

Original sponsor: The Rules Committee
by request of the Special Petroleum
Impact Committee

Offered: 3/15/74
Referred: Finance

1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 382

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 pipeline impacted
7 municipalities; and providing for an effective date."

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

9 * Section 1. PURPOSE. It is the purpose of the legislature to provide
10 temporary emergency financial assistance to municipalities in order that
11 they can meet certain extraordinary expenditures resulting from trans-
12 Alaska pipeline construction. It is the further intention of the legislature
13 that the state respond promptly to the impact needs of these municipalities.

14 * Sec. 2. FORMULA GRANTS. (a) The Department of Community and Regional
15 Affairs shall make grants, subject to the provisions of sec. 5 of this Act,
16 to a pipeline impacted municipality demonstrating an annual population
17 growth rate in excess of four per cent of the base population.

18 (b) A municipality is eligible for a grant not to exceed an amount
19 equal to its annual population growth by June 30, 1975 in excess of the four
20 per cent growth rate standard established under (a) of this section multiplied
21 by its per capita general fund expenditures, excluding expenditures for
22 education, capital outlay and debt service, for the last complete fiscal
23 year preceding the effective date of this Act.

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

26 (d) The base population for measuring the annual population growth
27 rate, for purposes of this section, is the population of the municipality on
28 January 1, 1974.

29 (e) Grants may be made quarterly based upon quarterly population

1 estimates.

2 (f) A municipality may receive, as a prepayment, up to 50 per cent of
3 the amount it will be entitled to under sec. 2 of this Act upon certification
4 by the department that the municipality will more likely than not meet the
5 standards set out in this Act.

6 * Sec. 3. DISCRETIONARY GRANTS. The department may make grants to a
7 pipeline impacted municipality demonstrating extraordinary municipal operating
8 expenditures which are beyond its reasonable capability to meet from growth
9 in receipts from current municipal revenue sources. Grants made under this
10 section may be expended only for operating expenditure for municipal services.

11 * Sec. 4. CAPITAL IMPROVEMENT LOANS. (a) The department may make
12 loans to a pipeline impacted municipality demonstrating extraordinary
13 municipal capital improvement needs which are beyond its reasonable capability
14 to meet from short-term receipts from current municipal revenue sources and
15 for which no other funds are reasonably available.

16 (b) The department shall establish the terms and conditions of the
17 loans but interest may not be charged in excess of the average rate the
18 state is paying on its obligations plus one quarter of one per cent.

19 * Sec. 5. LEGISLATIVE BUDGET AND AUDIT COMMITTEE APPROVAL. No formula
20 grant, discretionary grant or capital improvement loan may be approved or
21 disbursed except after review and approval by the Legislative Budget and
22 Audit Committee.

23 * Sec. 6. REGULATIONS. The Department of Community and Regional Affairs
24 may adopt regulations necessary to carry out the purpose of this Act.

25 * Sec. 7. DEFINITIONS. In this Act

26 (1) "department" means the Department of Community and Regional
27 Affairs;

28 (2) "municipality" means a home rule or general law city or
29 borough, including but not limited to a unified municipality established

1 under AS 29.68;

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

6 (4) "population" means nonmilitary population as determined by the
7 department;

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

10 * Sec. 8. TERMINATION DATE FOR APPLICATIONS. The department may not
11 approve an application for a grant or loan under this Act after midnight of
12 June 30, 1975.

13 * Sec. 9. 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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