

Original sponsor: Metcalfe

Offered: 3/12/82  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 618 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid to municipalities for  
7 capital projects; and providing for an effective date."

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

9 \* Section 1. AS 29 is amended by adding a new chapter to read:

10 CHAPTER 96. STATE AID FOR CAPITAL PROJECTS.

11 Sec. 29.96.010. AID FOR CAPITAL PROJECTS. (a) During each fiscal  
12 year the department shall compute and pay an entitlement to each eligible  
13 municipality. Payments shall be made from the capital projects aid  
14 account established under AS 29.96.050. The entitlement shall be com-  
15 puted in accordance with (b) and (c) of this section.

16 (b) The amount of a base entitlement to a municipality shall be  
17 computed in accordance with the following formula:

18  $\frac{TA}{TP} \times P = \text{base entitlement}$

19 where

20 TA = the total amount of money available for distribution as base  
21 entitlements during the fiscal year;

22 TP = the total population of all municipalities that qualify for  
23 an entitlement during the fiscal year; and

24 P = the population of the municipality for which the base entitle-  
25 ment is being computed.

26 (c) An entitlement to a municipality shall reflect an area cost-of-  
27 living differential. The amount of the entitlement shall be based on  
28 the amount of the base entitlement computed under (b) of this section  
29 multiplied by the area cost-of-living differential for that municipality.

1 The area cost-of-living differential for each municipality shall be  
2 determined annually by election district under the provisions of AS 39.-  
3 27.030. Application of the area cost-of-living differential may not  
4 result in distribution of an amount less than the amount of the base  
5 entitlement determined without application of this section.

6 (d) Subject to (e) of this section, an entitlement shall be used  
7 for capital projects and a municipality may provide a grant of money  
8 from an entitlement to a nonprofit corporation for any capital project  
9 of the nonprofit corporation that serves a public purpose. However,  
10 money from an entitlement may not be obligated for a capital project  
11 until it has been received by the municipality from the department.

12 (e) Before money from an entitlement under this section may be  
13 used for a capital project with a total cost of \$500,000 or more, the  
14 qualified voters of the municipality must approve the proposed capital  
15 project at a regular or special election held for the purpose. Each  
16 proposed capital project with a total cost of \$500,000 or more shall be  
17 submitted to the voters and voted on separately from other proposed  
18 capital projects, except that construction of more than one facility to  
19 be used for identical purposes may be submitted to the voters as one  
20 capital project.

21 Sec. 29.96.020. DETERMINATION OF POPULATION. (a) For purposes of  
22 this chapter, the population of a municipality shall be determined by  
23 using the concept of residence used by the United States Bureau of the  
24 Census and determined by methods that, in the judgment of the department,  
25 are reliable, including use of a census conducted under the direction of  
26 and certified by the Alaska Department of Labor.

27 (b) For purposes of determining the population of a home rule or  
28 general law borough, the population of each city located within the  
29 boundaries of the borough shall be subtracted from the population of the

1 borough.

2 Sec. 29.96.030. ELIGIBILITY. A municipality is eligible to receive  
3 money as an entitlement under this chapter if it provides to the depart-  
4 ment a copy of an ordinance or resolution adopted by it that

5 (1) authorizes the municipality to receive and spend the  
6 money to be provided by the entitlement;

7 (2) identifies the capital projects for which the money will  
8 be spent; and

9 (3) indicates the total amount of money from the entitlement  
10 that will be used for each capital project.

11 Sec. 29.96.040. ACCUMULATION OF ENTITLEMENTS. A municipality may  
12 accumulate entitlements under this chapter for use on one capital  
13 project. A municipality that chooses to accumulate entitlements shall  
14 establish a capital account for the entitlements or shall direct the  
15 department to provide for retaining the entitlements in an account for  
16 the municipality. Money earned on entitlements accumulated by a muni-  
17 cipality shall accrue to the municipality.

18 Sec. 29.96.050. CAPITAL PROJECTS AID ACCOUNT. The capital projects  
19 aid account is established in the department. Appropriations to the  
20 account shall be distributed as authorized in AS 29.96.010.

21 Sec. 29.96.060. DEFINITIONS. In this chapter,

22 (1) "capital project" means

23 (A) a public facility; or

24 (B) equipment that is necessary to construct, operate,  
25 or maintain a public facility or service;

26 (2) "department" means the Department of Community and  
27 Regional Affairs;

28 (3) "municipality" means a city, borough, or unified muni-  
29 cipality incorporated under state law and includes home rule and general

1 law municipalities.

2 \* Sec. 2. This Act takes effect July 1, 1982.

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