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BY DUNCAN, ANDERSON, BRADLEY,
BUCHHOLDT, ELIASON, FREEMAN,
GARDINER, GRUENING, HAUGEN,
LOVSETH, MEEKINS, MILLER AND
SNIDER

1 IN THE HOUSE

2 CS HOUSE BILL NO. 781 (Fin)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing state aid to municipalities for the
7 construction and development of cultural facilities."

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

9 * Section 1. AS 43.18 is amended by adding a new section to read:

10 ARTICLE 5. CULTURAL FACILITIES.

11 Sec. 43.18.500. CULTURAL FACILITY CONSTRUCTION AND DEVELOPMENT

12 GRANTS. (a) There is established within the Department of Commerce and
13 Economic Development a cultural facilities development fund for the pur-
14 pose of providing state assistance in the construction and development
15 of cultural facilities within those municipalities which actively pro-
16 vide support to the arts and humanities. Within the limits of direct
17 appropriations for the purpose or through the appropriation of the
18 proceeds of a general obligation bond issue, the department shall make
19 grants to municipalities for the purpose of construction and development
20 of cultural facilities.

21 (b) A grant for only one project may be awarded to a municipality
22 under this section.

23 (c) Application for a grant shall be made in the form required by
24 the commissioner.

25 (d) No application for a grant may be considered for approval by
26 the commissioner and no funds paid by him under this section unless

27 (1) the project is endorsed by resolution of the governing
28 body of the sponsoring municipality on its own behalf or on behalf of
29 the officially recognized arts and humanities planning organization of

1 the municipality;

2 (2) the commissioner is satisfied that the sponsoring munici-
3 pality

4 (A) has the authority under AS 29.48 to provide and
5 maintain a cultural facility; and

6 (B) is able to provide the local share of project con-
7 struction costs and is financially able to maintain and operate the
8 facility upon completion;

9 (3) the municipality provides plan designs and specifica-
10 tions, together with blueprints or schematics of detail sufficient to
11 enable the commissioner to verify estimates of construction costs; and

12 (4) the complete application has been submitted for review
13 and comment by the members of the Advisory Commission on Cultural
14 Facilities (AS 44.33.350 - 44.33.360).

15 (e) The grant to a municipality shall be disbursed in accordance
16 with the terms of an agreement between the commissioner, on behalf of
17 the state, and the governing body of the municipality receiving the
18 grant. The agreement may include any provision agreed upon by the
19 parties, but shall include in substance the following provisions:

20 (1) the municipality shall secure, retain and protect title
21 to the site or location on which the facility is to be constructed or
22 developed; for purposes of this paragraph it is sufficient that title is
23 obtained in fee or by lease by the terms of which the municipality
24 enjoys exclusive use of the property for the estimated project life of
25 the facility or the period of maturity of any state general obligation
26 bond a portion of the proceeds of which are used to provide financial
27 assistance for the construction or development of the facility;

28 (2) the municipality agrees to provide the local contribution
29 to project cost required by (f) of this section, and to return any

1 excess contribution by the state as required by (h) of this section;

2 (3) the municipality agrees to proceed with and complete the
3 proposed project expeditiously in accordance with plans originally
4 submitted;

5 (4) the municipality will not materially alter or modify
6 plans for the facility or undertake construction in a manner which
7 materially departs from the approved design and plan for construction or
8 development of the facility without first securing the prior written
9 approval of the officially recognized arts and humanities planning
10 organization of the municipality;

11 (5) the municipality agrees to assume responsibility for the
12 maintenance and operation of the facility, directly or by delegation of
13 responsibility to an entity organized by ordinance of the municipality
14 or a nonprofit corporation recognized by the municipality, and that the
15 feasibility of the discharge of this obligation shall be demonstrated to
16 the satisfaction of the commissioner before the payment of any state
17 funds; and

18 (6) the parties agree that if property constructed or de-
19 veloped with financial assistance provided under this section is used
20 for purposes other than a cultural facility, the state may require the
21 municipality to reimburse the state for that portion of the market value
22 of the property which the state's investment in the property bears to
23 the total of investment from all sources made in the property.

24 (f) A municipality receiving a grant under this section shall con-
25 tribute to the total cost of the project. The amount of the munici-
26 pality's contribution is determined by the application of the formula

27 (average per capita assessed valuation of the muni-
28 cipality/average per capita assessed valuation of
29 the state) x maximum contribution percentage

1 to the estimated total project cost as determined by the commissioner at
2 the time of approval of a grant application. For purposes of this
3 subsection

4 (1) the maximum contribution required of

5 (A) a municipality having a population of 5,000 or less
6 is 10 per cent (0.10);

7 (B) a municipality having a population of 5,001 to
8 10,000 is 20 per cent (0.20); and

9 (C) a municipality having a population of more than
10 10,000 is 30 per cent (0.30);

11 (2) if an application is submitted for a municipality for
12 which no average per capita assessed valuation has been determined, the
13 commissioner may request the state assessor to compute the factor and
14 report it to him;

15 (3) the rate of contribution of the municipality may not
16 exceed the maximum established in (1) of this subsection;

17 (4) the fair market value of land acquired by the munic-
18 ipality as the site or location for the construction or development of a
19 facility shall be allowed as a credit against the contribution required
20 by the municipality under (1) of this subsection; and

21 (5) the grant awarded by the state may not exceed the esti-
22 mated project cost verified by the commissioner under (d)(3) of this
23 section less the contribution by the municipality determined in accor-
24 dance with this subsection.

25 (g) If funds appropriated or provided by bond issue for grants
26 under this section are not adequate to satisfy amounts required by
27 approved grant applications, funds shall be allocated by the commis-
28 sioner on the basis of priority established by the department by regu-
29 lation.

1 (h) If, upon completion of the facility, it appears that actual
2 project costs varied substantially from estimated project costs deter-
3 mined by the commissioner under (d)(3) of this section and

4 (1) if the actual contribution of the state exceeds the per-
5 centage of project costs payable by the state determined under (f)(5) of
6 this section, the commissioner shall require the municipality to pay an
7 amount to the state sufficient to reduce the state contribution to the
8 percentage of state contribution required by (f)(5) of this section;

9 (2) if the actual project costs exceed estimates, the commis-
10 sioner may provide additional financial assistance to the municipality;
11 the additional state grant may not exceed an amount equal to the ratio
12 originally determined under (f)(5) of this section applied to the in-
13 cremental project costs.

14 (i) The commissioner shall provide an annual report to the legis-
15 lature with respect to grants made under this section.

16 (j) The commissioner may adopt regulations to carry out the pro-
17 visions of this section.

18 (k) In this section,

19 (1) "commissioner" means the commissioner of commerce and
20 economic development;

21 (2) "construction" means site preparation, erection of a
22 structure, and acquisition and installation of fixtures and necessary
23 fixed equipment, but does not include completion of feasibility studies,
24 site acquisition or facility design;

25 (3) "cultural facility" means a structure or complex the
26 principal purpose of which is to serve the visual and performing arts,
27 including but not limited to a theatre, concert hall or gallery, or to
28 serve as the repository of the historical or contemporary heritage of
29 the community and its people;

1 (4) "department" means the Department of Commerce and Eco-
2 nomic Development;

3 (5) "development" means the acquisition and preservation, re-
4 modeling or redevelopment of an existing structure or facility, together
5 with the acquisition and installation of fixtures and necessary fixed
6 equipment, for use as a cultural facility.

7 * Sec. 2. AS 44.19.930 is amended by adding a new paragraph to read:

8 (5) recommend to the governor a list of persons for con-
9 sideration for appointment to the Advisory Commission on Cultural
10 Facilities, in accordance with AS 44.33.350.

11 * Sec. 3. AS 44.33 is amended by adding new sections to read:

12 ARTICLE 8. ADVISORY COMMISSION ON CULTURAL
13 FACILITIES.

14 Sec. 44.33.350. ADVISORY COMMISSION ON CULTURAL FACILITIES ESTAB-
15 LISHED. (a) There is in the Department of Commerce and Economic
16 Development the Advisory Commission on Cultural Facilities.

17 (b) The commission consists of five members, appointed by the
18 governor from a list of candidates provided to him for that purpose by
19 the State Council on the Arts. The members of the commission are
20 appointed for overlapping three-year terms, with two of the members
21 first appointed serving three years, two of the members serving two
22 years, and one member serving a term of one year.

23 Sec. 44.33.355. TRAVEL EXPENSES AND PER DIEM. Members of the
24 Advisory Commission on Cultural Facilities are not entitled to receive
25 compensation for their services, but they shall receive per diem and
26 travel expenses allowed by law for members of boards and commissions for
27 attendance at a maximum of four meetings per year.

28 Sec. 44.33.360. DUTIES. The Advisory Commission on Cultural
29 Facilities shall advise the commissioner regarding the approval of

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requests for financial assistance in the construction of cultural facilities submitted in accordance with AS 43.18.500. The commission shall submit an annual report to the commissioner and the legislature summarizing its activities and expenses.

* Sec. 4. AS 44.33.020 is amended by adding a new paragraph to read:

(22) administer the program of state assistance for the construction and development of cultural facilities in accordance with AS 43.18.500.