

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 1

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act providing emergency financial assistance for
7 oil-development-impacted municipalities; and providing
8 for an effective date."

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

10 * Section 1. DECLARATION OF PURPOSE. It is the intention of the
11 legislature to provide temporary emergency financial assistance to munici-
12 palities for the purpose of meeting certain extraordinary operating expen-
13 ditures resulting from oil-development construction. It is the further
14 intention of the legislature that the state respond promptly to the oil-
15 development related impact needs of municipalities.

16 * Sec. 2. DISCRETIONARY GRANTS. (a) The department may make grants
17 to an oil-development-impacted municipality demonstrating

18 (1) an annual population growth rate in excess of its average
19 annual population growth rate for the period July 1, 1970, through July 1,
20 1973;

21 (2) extraordinary municipal operating expenditures beyond its
22 capability to reasonably meet from growth in receipts from current muni-
23 cipal revenue sources.

24 (b) Grants made under this section may be expended only for
25 municipal operating expenditures.

26 (c) Grants may be made under this section to a municipality receiving
27 a direct pipeline impact grant under ch. 147 SLA 1974, only after the
28 municipality certifies as to the use or intended use of its direct pipe-
29 line impact grant and only if after application of that grant a further

1 grant is considered necessary by the department.

2 (d) Grants made under this section may not be used directly or
3 indirectly to reduce current municipal tax rates.

4 * Sec. 3. APPLICATIONS. (a) Grants under this Act may be made only
5 upon application by the municipality to the department. Each grant appli-
6 cation shall state the intended use for which the grant will be expended.

7 (b) The department may not approve an application for a grant under
8 this Act after June 30, 1975.

9 * Sec. 4. ACCOUNTABILITY FOR GRANTS. (a) A municipality receiving a
10 direct pipeline impact grant under ch. 147, SLA 1974 shall submit a
11 financial report covering the expenditure of the direct pipeline impact
12 grant before a grant may be received under this Act.

13 (b) A municipality shall submit a financial report covering the
14 expenditure of any grant already received under this Act to the department
15 before another grant may be received under this Act.

16 (c) A municipality receiving grants under this Act shall

17 (1) maintain a separate account for the grants received under
18 this Act;

19 (2) provide for an annual independent audit of the separate
20 account for grants received under this Act; and

21 (3) submit a copy of the independent audit report to the
22 department.

23 * Sec. 5. POPULATION. A municipality shall submit estimated population
24 and population growth figures to the department. These population and
25 population growth figures are subject to review and approval by the
26 department. The decisions of the department as to population and popula-
27 tion growth figures are final.

28 * Sec. 6. AUTHORITY TO ACCEPT SERVICES, GIFTS, GRANTS, AND LOANS. When
29 the federal government or an agency or officer of the federal government

1 offers services, equipment, supplies, materials, or funds by way of gift,
2 grant, or loan, to the state or a municipality for the purpose of alle-
3 viating the social or economic impact resulting from oil development con-
4 struction, the state acting through the commissioner of community and
5 regional affairs, or the municipality acting through its executive officer
6 or governing body, may accept the offer.

7 * Sec. 7. REGULATIONS. The department may adopt regulations necessary
8 to carry out the purposes of this Act.

9 * Sec. 8. DEFINITIONS. In this Act

10 (1) "department" means the Department of Community and Regional
11 Affairs;

12 (2) "municipality" means a home rule or general law city or
13 borough, including a unified municipality established under AS 29.68;

14 (3) "operating expenditures" means personal services, contractual
15 services, travel, commodities, and up to \$20,000 per item of equipment,
16 except that the term does not include any of these items if part of a
17 capital improvement expenditure.

18 * Sec. 9. This Act takes effect on the day after its passage and
19 approval or on the day it becomes law without approval.
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