

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 508

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for loans to municipalities for  
7 capital improvement planning; and providing for an  
8 effective date."

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

10 \* Section 1. AS 44.47 is amended by adding new sections to read:

11 ARTICLE 3A. MUNICIPAL PLANNING REVOLVING LOAN FUND.

12 Sec. 44.47.105. PURPOSE. It is the purpose of secs. 105 - 119  
13 of this chapter to make loans available to Alaska municipalities for  
14 pre-engineering, engineering and architectural design of municipal  
15 capital improvement projects.

16 Sec. 44.47.107. CREATION OF FUND. There is created in the state  
17 treasury the Municipal Planning Revolving Loan Fund to be administered  
18 by the department.

19 Sec. 44.47.109. ELIGIBILITY FOR LOANS. (a) A municipality may  
20 receive loans from the Municipal Planning Revolving Loan Fund under  
21 secs. 105 - 119 of this chapter for the following capital improvement  
22 planning purposes:

- 23 (1) pre-engineering studies;  
24 (2) engineering design; and  
25 (3) architectural design.

26 (b) A municipality that demonstrates it has a population growth  
27 rate in excess of its normal growth rate and that this excess growth  
28 is directly attributable to the impact of the construction of the  
29 trans-Alaska pipeline shall be given priority by the department in the

1 distribution of the loans made under secs. 105 - 119 of this chapter.

2 (c) A municipality may receive loans on a priority basis under  
3 (b) of this section upon a determination by the department that the  
4 municipality will more likely than not meet the standards set forth in  
5 (b) of this section.

6 (d) No loans may be made under secs. 105 - 119 of this chapter  
7 for the purpose of conducting a feasibility study of a municipal  
8 capital improvement.

9 Sec. 44.47.111. AMOUNT OF LOAN. A municipality may receive a  
10 maximum loan under secs. 105 - 119 of this chapter in an amount not  
11 to exceed \$100 per capita or \$150,000, whichever is the lesser amount.

12 Sec. 44.47.113. POPULATION. For purposes of secs. 105 - 119 of  
13 this chapter, population shall be determined by the latest figures of  
14 the United States Bureau of the Census or other reliable population  
15 data submitted by a municipality to the department. Population figures  
16 are subject to review and approval by the department. The decision of  
17 the department as to annual population growth rates under sec. 109 of  
18 this chapter and as to population under sec. 111 of this chapter is  
19 final.

20 Sec. 44.47.115. REPAYMENT OF LOANS. A loan to a municipality  
21 made under secs. 105 - 119 of this chapter shall be repaid into the  
22 Municipal Planning Revolving Loan Fund at the time financing for the  
23 capital improvement is secured along with interest not to exceed six  
24 per cent. If financing of the capital improvement is not secured, the  
25 loan shall be repaid into the Municipal Planning Revolving Loan Fund  
26 within five years from the date of the loan along with interest not to  
27 exceed six per cent.

28 Sec. 44.47.117. APPLICATION. (a) A loan to a municipality  
29 from the Municipal Planning Revolving Loan Fund under secs. 105 - 119

1 of this chapter may be made only upon application by the municipality  
2 to the department. Each loan application shall state the purposes for  
3 which the loan will be spent.

4 (b) No loan may be spent for purposes other than those specified  
5 in the application.

6 Sec. 44.47.119. DEFINITIONS. For purposes of secs. 105 - 119  
7 of this chapter

8 (1) "municipality" means a general law municipal corporation  
9 and political subdivision, which is a first or second class borough  
10 or city, or a third class borough, incorporated under the laws of the  
11 state.

12 \* Sec. 2. This Act takes effect on the day after its passage and  
13 approval or on the day it becomes law without approval.