

Introduced: 1/29/74
Referred: Community &
Regional Affairs and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

CS
2 HOUSE BILL NO. 505

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to assisting municipalities; and
7 providing for an effective date."

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

9 * Section 1. DECLARATION OF PURPOSE. It is the intention of the legis-
10 lature to financially assist municipalities in meeting certain extra-
11 ordinary operating expenditures directly attributable to the impact of
12 construction of the trans-Alaska pipeline and which are beyond the capa-
13 bility of the impacted municipalities to reasonably meet.

14 * Sec. 2. ELGIBILITY STANDARDS. (a) Grants to carry out the purposes
15 of this Act may be made to a municipality demonstrating

16 (1) an annual population growth rate in excess of four per cent;

17 (2) extraordinary municipal operating expenditures beyond its
18 capability to reasonably meet; and

19 (3) that both (1) and (2) of this subsection can be directly
20 attributed to the impact of construction of the trans-Alaska pipeline.

21 (b) The base population for measuring the annual population growth
22 rate for purposes of this section is the population of the municipality on
23 the first day of the quarter of the calendar year during which the con-
24 struction commencement date of the trans-Alaska pipeline occurs.

25 * Sec. 3. ESSENTIAL MUNICIPAL SERVICES. Grants made under this Act may
26 be expended only for operating expenditures for the following essential
27 municipal services:

28 (1) police protection;

29 (2) fire protection;

- 1 (3) solid waste collection and disposal;
- 2 (4) water supply and sewage disposal systems;
- 3 (5) health care services; and
- 4 (6) land use and environmental planning and regulation.

5 * Sec. 4. GRANT COMPUTATION AND PAYMENT. (a) A municipality is
6 eligible for a grant amount under this Act equal to its population growth
7 by June 30, 1975 in excess of the four per cent annual population growth
8 rate standard established under sec. 2 of this Act multiplied by its per
9 capita general fund expenditures, excluding expenditures for education,
10 capital outlay and debt service, for the last complete fiscal year preceding
11 the effective date of this Act.

12 (b) Total grants under this Act to a municipality with, as of the
13 construction commencement date of the trans-Alaska pipeline, a population of
14 10,000 persons or more may not exceed \$250 per capita of the population
15 growth in excess of the four per cent annual population growth rate standard
16 established under sec. 2 of this Act. Total grants under this Act to a
17 municipality with, as of the construction commencement date of the trans-
18 Alaska pipeline, a population under 10,000 persons may not exceed \$400 per
19 capita of the population growth in excess of the four per cent annual
20 population growth rate standard established under sec. 2 of this Act.

21 (c) The base population for measuring per capita general fund expendi-
22 tures for purposes of this section is the population of the municipality on
23 the first day of the quarter of the calendar year during which the con-
24 struction commencement date of the trans-Alaska pipeline occurs.

25 (d) Grants may be made quarterly based upon quarterly population
26 estimates with final adjustment to be made on June 30, 1975. Final grant
27 payments shall be withheld until after final adjustments of amounts are made
28 on June 30, 1975.

29 * Sec. 5. PREPAYMENTS. (a) A municipality may receive, as a prepayment,

1 up to 50 per cent of the amount it will be entitled to under this Act upon
2 certification by the Department of Community and Regional Affairs that the
3 municipality will more likely than not meet the eligibility standards set
4 forth in sec. 2 of this Act.

5 (b) Total prepayments to municipalities made under this section may
6 not exceed \$5,000,000.

7 * Sec. 6. APPLICATION. (a) Grants under this Act may be made only upon
8 application by a municipality to the Department of Community and Regional
9 Affairs. Each grant application shall state the essential municipal services
10 for which the grant will be expended. A prepayment grant application may be
11 submitted at any time after the effective date of this Act.

12 (b) No grant may be expended for purposes other than those specified
13 in the application.

14 * Sec. 7. ACCOUNTABILITY FOR GRANTS. (a) A municipality shall submit a
15 financial report covering the expenditure of any grant already received under
16 this Act to the Department of Community and Regional Affairs before another
17 grant may be received under this Act.

18 (b) A municipality receiving grants under this Act shall

19 (1) maintain a separate account for the grants received under
20 this Act;

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

23 (3) submit a copy of the independent audit report to the Depart-
24 ment of Community and Regional Affairs.

25 * Sec. 8. APPROVAL. Grants under this Act shall be made by the Depart-
26 ment of Community and Regional Affairs at the direction of the governor
27 subject to approval of the Legislative Budget and Audit Committee.

28 * Sec. 9. POPULATION. A municipality shall submit estimated population
29 and population growth figures to the Department of Community and Regional

1 Affairs. These population and population growth figures are subject to
2 review and approval by the Department of Community and Regional Affairs.
3 The decisions of the Department of Community and Regional Affairs are final
4 as to

5 (1) population growth figures for the purpose of establishing
6 eligibility under sec. 2 of this Act;

7 (2) population figures for computing grant amounts under sec. 4
8 of this Act; or

9 (3) population figures for computing prepayment amounts under
10 sec. 5 of this Act.

11 * Sec. 10. DEFINITIONS. For purposes of this Act

12 (1) "construction commencement date" means the date the
13 following occur:

14 (A) there has been issued to the owner or his agent
15 right-of-way permits, leases, and title and other rights in lands,
16 and other approvals, permits, licenses and certificates, by federal,
17 state and local agencies that a reasonable and prudent person would
18 consider adequate to commence construction of the facilities in
19 the expectation that all other approvals, permits, licenses and
20 certificates necessary for the completion of facilities will be
21 obtained;

22 (B) all approvals, permits, licenses and certificates
23 are in full force and effect, unrevoked and without any modification,
24 which might jeopardize the completion or continued construction of
25 the facilities; and

26 (C) no order, judgment, decree, determination or
27 award of a federal, state or local court or administrative or regu-
28 latory agency enjoining, either temporarily or permanently, the con-
29 struction or the continuation of construction of the facilities is

1 in effect;

2 (2) "municipality" means a general law municipal corporation
3 and political subdivision, which is a first or second class borough or city
4 incorporated under the laws of the state;

5 (3) "operating expenditures" means personal services, con-
6 tractual services, travel, commodities and up to \$20,000 per item of equip-
7 ment except that it does not include any of these items if part of a capital
8 improvement expenditure;

9 (4) "quarter of a calendar year" means a period beginning
10 January 1, April 1, July 1, and October 1 of a calendar year.

11 * Sec. 11. REGULATIONS. The Department of Community and Regional Affairs
12 may adopt regulations necessary to carry out the purpose of this Act.

13 * Sec. 12. EFFECTIVE DATE. This Act takes effect on the day after its
14 passage and approval or on the day it becomes law without approval.

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