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Offered: 3/28/78
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 781

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."

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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:

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ARTICLE 5. CULTURAL FACILITIES.

11

Sec. 43.18.500. CULTURAL FACILITY CONSTRUCTION AND DEVELOPMENT

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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.

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

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

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(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

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(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

29

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;

6 (B) is able to provide the local share of project con-
7 struction costs; and

8 (C) will be financially able to maintain and operate the
9 facility upon completion;

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

13 (4) the complete application has been submitted

14 (A) to the state assessor for his determination and
15 verification that the fair market value of real property claimed as
16 a credit under (f)(4) of this section is accurate; and

17 (B) to the Advisory Commission on Cultural Facilities
18 (AS 44.33.350 - 44.33.360) for its review and comment.

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

24 (1) the municipality shall secure, retain and protect title
25 to the site or location on which the facility is to be constructed or
26 developed; for purposes of this paragraph it is sufficient that title is
27 obtained in fee or by lease by the terms of which the municipality
28 enjoys exclusive use of the property for the estimated project life of
29 the facility or the period of maturity of any state general obligation

1 bond a portion of the proceeds of which are used to provide financial
2 assistance for the construction or development of the facility;

3 (2) the municipality agrees to provide the local contribution
4 to project cost required by (f) of this section, and to return any
5 excess contribution by the state as required by (h) of this section;

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

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

15 (5) the municipality agrees to assume responsibility for the
16 maintenance and operation of the facility, directly or by delegation of
17 responsibility to an entity organized by ordinance of the municipality
18 or a nonprofit corporation dedicated to the arts and recognized by the
19 municipality, and that the feasibility of the discharge of this obliga-
20 tion shall be demonstrated to the satisfaction of the commissioner
21 before the payment of any state funds; and

22 (6) the parties agree that if property constructed or deve-
23 loped with financial assistance provided under this section is used for
24 purposes other than for principal use as a cultural facility, the state
25 may require the municipality to reimburse the state for that portion of
26 the market value of the property which the state's investment in the
27 property bears to the total of investment from all sources made in the
28 property.

29 (f) A municipality receiving a grant under this section shall

1 contribute to the total cost of the project. The amount of the munici-
2 pality's contribution is determined by the application of the formula
3 (average per capita assessed valuation of the muni-
4 cipality/average per capita assessed valuation of
5 the state) x maximum contribution percentage
6 to the estimated total project cost as determined by the commissioner at
7 the time of approval of a grant application. For purposes of this
8 subsection

9 (1) the maximum contribution required of

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

12 (B) a municipality having a population of 5,001 to
13 10,000 is 20 per cent (0.20); and

14 (C) a municipality having a population of more than
15 10,000 is 30 per cent (0.30);

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

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

22 (4) there shall be allowed as a credit against the contribu-
23 tion required by the municipality under (1) of this subsection

24 (A) for a project involving construction of a new faci-
25 lity, the fair market value of land acquired by the municipality as
26 the site or location for the facility;

27 (B) for a project involving development of an existing
28 structure or facility, the fair market value of the land and im-
29 provements which are acquired by the municipality and committed for

1 use as a cultural facility;

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

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

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

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

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

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

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

28 (k) In this section,

29 (1) "commissioner" means the commissioner of commerce and

1 economic development;

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

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

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

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

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

18 (5) recommend to the governor a list of persons for con-
19 sideration for appointment to the Advisory Commission on Cultural Faci-
20 lities, in accordance with AS 44.33.350.

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

22 ARTICLE 8. ADVISORY COMMISSION ON CULTURAL
23 FACILITIES.

24 Sec. 44.33.350. ADVISORY COMMISSION ON CULTURAL FACILITIES ESTAB-
25 LISHED. (a) There is in the Department of Commerce and Economic De-
26 velopment the Advisory Commission on Cultural Facilities.

27 (b) The commission consists of five members, appointed by the
28 governor from a list of candidates provided to him for that purpose by
29 the State Council on the Arts. The members of the commission are

1 appointed for overlapping three-year terms, with two of the members
2 first appointed serving three years, two of the members serving two
3 years, and one member serving a term of one year.

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

9 Sec. 44.33.360. DUTIES. The Advisory Commission on Cultural
10 Facilities shall

11 (1) at the request of a municipality, provide assistance in
12 the preparation of an assessment of needs and review proposals and plans
13 for construction or development of a cultural facility, for which
14 financial assistance is requested under AS 43.18.500;

15 (2) advise the commissioner regarding the approval of re-
16 quests for financial assistance in the construction of cultural facil-
17 ities submitted in accordance with AS 43.18.500;

18 (3) submit an annual report to the commissioner and the
19 legislature summarizing its activities and expenses.

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

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

24 * Sec. 5. AS 29.48.030(14) is amended to read:

25 (14) libraries, visual or performing arts centers, or museums;
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