

Original sponsor: Rules Committee by
request of the Governor

Offered: 3/7/74
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

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CS FOR HOUSE BILL NO. 505

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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EIGHTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to assisting municipalities; and

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providing for an effective date."

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

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* Section 1. DECLARATION OF PURPOSE. It is the intention of the legis-

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lature to financially assist municipalities in meeting certain extraordinary

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operating expenditures caused by accelerated population growth other than the

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normal seasonal population increase and which are beyond the capability of

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the impacted municipalities to reasonably meet. It is the further intention

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of the legislature that the state respond promptly to the impact needs of

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municipalities.

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* Sec. 2. ELIGIBILITY STANDARDS. (a) Grants to carry out the purposes

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of this Act may be made to a municipality demonstrating

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(1) an annual population growth rate in excess of 2.9 per cent

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of the base population, other than the normal seasonal population increase;

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(2) extraordinary municipal operating expenditures beyond its

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capability to reasonably meet from growth in receipts from present municipal

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revenue sources.

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(b) The base population for measuring the annual population growth rate

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for purposes of this section, is the population of the municipality on the

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first day of the quarter in which this Act takes effect.

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* Sec. 3. ESSENTIAL MUNICIPAL SERVICES. Grants made under this Act may

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be expended only for operating expenditures for essential municipal services

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specified in the application.

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* Sec. 4. GRANT COMPUTATION AND PAYMENT. (a) An existing municipality

1 or a municipality incorporated after the effective date of this Act is eligible
2 for a grant amount under this Act equal to its annual population growth by
3 June 30, 1975 in excess of the 2.9 per cent growth rate standard established
4 under sec. 2 of this Act multiplied by its per capita general fund expendi-
5 tures, excluding expenditures for education, capital outlay and debt service,
6 for, in the case of an existing municipality, the last complete fiscal year
7 preceding the effective date of this Act and, in the case of a municipality
8 incorporated after the effective date of this Act, its fiscal year budget.

9 (b) Total grants under this Act to a municipality with a population of
10 10,000 persons or more on the first day of the quarter in which the effective
11 date of this Act falls may not exceed \$250 per capita of the population
12 growth in excess of the average annual population growth rate standard estab-
13 lished under sec. 2 of this Act. Total grants under this Act to a municipali-
14 ty with a population under 10,000 persons on the first day of the quarter in
15 which the effective date of this Act falls may not exceed \$400 per capita of
16 the population growth in excess of the average annual population growth rate
17 standard established under sec. 2 of this Act.

18 (c) The base population for measuring the per capita general fund
19 expenditures for purposes of this section is the population of the munici-
20 pality on the first day of the quarter in which the effective date of this
21 Act falls.

22 (d) Grants may be made quarterly based upon quarterly population esti-
23 mates with final adjustment to be made on June 30, 1975. Final grant payments
24 shall be withheld until after final adjustments of amounts are made on June 30,
25 1975.

26 * Sec. 5. PREPAYMENTS. (a) A municipality may receive, as a prepayment,
27 up to 50 per cent of the amount it will be entitled to under this Act upon
28 certification by the Department of Community and Regional Affairs that the
29 municipality will more likely than not meet the eligibility standards set

1 out in sec. 2 of this Act.

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

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

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

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

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

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

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

20 (3) submit a copy of the independent audit report to the Department
21 of Community and Regional Affairs.

22 * Sec. 8. APPROVAL. Grants under this Act shall be made by the Department
23 of Community and Regional Affairs at the direction of the governor subject
24 to approval of the Legislative Budget and Audit Committee.

25 * Sec. 9. POPULATION. A municipality shall submit estimated population
26 and population growth figures to the Department of Community and Regional
27 Affairs. These population and population growth figures are subject to review
28 and approval by the Department of Community and Regional Affairs. The
29 decisions of the Department of Community and Regional Affairs are final as to

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

3 (2) population figures for computing grant amounts under sec. 4
4 of this Act; and

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

7 * Sec. 10. PIPELINE IMPACT FUND. There is the pipeline impact fund
8 created for the purpose of carrying out the provisions of this Act. The fund
9 consists of all money made available by appropriations of the state legisla-
10 ture, and from other appropriated funds, all contributions from whatever
11 source, and income and interest derived from the investment of money.

12 * Sec. 11. DEFINITIONS. In this Act

13 (1) "municipality" means a home rule municipality or a general
14 law municipal corporation and political subdivision, which is a first or
15 second class borough or city incorporated under the laws of the state;

16 (2) "operating expenditures" means personal services, contractual
17 services, travel, commodities, and up to \$20,000 per item of equipment except
18 that it does not include any of these items if part of a capital improvement
19 expenditure;

20 (3) "population" means nonmilitary population;

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

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

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