

Introduced: 4/3/80  
Referred: Community & Regional  
Affairs and Finance

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 SENATE BILL NO. 546

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 these  
13 funds.

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

15 ARTICLE 2. CAPITAL PROJECTS FOUNDATION ENTITLEMENTS.

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

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

1 unorganized boroughs, and directing submission of recommendations con-  
2 cerning adjustment of the boundaries of service areas of the unorganized  
3 borough; and providing for an effective date" is enacted. Otherwise,  
4 the department shall make entitlements and manage them for each regional  
5 educational attendance area organized under AS 14.08.031.

6 (c) The amount of appropriations authorized to be made to the  
7 capital improvements foundation fund for a fiscal year is equal to \$200  
8 times the state population as determined by the Department of Labor.

9 Sec. 44.42.110. ELIGIBLE FACILITIES. An entitlement from the  
10 capital projects foundation fund may be used for improvement, main-  
11 tenance, or new construction costs of the following type of facility if  
12 the facility is identified in a capital improvement plan under AS 44.42.-  
13 130:

- 14 (1) libraries;
- 15 (2) community and emergency detention facilities;
- 16 (3) fire halls, including the purchase of fire vehicles;
- 17 (4) parks;
- 18 (5) recreational facilities;
- 19 (6) water and sewer facilities;
- 20 (7) health facilities;
- 21 (8) community centers;
- 22 (9) cultural facilities;
- 23 (10) transportation facilities which do not duplicate state  
24 facilities and which are not inconsistent with the state transportation  
25 plan under AS 44.42.050 as determined by the department, including
- 26 (A) service roads;
- 27 (B) trails;
- 28 (C) harbors and docks for small boats;
- 29 (D) seaplane floats;

1 (E) public transit facilities, including the purchase of  
2 transit vehicles;

3 (F) emergency and recreational airstrips for small  
4 aircraft.

5 Sec. 44.42.120. REGIONAL COUNCILS. (a) A regional council shall  
6 be established for each unorganized borough or regional educational  
7 attendance area composed of 15 members as follows:

8 (1) no more than 11 members, selected by their city councils  
9 or assemblies, who are elected officials from first or second class  
10 cities located within the unorganized borough or regional educational  
11 attendance area;

12 (2) additional members selected by the governor from persons  
13 nominated by the Department of Transportation and Public Facilities or  
14 the Department of Community and Regional Affairs who are from unincor-  
15 porated communities within the unorganized borough or regional educa-  
16 tional attendance area.

17 Sec. 44.42.130. CAPITAL IMPROVEMENT PLANS. (a) With assistance  
18 from the department, each regional council established under AS 44.42.120  
19 shall formulate a capital improvement plan. To qualify to receive an  
20 entitlement from the capital projects foundation fund, each first and  
21 second class borough and unified home rule municipality shall formulate  
22 a capital improvement plan. The capital improvement plans shall be  
23 five-year plans updated annually, and shall

24 (1) identify all capital projects needed;

25 (2) assign a priority to each project identified;

26 (3) include cost estimates for each project;

27 (4) include needed facilities and capital improvements which  
28 are not eligible for an entitlement under the capital improvement founda-  
29 tion fund;

1 (5) identify possibilities for facilities having more than  
2 one use;

3 (6) consider the feasibility of waste heat utilization and  
4 other energy-saving measures;

5 (7) provide for site acquisition; and

6 (8) provide for supporting systems, including but not limited  
7 to provisions for public access and needed utilities.

8 (b) A capital improvement plan and revisions to a plan for an  
9 unorganized borough or regional educational attendance area shall be  
10 adopted by the regional council after a public hearing and submitted to  
11 the department.

12 (c) A capital improvement plan and revisions to a plan for an  
13 organized first or second class borough or unified home rule municipality  
14 shall be submitted for approval by the council or assembly after a  
15 public hearing, and after approval shall be submitted to the department.

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

17 Sec. 44.42.140. DISTRIBUTION OF ENTITLEMENTS. (a) Entitlements  
18 from the capital projects foundation fund shall be distributed annually  
19 by the department to each first and second class borough and unified  
20 home rule municipality which has a capital improvement plan as required  
21 by AS 44.42.130. Entitlements from the capital projects foundation fund  
22 shall be distributed annually to accounts established by the department  
23 for each unorganized borough or for each regional educational attendance  
24 area with a capital improvement plan.

25 (b) The amount of an entitlement shall be allocated one-half on  
26 the basis of adjusted population and one-half on the basis of adjusted  
27 area. An individual entitlement shall be the ratio of its adjusted  
28 population to the total adjusted population plus the ratio of its  
29 adjusted area to the total adjusted area, times the total amount of an

1 appropriation to the capital improvement foundation fund.

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

3 Sec. 44.42.150. USE OF ENTITLEMENTS. (a) An entitlement to a  
4 first or second class borough or to a unified home rule municipality may  
5 be used only for facilities identified in a capital improvement plan.  
6 Each recipient shall determine which project or projects to finance with  
7 the entitlement received each year under AS 44.42.140.

8 (b) An entitlement to a first or second class borough or unified  
9 home rule municipality shall be disbursed in accordance with the terms  
10 of an agreement between the commissioner and the recipient. The agree-  
11 ment may include any provision agreed upon by the parties, including the  
12 following:

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

19 (2) that the first or second class city agrees to assume  
20 responsibility for the operation of the facility, and the feasibility of  
21 the discharge of this obligation shall be demonstrated to the satisfac-  
22 tion of the commissioner before the payment of state money;

23 (c) If it appears that the cost of a facility financed in part by  
24 an entitlement to a first or second class borough or unified home rule  
25 municipality will vary substantially from costs estimated at the time  
26 the entitlement was made for the facility from the capital projects  
27 foundation fund, the recipient is responsible for obtaining the addi-  
28 tional money. The additional money may be obtained from other entitle-  
29 ments made from the capital projects foundation fund to the recipient.

1 If a project costs less to complete than estimated, the recipient may  
2 use this money on other projects as determined by its capital improvement  
3 plan.

4 (d) In the unorganized boroughs or regional educational attendance  
5 areas each regional council shall determine annually which projects  
6 identified in its capital improvement plan to finance. The department  
7 is responsible for the design and construction of the projects selected  
8 and shall carry out the projects in accordance with AS 36.

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

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

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

17 (2) "adjusted population" means the population, as determined  
18 by the Department of Labor using the latest figures of the United States  
19 Bureau of the Census, of a unified home rule municipality, organized  
20 first or second class borough, or unorganized borough or regional educa-  
21 tional attendance area which has a capital improvement plan multiplied  
22 by the construction cost differential;

23 (3) "construction cost differential" means one plus the  
24 percentage by which average construction costs in a region are greater  
25 than or less than the average construction costs in Anchorage as deter-  
26 mined by the department using the latest available figures;

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

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

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

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

11 \* Sec. 6. Sections 3 and 6 of this Act take effect July 1, 1981.  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29