THE HOUSE

2 HOUSE BILL NO. 791

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Rural Development Agency;  
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 44.19 is amended by adding a new section to read:

10 Sec. 44.19.575. STATEMENT OF POLICY. (a) The legislature recog-  
11 nizes that the rural areas of Alaska are in a largely underdeveloped  
12 state. Many small communities, none of which are capable by themselves  
13 of providing adequate funds for the development of human and economic  
14 resources, are scattered over vast areas of the state. To develop  
15 basic health, sanitation, educational and economic standards within  
16 those communities as well as to provide the opportunity for an orderly  
17 transition for the residents of those communities to urban centers  
18 requires a massive commitment of state and federal funds.

19 (b) The state government is presently confronted with a unique  
20 opportunity. The Congress of the United States is considering passage  
21 of legislation to settle Alaska Native land claims against the federal  
22 government. It is anticipated that as a result of the settlement of  
23 those claims, hundreds of millions of dollars will be available to aid  
24 the Native residents of Alaska who compose the vast majority of the  
25 residents of rural areas. It is the policy of the Alaska Legislature  
26 to use the opportunity of the Native land claims settlement to cooperate  
27 with the federal government in attempting to solve the problems of  
28 rural Alaska and the residents of rural Alaska.

29 \* Sec. 2. AS 44.19.590 is amended to read:

1           Sec. 44.19.590. DIRECTOR. The Rural Development Agency is admin-  
2 istered by a director of rural development. The director is appointed  
3 by the governor, subject to confirmation by a majority of the legisla-  
4 ture in joint session, and serves at the pleasure of the governor.

5 \* Sec. 3. AS 44.19.610(3) is amended to read:

6           (3) to utilize appropriated money to formulate and conduct  
7 a program of public work for the construction of basic facilities which  
8 will contribute to the improvement of the standards of living, health,  
9 welfare and economic security while providing employment and income in  
10 the rural areas; grants may be made to pay the costs of labor,  
11 contractuals, materials, shipping and other items necessary to con-  
12 struct basic facilities;

13 \* Sec. 4. AS 44.19.610(4) is amended to read:

14           (4) to formulate, or to participate in, a coordinated  
15 program to promote a broadening and diversification of the economic  
16 base of rural areas;

17 \* Sec. 5. AS 44.19 is amended by adding new sections to read:

18           Sec. 44.19.612/ RURAL DEVELOPMENT FUND ESTABLISHED. (a) There  
19 is created a rural development fund which shall be used exclusively  
20 (1) to carry out the purposes of secs. 575 - 635 of this chapter; and  
21 (2) to carry out those purposes and objectives within the scope of  
22 secs. 575 - 635 of this chapter as may be directed by the donor of the  
23 money to the fund. The total amount of disbursements each year from  
the fund is subject to authorization by the legislature.

24           (b) Appropriations to the fund do not lapse into the general fund  
25 at the end of the fiscal year but remain in the fund to be utilized  
26 for the purposes of secs. 575 - 635 of this chapter until the fund is  
27 terminated by law. If the fund is terminated the unused portion of the  
28 fund shall be returned to the general fund.  
29

1 (c) The fund shall be made up of money the legislature appropri-  
2 ates, money received from federal and other governmental sources, from  
3 private donors for rural development purposes, from interest earned on  
4 money in the fund, and money from any other source.

5 Sec. 44.19.614. BUDGETARY POWERS AND DUTIES OF DIRECTOR. (a)

6 The director shall prepare an annual budget providing for a general  
7 program of administration, technical assistance, small grants and  
8 emergency assistance to rural villages. This budget shall be the gen-  
9 eral budget of the agency and is subject to annual appropriation from  
10 the general fund and the rural development fund, as the legislature may  
11 determine.

12 (b) The director shall present annually to the legislature an  
13 estimated budget for disbursements to rural development districts,  
14 including a request for the total amount required from the fund for  
15 that fiscal year.

16 (c) The director may disburse funds to proposed districts for  
17 organization and planning purposes; however, no funds may be disbursed  
18 for projects within a district prior to the approval of the district  
19 by the legislature.

20 (d) Fund disbursements, within the total amount authorized  
21 annually from the fund by the legislature, shall be allocated as the  
22 director determines to be necessary in order to meet the priority needs  
23 requested by the rural development councils. The director shall submit  
24 to the legislature, with the proposed agency budget, a review of actual  
25 district disbursements for the previous fiscal year.

26 Sec. 44.19.616. DISBURSEMENTS FROM THE RURAL DEVELOPMENT FUND.

27 (a) The legislature shall authorize annually the total amount of  
28 disbursements by the agency for that fiscal year from the fund to rural  
29 development districts. Money committed by the director to a specific

1 project requested by a district does not lapse into the fund at the  
2 end of the fiscal year; however, the money which does not lapse may not  
3 be reallocated to other projects if the requested project is terminated,  
4 but shall lapse into the fund and be subject to reauthorization by the  
5 legislature.

6 (b) Subject to (a) of this section and upon authorization by the  
7 director, disbursements from the fund shall be paid by the proper state  
8 official upon presentation of a voucher signed by the director or his  
9 designee and approved by the proper state official.

10 Sec. 44.19.618. ESTABLISHMENT OF RURAL DEVELOPMENT DISTRICTS.

11 (a) Any group of 30 or more adult residents of an area may petition  
12 the director for creation of a rural development district to contain  
13 that area. The districts shall be made up of lands occupied primarily  
14 by persons dependent on a subsistence economy for their existence. The  
15 petition shall set out the proposed boundaries of the district and  
16 contain an analysis of how the district would conform with the criteria  
17 set out in this section. The director shall publish notice of the  
18 proposed district throughout the designated area, and shall solicit  
19 the opinions of residents of the area for a period of at least 30 days  
20 after publication of the notice. The director may then approve the  
21 district in its proposed form or modify the boundaries of the district  
22 in order to insure that the district meets the criteria set out in this  
23 section, or to avoid conflict with other proposed districts. In deter-  
24 mining whether to approve or modify the boundaries of a district, the  
25 director shall use the following criteria:

26 (1) the population of the district shall be inter-related  
27 and integrated as to its social, cultural and economic activities;

28 (2) the boundaries of the proposed district shall conform  
29 generally to the natural geography of the area;

1 (3) the economy of the proposed district shall be primarily  
2 of a subsistence nature throughout the district; and

3 (4) no first or second class city of over 2,000 population  
4 may be included within a district but a district may be established  
5 so as to wholly surround first and second class cities of 2,000 popula-  
6 tion or more.

7 (b) If within one year after the effective date of secs. 575 -  
8 635 of this chapter areas of Alaska in which the residents are primarily  
9 engaged in a subsistence economy are not included in proposed or  
10 existing districts, the director may initiate the creation of districts.  
11 Public notice shall be given of the proposed creation of a district and  
12 opinions solicited in the same manner as if the creation of the dis-  
13 trict had been initiated by petition.

14 (c) A district approved by the director shall be submitted to  
15 the legislature within five days after the convening of any regular  
16 session. The district shall stand as submitted unless it is rejected  
17 or amended by the legislature sitting in joint session or by joint  
18 resolution, within 45 days after it is submitted.

19 Sec. 44.19.621. ESTABLISHMENT OF RURAL DEVELOPMENT COUNCILS.

20 (a) The director shall establish procedures by which rural development  
21 councils, composed of not less than 10 nor more than 40 persons from  
22 each district, shall be elected. The number of persons serving on a  
23 council need not be uniform throughout all districts but shall be set  
24 by the director for each district so as to assure a democratic represen-  
25 tation of the residents within the district.

26 (b) The term of each council member shall be two years. Members  
27 of the councils do not receive compensation for performing their  
28 functions but shall receive the same travel and per diem allowances as  
29 are provided for all members of state boards and commissions,

1           Sec. 44.19.623. MEETINGS OF COUNCILS. Each rural development  
2 council shall meet at least annually at the call of the director and  
3 at such other times as provided in the bylaws of the council. The  
4 councils may adopt bylaws for their proceedings which shall be filed  
5 with the director and are in effect unless specifically disapproved  
6 in writing by the director.

7           Sec. 44.19.625. DUTIES OF COUNCILS. The council in each district  
8 shall meet with the director or his designated representatives and  
9 establish an overall plan within each area to develop the human and  
10 economic resources of the area. The agency shall provide all necessary  
11 clerical services, and within the limit of available funds, may employ  
12 and compensate staff personnel necessary for the work of the council,  
13 and may retain on an independent contract basis consultants and other  
14 persons to facilitate the purpose of the council.

15           Sec. 44.19.627. OVERALL DEVELOPMENT PLAN. Before expenditures  
16 for any specific projects are made in a district, an overall plan for  
17 future development shall be agreed to and approved by both the council  
18 and the director. The plan shall be reduced to writing, filed in the  
19 office of the director and copies of it made available to the legis-  
20 lature.

21           Sec. 44.19.629. USE OF FUNDS ALLOCATED TO DISTRICTS. (a) Funds  
22 provided under the general budget of the agency may be used to carry  
23 out the purposes of secs. 575 - 635 of this chapter; however, disburse-  
24 ments for specific district projects shall be for projects relating to  
25 the permanent health, educational, social and economic well-being of  
26 the district. As a condition to a grant, the director shall require  
27 a local contribution by the requesting district, either in money or  
28 by contributions in lieu of money, and may set the amount of the contri-  
29 butions as the nature of the project and the ability of the district

1 to contribute may warrant.

2 (b) District projects shall be granted according to the following  
3 priorities:

4 (1) development of safe water and sewage disposal facilities  
5 within the district;

6 (2) flood control and village relocation because of threats  
7 to health and safety;

8 (3) development of community centers, libraries and outdoor  
9 recreation areas;

10 (4) participating funds for the establishment of loan funds  
11 for economic endeavors or for the establishment of revolving loan funds  
12 for individual loans relating to income earning; however, no grant may  
13 exceed the amount of other capital supplied for such a loan fund;

14 (5) development of transportation-related projects such as  
15 airfields, docks, harbors and roads;

16 (6) participation in projects to aid rural residents in  
17 finding seasonal employment;

18 (7) participating funds for continuing district programs;

19 (8) participating funds for transitional programs outside  
20 the districts.

21 Sec. 44.19.631. DEVELOPMENT PROJECTS. Specific projects for  
22 development shall be in general conformity with the overall development  
23 plan filed with the director and be agreed to by both a majority of  
24 the council and the director before implementation. In the event the  
25 council desires to proceed with a project not agreed to by the director,  
26 the council may appeal to the governor for authorization to proceed.  
27 The decision of the governor on an appeal is final, and is not subject  
28 to judicial review.

29 Sec. 44.19.633. TRANSITIONAL PROGRAM. In addition to the

1 development programs implemented in the various districts of the state,  
2 the director is authorized to establish and implement a program of  
3 transitional assistance for those who are planning to move or have  
4 moved from rural areas to urban centers outside of the districts. The  
5 program may include specialized educational or vocational training,  
6 assistance in housing and job opportunities, including participation  
7 in the development of urban based transitional housing and aid centers,  
8 or training assistance and supplementary income over and above that  
9 provided by existing state and federal laws. The program shall be  
10 specifically oriented to the goal of easing the transition of residents  
11 of rural Alaska, dependent on a subsistence economy, to an urban way  
12 of life. The program may consist of loans or grants as the agency shall  
13 determine to be most desirable in accomplishing the purpose of secs.  
14 575 - 635 of this chapter. In determining those who are qualified for  
15 assistance under the transitional assistance program, the director may  
16 not include those persons whose residence in rural areas was of a  
17 temporary or transient nature, and who were not traditionally dependent  
18 on a subsistence economy. However, nothing in this section shall  
19 prohibit a district from participating in a project located in an urban  
20 center which has the purpose of aiding rural residents from the district  
21 in seeking employment, acquiring temporary housing or establishing  
22 residency outside the district.

23 Sec. 44.19.635. DEFINITIONS. In secs. 575 - 635 of this chapter

- 24 (1) "agency" means Rural Development Agency;
- 25 (2) "council" means rural development council;
- 26 (3) "director" means the director of rural development;
- 27 (4) "district" means rural development district;
- 28 (5) "fund" means rural development fund.

29 \* Sec. 6. AS 44.19.620 is repealed.

1       \* Sec. 7. This Act takes effect at the time and on the condition that  
2 an Act of the United States Congress providing for a complete settlement of  
3 the land claims of Alaska Natives becomes law before January 1, 1972.

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