

Introduced: 4/16/80  
Referred: Community & Regional  
Affairs and Finance

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 HOUSE BILL NO. 1010

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for local capital pro-  
7 jects; establishing the capital projects foundation  
8 fund; and providing for an effective date."

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

10 \* Section 1. AS 44.42.020 is amended by adding a new paragraph to read:  
11 (14) adopt regulations for management of the capital projects  
12 foundation fund established under AS 44.42.100 and administer that fund.

13 \* Sec. 2. AS 44.42 is amended by adding new sections to read:

14 ARTICLE 2. CAPITAL PROJECTS FOUNDATION ENTITLEMENTS.

15 Sec. 44.42.100. CAPITAL PROJECTS FOUNDATION FUND. (a) There is  
16 established in the department a capital projects foundation fund for the  
17 purpose of providing state assistance for improvement, maintenance and  
18 new construction costs of local capital projects. Within the limits of  
19 appropriations for the purpose, the department shall make entitlements  
20 for capital projects to organized boroughs, to home rule municipalities  
21 as defined in AS 29.08.010, and to municipalities unified under AS 29.-  
22 68, which have capital improvement plans.

23 (b) Within the limits of appropriations for the purpose, the  
24 department shall make and manage entitlements for capital projects for  
25 unorganized boroughs if a version of an Act entitled "An Act relating to  
26 unorganized boroughs, establishing unorganized boroughs, establishing a  
27 program of financial assistance for the preparation of regional plans by  
28 unorganized boroughs, permitting adoption of home rule charters by  
29 unorganized boroughs, and directing submission of recommendations con-

cerning adjustment of the boundaries of service areas of the unorganized borough; and providing for an effective date" is enacted. If that bill is not enacted, the department shall make and manage entitlements for capital projects for each regional educational attendance area organized under AS 14.08.031.

(c) A first class city which has not adopted a home rule charter and which is outside of an organized borough and outside of a regional educational attendance area shall be included in the capital improvement plan and shall be represented on the regional council of a regional educational attendance area or an unorganized borough which borders the city.

(d) The amount of appropriations authorized for the capital improvements foundation fund for each fiscal year is equal to \$200 times the state population as annually determined by the Department of Labor.

Sec. 44.42.110. ELIGIBLE FACILITIES. An entitlement from the capital projects foundation fund may be used for improvement, maintenance, or new construction costs of the following type of facility if the project is identified in a capital improvement plan under AS 44.42.-130:

- (1) libraries;
- (2) community and emergency detention facilities;
- (3) fire halls, including the purchase of fire vehicles;
- (4) parks;
- (5) recreational facilities;
- (6) water and sewer facilities;
- (7) health facilities;
- (8) community centers;
- (9) cultural facilities;
- (10) transportation facilities which do not duplicate state

1 facilities and which are not inconsistent with the state transportation  
2 plan under AS 44.42.050 as determined by the department, including

3 (A) service roads;

4 (B) trails;

5 (C) harbors and docks for small boats;

6 (D) seaplane floats;

7 (E) public transit facilities, including the purchase of  
8 transit vehicles;

9 (F) emergency and recreational airstrips for small  
10 aircraft.

11 Sec. 44.42.120. REGIONAL COUNCILS. (a) A regional council shall  
12 be established for each unorganized borough if a version of an Act  
13 entitled "An Act relating to unorganized boroughs, establishing un-  
14 organized boroughs, establishing a program of financial assistance for  
15 the preparation of regional plans by unorganized boroughs, permitting  
16 adoption of home rule charters by unorganized boroughs, and directing  
17 submission of recommendations concerning adjustment of the boundaries of  
18 service areas of the unorganized borough; and providing for an effect  
19 date." is enacted. If that bill is not enacted, a regional council  
20 shall be established for each regional educational attendance area. A  
21 regional council shall be composed of 15 members as follows:

22 (1) one elected official who is selected by the city council  
23 of each first class city located within an unorganized borough or re-  
24 gional educational attendance area, or which is included in an unor-  
25 ganized borough's capital improvement plan or a regional educational  
26 attendance area's capital improvement plan under AS 44.42.100(c);

27 (2) additional members selected by the governor from persons  
28 nominated by the Department of Community and Regional Affairs who are  
29 from second class cities and unincorporated communities within an unor-

1 ganized borough or regional educational attendance area; members from  
2 second class cities shall be elected officials.

3 Sec. 44.42.130. CAPITAL IMPROVEMENT PLANS. (a) With assistance  
4 from the department, each regional council established under AS 44.42.-  
5 120 shall formulate a capital improvement plan. To qualify to receive  
6 an entitlement from the capital projects foundation fund, each organized  
7 borough, home rule municipality, and unified municipality shall formu-  
8 late a capital improvement plan. A capital improvement plan formulated  
9 in accordance with this section shall be a five-year plan updated an-  
10 nually, and shall

11 (1) identify all capital projects needed in the borough,  
12 municipality, or regional educational attendance area;

13 (2) assign a priority to each capital project identified;

14 (3) include cost estimates for each capital project;

15 (4) include a list of needed capital projects which are not  
16 eligible for an entitlement from the capital improvement foundation  
17 fund;

18 (5) identify possibilities for projects involving facilities  
19 having more than one use;

20 (6) consider the feasibility of waste heat utilization and  
21 other energy-saving measures for capital projects;

22 (7) provide for site acquisition for capital projects; and

23 (8) provide for needed public access and utilities.

24 (b) A capital improvement plan and revisions to a capital improve-  
25 ment plan for an unorganized borough or regional educational attendance  
26 area shall be adopted by the regional council after a public hearing and  
27 submitted to the department.

28 (c) A capital improvement plan and revisions to a capital improve-  
29 ment plan for an organized borough, home rule municipality, or unified

1 municipality shall be submitted by the regional council to the city  
2 council or borough assembly. After a public hearing, and after approval  
3 by the council or assembly, a capital improvement plan shall be sub-  
4 mitted to the department.

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

6 Sec. 44.42.140. DISTRIBUTION OF ENTITLEMENTS. (a) Entitlements  
7 from the capital projects foundation fund shall be distributed annually  
8 by the department to each organized borough, home rule municipality, and  
9 unified municipality which has submitted a capital improvement plan as  
10 required by AS 44.42.130. Entitlements from the capital projects  
11 foundation fund shall be distributed annually to accounts established by  
12 the department for each unorganized borough or for each regional  
13 educational attendance area which has submitted a capital improvement  
14 plan as required by AS 44.42.130.

15 (b) The amount of an entitlement shall be allocated one-half on  
16 the basis of adjusted population and one-half on the basis of adjusted  
17 area. An entitlement shall be the ratio of the adjusted population to  
18 the total adjusted population plus the ratio of the adjusted area to the  
19 total adjusted area, times one-half the amount of an appropriation to  
20 the capital projects foundation fund.

21 \* Sec. 4. AS 44.42 is amended by adding new sections to read:

22 Sec. 44.42.150. USE OF ENTITLEMENTS. (a) An entitlement from the  
23 capital projects foundation fund distributed to an organized borough,  
24 home rule municipality, or unified municipality may be used only for  
25 projects identified in a capital improvement plan submitted to the  
26 department. Each recipient shall determine which project or projects to  
27 finance with the entitlement received each year under AS 44.42.140.

28 (b) An entitlement from the capital projects foundation fund to an  
29 organized borough, home rule municipality, or unified municipality shall

1 be disbursed in accordance with an agreement between the commissioner  
2 and the recipient.

3 (c) An entitlement from the capital projects foundation fund for a  
4 project located in a first or second class city as part of the capital  
5 improvement plan of an unorganized borough or a regional educational  
6 attendance area may be disbursed, with the concurrence of the city  
7 council of the first or second class city, subject to the following  
8 terms:

9 (1) that the first or second class city will secure, retain  
10 and protect title to the site of an existing facility or on which a new  
11 facility is to be constructed; for purposes of this paragraph it is  
12 sufficient that title is obtained in fee or by a lease which provides  
13 that the city enjoys exclusive use of the site and any improvements for  
14 the estimated life of the facility;

15 (2) that the first or second class city will assume respon-  
16 sibility for the operation of the facility to be financed with the  
17 entitlement, and the feasibility of the discharge of this obligation  
18 shall be demonstrated to the satisfaction of the commissioner before the  
19 payment of the entitlement.

20 (d) If it appears that the cost of a capital project financed by  
21 an entitlement from the capital projects foundation fund to an organized  
22 borough, home rule municipality, or unified municipality will vary  
23 substantially from the cost estimated at the time the entitlement was  
24 made for the project, the recipient is responsible for obtaining the  
25 additional money needed to complete the project. This additional money  
26 may be obtained from other entitlements made from the capital projects  
27 foundation fund. If a project financed by an entitlement from the  
28 capital projects foundation fund to an organized borough, home rule  
29 municipality, or unified municipality costs less to complete than esti-

1 mated at the time the entitlement was made, the recipient may use the  
2 excess money on other projects in its capital improvement plan.

3 (e) In an unorganized borough or regional educational attendance  
4 area each regional council shall annually determine which projects in  
5 its capital improvement plan to finance with entitlements from the  
6 capital projects foundation fund. The department is responsible for the  
7 design and construction of the projects selected by a regional council  
8 under this subsection and shall carry out the projects in accordance  
9 with AS 36.

10 (f) An entitlement from the capital projects foundation fund may  
11 be used to match state or federal grants.

12 Sec. 44.42.160. DEFINITIONS. In AS 44.42.100 - 44.42.160 .

13 (1) "adjusted area" means the area in square miles of a home  
14 rule municipality, unified municipality, organized borough, or unor-  
15 ganized borough or regional educational attendance area which has a  
16 capital improvement plan, multiplied by the construction cost differen-  
17 tial;

18 (2) "adjusted population" means the population, as determined  
19 by the Department of Labor using the latest figures of the United States  
20 Bureau of the Census, of a home rule municipality, unified municipality,  
21 organized borough, or unorganized borough or regional educational attend-  
22 ance area which has a capital improvement plan multiplied by the con-  
23 struction cost differential;

24 (3) "construction cost differential" means one plus the  
25 percentage by which average construction costs in a home rule municipal-  
26 ity, unified municipality, organized borough, or unorganized borough or  
27 regional educational attendance area are greater than or less than the  
28 average construction costs in Anchorage as determined by the department  
29 using the latest available figures;

1 (4) "improvement" means renovations and additions to an  
2 existing facility which allow for better service than the facility  
3 provided in its original condition;

4 (5) "improvement, maintenance or new construction costs"  
5 includes, in addition to costs directly related to the project, the  
6 total of all costs of financing and carrying out the project; these  
7 include, but are not limited to, the costs of surveys, plans and speci-  
8 fications, architectural, engineering or other special services, acquisi-  
9 tion of real property, site preparation and development, purchase,  
10 construction, reconstruction and improvement of real property;

11 (6) "maintenance" means restoration and repair needed to keep  
12 a facility as close as possible to its original condition.

13 \* Sec. 5. Sections 1, 2, 4 and 5 of this Act take effect July 1, 1980.

14 \* Sec. 6. Sections 3 and 6 of this Act take effect July 1, 1981.