

Original sponsors: Malone and Gardiner

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1 IN THE HOUSE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE CS FOR HOUSE BILL NO. 222

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the planning and funding of capi-
7 tal construction projects; and providing for an effective date "

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

9 * Section 1. AS 35.10.170(3) is amended to read:

10 (3) make projections of future public facility needs of the
11 state, analyze facilities needed, and establish methodology for program
12 planning and facilities project planning, design and construction, based
13 upon

14 (A) a justification of the level of service anticipated
15 by the program agency, utilizing population projections and esti-
16 mates approved by the governor;

17 (B) consideration of the geographical area to be served
18 by the facility and relevant data concerning the agency's existing
19 public facilities in that area;

20 (C) the date by which the services are to be provided;

21 (D) alternative program methods for providing the ser-
22 vices; and

23 (E) pertinent data requested by the department in
24 accordance with procedures developed under sec. 180 of this chap-
25 ter;

26 * Sec. 2. AS 37.07.010 is amended by adding a new paragraph to read:

27 (6) public participation in the development of the annual
28 budget, including opportunity for the public to review and comment upon
29 the plans and programs of the Office of the Governor and all state

1 agencies in the executive branch, the legislature, the judicial system,
2 the University of Alaska and the public corporations of the state.

3 * Sec. 3. AS 37.07.020 is repealed and re-enacted to read:

4 Sec. 37.07.020. RESPONSIBILITIES OF THE GOVERNOR. (a) The gover-
5 nor shall prepare and submit to the legislature before the fourth legis-
6 lative day a budget for the succeeding fiscal year which shall cover all
7 estimated receipts, including all grants, loans, and money received from
8 the federal government, and all proposed expenditures of the state
9 government. The budget shall be accompanied by a general appropriation
10 bill to authorize the proposed expenditures, and a bill or bills cover-
11 ing recommendations in the budget for new or additional revenues.

12 (b) In addition to the budget and general appropriation bill, the
13 governor shall submit a capital improvements program and financial plan
14 covering the succeeding six fiscal years.

15 (c) Proposed expenditures may not exceed estimated revenues for
16 the succeeding fiscal year. The expenditures proposed in the six-year
17 capital improvements program and financial plan shall not exceed the
18 estimated revenues and bond authorizations passed and proposed.

19 * Sec. 4. AS 37.07.030 is amended to read:

20 Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legis-
21 lature shall

22 (1) provide for a budget review function;

23 (2) analyze the comprehensive operating and capital improve-
24 ments programs [PROGRAM] and financial plans [PLAN] recommended by the
25 governor;

26 (3) adopt legislation to authorize implementation of the
27 governor's comprehensive operating and capital improvements programs
28 [PROGRAM] and financial plans [PLAN] or appropriate alternatives to
29 those plans [THAT PLAN];

1 (4) provide for a post-audit function, to cover financial
2 transactions, program accomplishment and compliance with legislative
3 intent;

4 (5) adopt or revise the estimate or receipts required to
5 balance the succeeding fiscal year's budget in order that proposed
6 expenditures do not exceed estimated receipts for that fiscal year;

7 (6) adopt, revise, or initiate revenue measures in order to
8 balance the succeeding fiscal year's budget and the capital improvements
9 section of the budget for the succeeding six years.

10 * Sec. 5. AS 37.07.040(3), (4) and (7) are amended to read:

11 (3) develop procedures to produce the information needed for
12 effective policy decision making, including procedures to provide for
13 the dissemination of information about plans, programs and program
14 budget requests to be included in the annual budget and opportunity for
15 public review and comment during the period of budget preparation;

16 (4) assist state agencies in their statement of goals and
17 objectives, preparation of program plans, program budget requests and
18 reporting of program performance; all documents forwarded by the divi-
19 sion to a state agency containing instructions for the preparation of
20 program plans and program budget requests and the reporting of program
21 performance are public information after the date they are forwarded;

22 (7) provide the legislative finance division with an advance
23 copy of the governor's budget workbooks by the first Monday in January
24 of each year, except that following a gubernatorial election year the
25 advance copy shall be provided by the second Monday in January [; THE
26 ADVANCE COPY SHALL BE PROVIDED ON A CONFIDENTIAL BASIS AND SHALL BE USED
27 ONLY TO PREPARE BUDGET ANALYSIS DOCUMENTS WHICH WILL BE PUBLISHED AND
28 DISTRIBUTED FOLLOWING THE DELIVERY OF THE GOVERNOR'S BUDGET MESSAGE TO
29 THE LEGISLATURE].

1 * Sec. 6. AS 37.07.050 is amended by adding a new subsection to read:

2 (g) All goals and objectives plans, programs, estimates, budgets
3 and other documents forwarded to the division of budget and management
4 by a state agency under this section are public information after the
5 date they are forwarded.

6 * Sec. 7. AS 37.07.060 is repealed and re-enacted to read:

7 Sec. 37.07.060. GOVERNOR'S RECOMMENDATION. (a) The governor
8 shall formulate the operating and capital improvements programs and
9 financial plans required to be recommended to the legislature by sec. 20
10 of this chapter after considering the state agency proposed program and
11 financial plans, and other programs and alternatives that he considers
12 appropriate. The plans shall include his recommended goals and poli-
13 cies, recommended plans to implement the goals and policies, recommended
14 operating program for the succeeding fiscal year, recommended capital
15 improvements program for the succeeding six fiscal years, and recom-
16 mended revenue measures to support the programs.

17 (b) The governor shall present the proposed comprehensive opera-
18 ting and capital improvements programs and financial plans in a message
19 to a joint session of the legislature before the fourth legislative day
20 following the convening of the legislature in regular session. The
21 message shall be accompanied by an explanatory report which summarizes
22 recommended goals, plans, and appropriations. The report shall contain

23 (1) the coordinated program goals and objectives which the
24 governor recommends to guide the decisions on the proposed program plans
25 and budget appropriations;

26 (2) his operating program and budget recommendations for the
27 succeeding fiscal year;

28 (3) his capital improvements program and budget recommenda-
29 tions for the succeeding fiscal year and capital improvements program

1 for the succeeding six fiscal years which shall include

2 (A) a description of each project, its estimated cost
3 for the year construction is to start, and the source of financing;

4 (B) a summary of projects previously authorized and not
5 yet completed;

6 (C) a summary, listed by agency, of all previously pro-
7 posed projects which have been deferred beyond the six years
8 covered by the plan and the year in which construction has been re-
9 scheduled to begin;

10 (D) a forecast of the debt structure of the state and
11 the various debt ratios over the life of the state's bonds out-
12 standing, bonds authorized and to be issued, and bond authoriza-
13 tions recommended in the plan;

14 (E) a description of additional revenue measures needed
15 to finance the plan in lieu of debt;

16 (F) bond election bills to authorize the bonds required
17 to fund the projects scheduled for the first three years of the
18 plan;

19 (G) projections of population of the state and its
20 regions and communities;

21 (H) economic data and projections necessary for the
22 evaluation of the plan;

23 (4) a summary of state receipts in the last fiscal year, a
24 revised estimate for the current fiscal year, and an estimate for the
25 succeeding fiscal year;

26 (5) a summary of expenditures during the last fiscal year,
27 those authorized for the current fiscal year, and an estimate for the
28 succeeding fiscal year;

29 (6) any additional information which will facilitate under-

1 standing of the governor's proposed programs and financial plans by the
2 legislature and the public.

3 * Sec. 8. AS 37.07 is amended by adding a new section to read:

4 Sec. 37.07.062. CAPITAL BUDGET. (a) The general appropriation
5 bill required to be submitted to the legislature in sec. 20(a) of this
6 chapter shall contain a separate section for capital outlays which is
7 divided into subsections for each of the capital projects funds (AS
8 44.42.080) which lists, for each project, the (1) project identification
9 number; (2) project title; (3) source of funding; (4) amount expended on
10 the project during the preceding fiscal year, the amount authorized for
11 the current fiscal year, and the amount proposed to be expended during
12 the succeeding fiscal year; (5) estimated start for construction; (6)
13 schedule of bond elections pertaining to the appropriation, including
14 elections previously held. The total appropriation to each capital
15 projects fund shall be reflected in the balance sheet of each fund as of
16 June 30 of each fiscal year.

17 (b) Upon the effective date of the general appropriation bill, the
18 amounts appropriated by the bill for capital outlay shall be paid into
19 the appropriate capital project funds established under AS 44.42.080.

20 (c) The balance sheet of each capital projects fund (AS 44.42.080)
21 shall, at the end of each fiscal year, contain the following items so as
22 to reflect the status of each fund and that the appropriations to each
23 fund are not based upon a fiscal year:

24 (1) cash with treasury--shows a normal debit balance;

25 (2) bonds authorized and unissued--shows a normal debit
26 balance; these are assets of each fund and shall be sold in accordance
27 with the election date of each authorization; the proceeds are expended
28 on a first-in, first-out basis;

29 (3) bonds to be authorized--shows a normal debit balance;

1 these shall be reflected in general obligation bond or revenue bond Act
2 proposals accompanying each year's capital improvements program revi-
3 sion; the general obligation bond Act proposals are to provide funding
4 for the three fiscal years following the general election date;

5 (4) general fund; reserve for capital outlay--shows a normal
6 debit balance; this is the amount required by AS 37.05.157 to be in-
7 cluded in the general appropriation bill as the reserve for capital
8 outlay to cover the succeeding six-year planning period;

9 (5) general fund; other--shows a normal debit balance; addi-
10 tional appropriations from the general fund above those required by law
11 for capital outlay;

12 (6) other funds--shows a normal debit balance; appropriations
13 from other state funds for capital outlay;

14 (7) federal aid--shows a normal debit balance; includes funds
15 expected to be received from federal sources for capital projects;

16 (8) expenditures, prior fiscal year--shows a normal credit
17 balance;

18 (9) encumbrances--shows a normal debit balance;

19 (10) reserve for encumbrances--shows a normal credit balance;

20 (11) fund balance--shows a normal zero balance.

21 (d) The annual financial report of the state shall contain the
22 following statements for each capital projects fund:

23 (1) balance sheet;

24 (2) analysis of changes in bonds authorized and unissued;

25 (3) analysis of changes in bonds to be authorized;

26 (4) analysis of changes in funds to be provided by others;

27 (5) statement of expenditures and encumbrances compared to
28 appropriations.

29 * Sec. 9. AS 37.07.070 is amended to read:

1 Sec. 37.07.070. LEGISLATIVE REVIEW. The legislature shall consi-
2 der the governor's proposed comprehensive operating and capital improve-
3 ments programs [PROGRAM] and financial plans [PLAN], evaluate alterna-
4 tives to the plans [PLAN], make program selections among the various
5 alternatives and determine, subject to available revenues, the level of
6 funding required to support authorized state services. During each
7 regular session of the legislature, legislative review of the plans
8 [PLAN] shall be accomplished according to the following schedule:

9 (1) By the 45th legislative day, the legislature shall have
10 established by concurrent resolution the total amount of state general
11 funds that shall be available for appropriation for the budget year and
12 the tentative allocation of the funds among program categories in both
13 the operating and capital budgets. The resolution shall be introduced
14 by the finance committee of the house in which the general appropria-
15 tions bill was introduced.

16 (2) By the 90th legislative day, the house in which the
17 general appropriations bill was introduced by the governor shall have
18 calendared for second reading a version of the general appropriations
19 bill. The bill shall be supported with documentation to explain the
20 proposed appropriations and related statements of intent. In addition,
21 a list of other appropriations or measures with fiscal implications
22 pending before the legislature shall be included with the documentation
23 for the calendared bill.

24 * Sec. 10. AS 37.05 is amended by adding a new section to read:

25 Sec. 37.05.157. GENERAL FUND; "RESERVE FOR CAPITAL OUTLAY" AC-
26 COUNT. (a) There is created within the general fund the "reserve for
27 capital outlay" account.

28 (b) Twenty-five per cent of the annual receipts paid the state
29 from mineral lease bonuses and rentals for state land and royalties

1 derived from minerals produced on state land shall be allocated to the
2 reserve for capital outlay account.

3 (c) The proceeds of the reserve for capital outlay account are
4 subject to annual appropriation by the general appropriation Act.

5 * Sec. 11. AS 37.05 is amended by adding a new section to read:

6 Sec. 37.05.158. GENERAL FUND: "RESERVE FOR ENERGY FACILITIES
7 DEVELOPMENT" ACCOUNT. (a) There is created within the general fund the
8 "reserve for energy facilities development" account.

9 (b) Five per cent of the annual receipts paid the state from
10 mineral lease bonuses and rentals for state land and royalties derived
11 from minerals produced on state land shall be allocated to the reserve
12 for energy facilities development account.

13 (c) The proceeds of the reserve for energy facilities development
14 account shall be subject to annual appropriation by the legislature.
15 Plans for expenditures from the account shall be submitted by the gover-
16 nor in accordance with the Executive Budget Act (AS 37.07) as part of
17 his annual budget presentation.

18 * Sec. 12. AS 37.15 is amended by adding a new section to read:

19 Sec. 37.15.215. OFFICIAL STATEMENTS. The the extent practicable
20 the official statements and other documentation issued in connection
21 with an offering of state or local government securities shall comply
22 with the guidelines of the Municipal Finance Officers Association or
23 other nationally recognized guidelines.

24 * Sec. 13. AS 44.42.020(a) is amended by adding a new paragraph to read:

25 (13) complete and maintain a current inventory of public
26 facilities, including a projection of the serviceability of the facili-
27 ties and projections of replacements and additions to facilities needed
28 to provide the level of services programmed by the various user agencies,
29 for municipalities with populations of less than 12,000 and for unincor-

1 porated communities, and perform those duties on a cooperative basis
2 with larger municipalities;

3 * Sec. 14. AS 44.42 is amended by adding a new section to read:

4 Sec. 44.42.055. STATE PUBLIC FACILITIES PLAN. (a) The commis-
5 sioner shall develop and annually revise a statewide comprehensive
6 facility procurement plan for public facilities of the state and its
7 municipalities.

8 (b) In developing and annually revising the facility procurement
9 plan, the commissioner shall

10 (1) request and receive on an annual basis from all state
11 agencies a projection of the anticipated facility needs of the agency
12 for the next annual capital improvement program;

13 (2) consult with officials and representatives of municipali-
14 ties, the federal government, interested corporations and other organi-
15 zations concerning public facility needs in the state;

16 (3) develop specific facility procurement plans for projects
17 in each of the following categories:

18 (A) sewage transmission and treatment systems;

19 (B) water transmission and treatment systems;

20 (C) electrical generation and distribution systems;

21 (D) health care and social services facilities;

22 (E) educational facilities;

23 (F) communications facilities and transportation facili-
24 ties;

25 (G) public safety and justice facilities;

26 (H) recreational facilities; and

27 (I) sanitation facilities;

28 (4) prepare recommendations to accommodate the various levels
29 of service identified by state agencies and other parties with respect

1 to the services described in (3) of this subsection, to include recom-
2 mended

3 (A) current and future facility needs;

4 (B) space standards and design guidelines for the appro-
5 priate facility types;

6 (C) maintenance and operations standards for the appro-
7 priate facility types;

8 (D) construction techniques and contracting methods;

9 (E) facility project budget requirements; and

10 (F) the relative costs of identified alternatives (life
11 cycle cost analysis);

12 (5) identify common public facility needs among the various
13 user agencies; and

14 (6) submit its findings, plans and recommendations to the
15 governor and to the appropriate state agency to facilitate the develop-
16 ment of agency capital improvement budget requests.

17 (c) In the preparation and revision of the facility procurement
18 plan, the commissioner may

19 (1) develop and adopt regulations for use in carrying out the
20 purpose of (b) of this section; regulations may not be adopted under
21 this section unless approval is received from appropriate program
22 agencies;

23 (2) make recommendations on the total capital improvement
24 program to affected state agencies, local governments, and other in-
25 terested parties and organizations, and to the divisions of budget and
26 management and policy development and planning.

27 (d) In this section, "public facility"

28 (1) means a capital improvement within one of the categories
29 described in (b) of this section which is constructed

1 (A) for subsequent occupancy or operation by the state,
2 a public corporation of the state, the University of Alaska, a
3 political subdivision, or a regional educational attendance area;

4 (B) by a political subdivision or any private party with
5 the assistance of financial support provided by the state if funds
6 appropriated or paid by way of a grant or loan in advance of con-
7 struction of the facility, or any part of it, are 50 per cent or
8 more of the estimated costs of construction of the facility;

9 (2) does not include projects constructed with the proceeds
10 of one or more loans issued by a loan program administered by the
11 Department of Commerce and Economic Development.

12 * Sec. 15. AS 44.42 is amended by adding a new section to read:

13 Sec. 44.42.080. CAPITAL PROJECTS FUNDS. There is created within
14 the department the following capital projects funds:

- 15 (1) educational, cultural, and related facilities;
- 16 (2) transportation and related facilities;
- 17 (3) public institutions and related facilities;
- 18 (4) public safety, justice, and related facilities;
- 19 (5) health, and related facilities;
- 20 (6) natural resource development facilities;
- 21 (7) general purpose facilities.

22 * Sec. 16. AS 44.47 is amended by adding a new section to read:

23 Sec. 44.47.092. LAND USE PLANNING AND STATE FACILITY PROCUREMENT
24 PLAN. The department shall make recommendations to the Department of
25 Transportation and Public Facilities and to appropriate program agencies
26 concerning the effect upon the comprehensive plan or other land use
27 plans or proposals of municipalities and unincorporated communities with
28 respect to the facility procurement plan required to be prepared in
29 accordance with AS 35.10.170 and AS 44.42.055.

1 * Sec. 17. AS 02.15.120 is amended to read:

2 Sec. 02.15.120. ASSISTANCE TO CONSTRUCT, ENLARGE OR IMPROVE AIR
3 NAVIGATION FACILITIES. The department may match available funds with
4 those of municipalities, federal agencies or other state agencies, for
5 project costs relating to the construction, enlargement or improvement
6 of [THE PURPOSE OF ASSISTING TO CONSTRUCT, ENLARGE OR IMPROVE] airports.
7 The department may assist persons in the construction, enlargement and
8 improvement of airports and air navigation facilities. The airports and
9 facilities, until they are abandoned as such, shall be at all times
10 available for the use of and accessible to the general public, and
11 maintained as public airports and facilities.

12 * Sec. 18. AS 02.15.140 is amended to read:

13 Sec. 02.15.140. STATE FINANCIAL ASSISTANCE. The department may
14 grant or lend money, subject to the provisions of secs. 60, 70 and 120
15 of this chapter, to any person or municipality acting jointly for pro-
16 ject costs relating to [IN] the planning, acquisition, construction,
17 improvement, maintenance or operation of an airport owned or controlled
18 or to be owned or controlled by the municipality or person. Grants or
19 loans may be furnished in connection with federal or other financial
20 aid for the same purpose.

21 * Sec. 19. AS 02.15 is amended by adding a new section to read:

22 Sec. 02.15.155. DEFINITIONS. For the purposes of secs. 120 - 155
23 of this chapter, "project costs" includes, in addition to costs directly
24 related to the project, the sum total of all costs of financing and
25 carrying out the project. These include, but are not limited to, the
26 costs of all necessary studies, surveys, plans and specifications,
27 architectural, engineering or other special services, acquisition of
28 real property, site preparation and development, purchase, construction,
29 reconstruction and improvement of real property and the acquisition of

1 machinery and equipment as may be necessary in connection with the
2 project; an allocable portion of the administrative and operating expen-
3 ses of the grantee; the cost of financing the project, including in-
4 terest on bonds issued to finance the project; and the cost of other
5 items, including any indemnity and surety bonds and premiums on in-
6 surance, legal fees, fees and expenses of trustees, depositaries, finan-
7 cial advisors, and paying agents for the bonds issued as the issuer
8 considers necessary.

9 * Sec. 20. AS 03.20.010 is amended to read:

10 Sec. 03.20.010. STATE AID. The state may grant aid to agricul-
11 tural and industrial fair associations, incorporated under the laws of
12 the state, to assist in the payment of (1) costs of operation and main-
13 tenance and (2) project costs for capital improvements of annual agri-
14 cultural and industrial fairs.

15 * Sec. 21. AS 03.20 is amended by adding a new section to read:

16 Sec. 03.20.080. DEFINITIONS. For purposes of this chapter, "pro-
17 ject costs for capital improvements" includes, in addition to costs
18 directly related to the project, the sum total of all costs of financing
19 and carrying out the project. These include, but are not limited to,
20 the costs of all necessary studies, surveys, plans and specifications,
21 architectural, engineering or other special services, acquisition of
22 real property, site preparation and development, purchase, construction,
23 reconstruction and improvement of real property and the acquisition of
24 machinery and equipment as may be necessary in connection with the pro-
25 ject; an allocable portion of the administrative and operating expenses
26 of the grantee; the cost of financing the project, including interest on
27 bonds issued to finance the project; and the cost of other items, inclu-
28 ding any indemnity and surety bonds and premiums on insurance, legal
29 fees, fees and expenses of trustees, depositaries, financial advisors,

1 and paying agents for the bonds issued as the issuer considers necessary.

2 * Sec. 22. AS 18.55.934 is amended by adding a new subsection to read:

3 (c) For purposes of this section, "cost of the project" includes,
4 in addition to costs directly related to the project, the sum total of
5 all costs of financing and carrying out the project. These include, but
6 are not limited to, the costs of all necessary studies, surveys, plans
7 and specifications, architectural, engineering or other special ser-
8 vices, acquisition of real property, site preparation and development,
9 purchase, construction, reconstruction and improvement of real property
10 and the acquisition of machinery and equipment as may be necessary in
11 connection with the project; an allocable portion of the administrative
12 and operating expenses of the grantee; the cost of financing the pro-
13 ject, including interest on bonds issued to finance the project; and the
14 cost of other items, including any indemnity and surety bonds and pre-
15 miums on insurance, legal fees, fees and expenses of trustees, deposi-
16 taries, financial advisors, and paying agents for the bonds issued as
17 the issuer considers necessary.

18 * Sec. 23. AS 19.30.030 is amended by adding a new subsection to read:

19 (d) For purposes of (c) of this section, "cost of construction"
20 includes, in addition to costs directly related to the project, the sum
21 total of all costs of financing and carrying out the project. These
22 include, but are not limited to, the costs of all necessary studies,
23 surveys, plans and specifications, architectural, engineering or other
24 special services, acquisition of real property, site preparation and
25 development, purchase, construction, reconstruction and improvement of
26 real property and the acquisition of machinery and equipment as may be
27 necessary in connection with the project; an allocable portion of the
28 administrative and operating expenses of the grantee; the cost of fi-
29 nancing the project, including interest on bonds issued to finance the

1 project; and the cost of other items, including any indemnity and surety
2 bonds and premiums on insurance, legal fees, fees and expenses of
3 trustees, depositaries, financial advisors, and paying agents for the
4 bonds issued as the issuer considers necessary.

5 * Sec. 24. AS 43.18.010 is amended by adding a new subsection to read:

6 (1) For the purposes of (j) of this section, "total project
7 cost" includes, in addition to costs directly related to the project,
8 the sum total of all costs of financing and carrying out the project.
9 These include, but are not limited to, the costs of all necessary
10 studies, surveys, plans and specifications, architectural, engineering
11 or other special services, acquisition of real property, site prepara-
12 tion and development, purchase, construction, reconstruction and im-
13 provement of real property and the acquisition of machinery and equip-
14 ment as may be necessary in connection with the project; an allocable
15 portion of the administrative and operating expenses of the grantee; the
16 cost of financing the project, including interest on bonds issued to
17 finance the project; and the cost of other items, including any indem-
18 nity and surety bonds and premiums on insurance, legal fees, fees and
19 expenses of trustees, depositaries, financial advisors, and paying
20 agents for the bonds issued as the issuer considers necessary.

21 * Sec. 25. AS 43.18.100(g)(2) is repealed and re-enacted to read:

22 (2) "costs of school construction" means the cost of acquir-
23 ing, constructing, enlarging, repairing, remodeling, equipping or fur-
24 nishing of public elementary and secondary school buildings and includes
25 the sum total of all costs of financing and carrying out the project.
26 These include, but are not limited to, the costs of all necessary
27 studies, surveys, plans and specifications, architectural, engineering
28 or other special services, acquisition of real property, site prepara-
29 tion and development, purchase, construction, reconstruction and im-

1 provement of real property and the acquisition of machinery and equip-
2 ment as may be necessary in connection with the project; an allocable
3 portion of the administrative and operating expenses of the grantee; the
4 cost of financing the project, including interest on bonds issued to
5 finance the project; and the cost of other items, including any indem-
6 nity and surety bonds and premiums on insurance, legal fees, fees and
7 expenses of trustees, depositaries, financial advisors, and paying
8 agents for the bonds issued as the issuer considers necessary.

9 * Sec. 26. AS 43.18.300(h) is amended by adding a new paragraph to read:

10 (3) "costs of construction" includes, in addition to costs
11 directly related to the project, the sum total of all costs of financing
12 and carrying out the project. These include, but are not limited to,
13 the costs of all necessary studies, surveys, plans and specifications,
14 architectural, engineering or other special services, acquisition of
15 real property, site preparation and development, purchase, construction,
16 reconstruction and improvement of real property and the acquisition of
17 machinery and equipment as may be necessary in connection with the
18 project; an allocable portion of the administrative and operating ex-
19 penses of the grantee; the cost of financing the project, including
20 interest on bonds issued to finance the project; and the cost of other
21 items, including any indemnity and surety bonds and premiums on in-
22 surance, legal fees, fees and expenses of trustees, depositaries, finan-
23 cial advisors, and paying agents for the bonds issued as the issuer
24 considers necessary. It does not include the cost of feasibility
25 studies.

26 * Sec. 27. AS 43.18.400(2) is repealed and re-enacted to read:

27 (2) "cost of construction" includes, in addition to costs
28 directly related to the project, the sum total of all costs of financing
29 and carrying out the project. These include, but are not limited to,

1 the costs of all necessary studies, surveys, plans and specifications,
2 architectural, engineering or other special services, acquisition of
3 real property, site preparation and development, purchase, construction,
4 reconstruction and improvement of real property and the acquisition of
5 machinery and equipment as may be necessary in connection with the
6 project; an allocable portion of the administrative and operating ex-
7 penses of the grantee; the cost of financing the project, including
8 interest on bonds issued to finance the project; and the cost of other
9 items, including any indemnity and surety bonds and premiums on in-
10 surance, legal fees, fees and expenses of trustees, depositaries, finan-
11 cial advisors, and paying agents for the bonds issued as the issuer
12 considers necessary. It does not include the cost of promotion, travel,
13 or feasibility studies.

14 * Sec. 28. AS 44.33.150 is amended to read:

15 Sec. 44.33.150. QUALIFYING FOR MATCHING MONEY. In order to quali-
16 fy for tourist attraction development matching money, the applicant
17 shall submit and have approved by the director of tourism, a feasibility
18 study of the program to be used for carrying out the development of the
19 tourist attraction. Subject to the provisions of sec. 120(8) of this
20 chapter, matching money may also be secured by an applicant for the cost
21 of construction, improvement or operation of [PURPOSE OF CONSTRUCTING,
22 IMPROVING OR OPERATING] a visitor information center established for the
23 intent of providing Alaska visitors and residents with tourist travel
24 information on a local and statewide basis. This may include printing
25 and distributing travel promotion material about Alaska. In order to
26 qualify for visitor information center matching money, the applicant
27 must first submit and have approved by the director of tourism a feasi-
28 bility study of the construction, improvement or operation of the
29 visitor information center.

1 * Sec. 29. AS 44.33.150 is amended by adding a new subsection to read:

2 (b) For purposes of (a) of this section, "cost of construction"
3 includes, in addition to costs directly related to the project, the sum
4 total of all costs of financing and carrying out the project. These
5 include, but are not limited to, the costs of all necessary studies,
6 surveys, plans and specifications, architectural, engineering or other
7 special services, acquisition of real property, site preparation and
8 development, purchase, construction, reconstruction and improvement of
9 real property and the acquisition of machinery and equipment as may be
10 necessary in connection with the project; an allocable portion of the
11 administrative and operating expenses of the grantee; the cost of finan-
12 cing the project, including interest on bonds issued to finance the
13 project; and the cost of other items, including any indemnity and surety
14 bonds and premiums on insurance, legal fees, fees and expenses of
15 trustees, depositaries, financial advisors, and paying agents for the
16 bonds issued as the issuer considers necessary.

17 * Sec. 30. AS 46.03.030(b) is amended to read:

18 (b) The department may grant to a municipality, as funds are
19 available, up to the lesser of 50 per cent of the eligible cost or 50
20 per cent of the eligible cost not financed by the federal government,
21 for public water supply, treatment and distribution systems and public
22 sewage collection, treatment and discharge facilities for which con-
23 struction has not commenced on or before June 21, 1976. The eligible
24 cost of a project or portions of a project will be as determined by the
25 federal agency granting the most monetary assistance. On projects or
26 portions of projects, for which federal participation is not available,
27 eligible costs will be determined by the department in accordance with
28 (d) of this section. Projects shall be constructed in accordance with
29 plans and specifications approved by the department.

1 * Sec. 31. AS 46.03.030 is amended by adding a new subsection to read:

2 (d) When not otherwise defined by a federal agency for the pur-
3 poses of (b) of this section, "eligible costs" includes, in addition to
4 costs directly related to the project, the sum total of all costs of
5 financing and carrying out the project. These include, but are not
6 limited to, the costs of all necessary studies, surveys, plans and
7 specifications, architectural, engineering or other special services,
8 acquisition of real property, site preparation and development, pur-
9 chase, construction, reconstruction and improvement of real property and
10 the acquisition of machinery and equipment as may be necessary in con-
11 nection with the project; an allocable portion of the administrative and
12 operating expenses of the grantee; the cost of financing the project,
13 including interest on bonds issued to finance the project; and the cost
14 of other items, including any indemnity and surety bonds and premiums on
15 insurance, legal fees, fees and expenses of trustees, depositaries,
16 financial advisors, and paying agents for the bonds issued as the issuer
17 considers necessary.

18 * Sec. 32. AS 46.07.040 is amended by adding a new subsection to read:

19 (c) For the purposes of (a) of this section, "cost of the con-
20 struction of a facility" includes, in addition to costs directly related
21 to the project, the sum total of all costs of financing and carrying out
22 the project. These include, but are not limited to, the costs of all
23 necessary studies, surveys, plans and specifications, architectural,
24 engineering or other special services, acquisition of real property,
25 site preparation and development, purchase, construction, reconstruction
26 and improvement of real property and the acquisition of machinery and
27 equipment as may be necessary in connection with the project; an allo-
28 cable portion of the administrative and operating expenses of the
29 grantee; the cost of financing the project, including interest on bonds

1 issued to finance the project; and the cost of other items, including
2 any indemnity and surety bonds and premiums on insurance, legal fees,
3 fees and expenses of trustees, depositaries, financial advisors, and
4 paying agents for the bonds issued as the issuer considers necessary.

5 * Sec. 33. AS 47.30.475(c) is amended to read:

6 (c) Grants shall be awarded in a ratio of 75 per cent state money
7 to 25 per cent community money, except that in communities designated as
8 poverty areas the ratio shall be 90 per cent state money to 10 per cent
9 community money, for the costs [PURPOSES] of providing staff and limited
10 improvement, renovation or new construction of facilities for alcoholic
11 detoxification, rehabilitation or "half-way house" care. No grant for
12 improving, renovating or constructing may exceed \$50,000 except when
13 there is a lack of applicants for available money and then only with the
14 approval of the Advisory Board on Alcoholism. The department is not
15 required to award all money available under this program, or the full
16 percentages specified in this subsection, when another source of money
17 is available or could reasonably be made available to the applicant.

18 * Sec. 34. AS 47.30.500 is amended by adding a new paragraph to read:

19 (5) "costs of improvement, renovation or new construction of
20 facilities" includes, in addition to costs directly related to the
21 project, the sum total of all costs of financing and carrying out the
22 project. These include, but are not limited to, the costs of all neces-
23 sary studies, surveys, plans and specifications, architectural, engi-
24 neering or other special services, acquisition of real property, site
25 preparation and development, purchase, construction, reconstruction and
26 improvement of real property and the acquisition of machinery and equip-
27 ment as may be necessary in connection with the project; an allocable
28 portion of the administrative and operating expenses of the grantee; the
29 cost of financing the project, including interest on bonds issued to

1 finance the project; and the cost of other items, including any indem-
2 nity and surety bonds and premiums on insurance, legal fees, fees and
3 expenses of trustees, depositaries, financial advisors, and paying
4 agents for the bonds issued as the issuer considers necessary.

5 * Sec. 35. AS 35.10.200(3) is repealed.

6 * Sec. 36. This Act takes effect upon the effective date of a version of
7 House Bill No. 596 (An Act relating to the Alaska loan programs fund, the
8 Alaska permanent fund, and other state revenues).

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