

HOUSE BILL NO. 70

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE MACLEAN

Introduced: 1/18/93

Referred: Community & Regional Affairs, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state impact aid for municipalities; and providing for an
2 effective date."

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

4 * Section 1. AS 29.60 is amended by adding new sections to read:

5 ARTICLE 9. STATE IMPACT AID.

6 Sec. 29.60.670. STATE IMPACT AID FUND. (a) The state impact aid fund
7 is established in the department. The fund consists of appropriations to the fund.
8 Unless provided otherwise in an appropriation, money appropriated to the fund does
9 not lapse, but is retained in the fund and may be used by the department for state
10 impact aid grants and for costs of administering the state impact aid grant program.

11 (b) The legislature may appropriate to the state impact aid fund 10 percent of
12 all mineral or other lease rentals, royalties, royalty sale proceeds, or other payments
13 received by the state from a resource development project on state land, or the
14 legislature may appropriate the money for any other public purpose. Money

1 appropriated under this subsection to the state impact aid fund shall be used by the
2 department for state impact aid grants to municipalities affected by the resource
3 development project from which the money was derived by the state and for costs of
4 administering those grants.

5 Sec. 29.60.680. STATE IMPACT AID GRANTS. (a) A municipality affected
6 by a resource development project on state land may apply to the department for a
7 state impact aid grant to be used to help alleviate the effects of the project that are
8 resulting or will result in a financial or social burden to the municipality if the project
9 is located in whole or part in

- 10 (1) the municipality;
11 (2) the unorganized borough but close to the municipality;
12 (3) water under federal jurisdiction off the coast of the municipality.

13 (b) The department shall establish grant application procedures and eligibility
14 requirements by regulation. The department shall consider each grant application and
15 may award a grant to a municipality if it determines that the proposed use of the grant
16 proceeds will help alleviate the adverse effects on the municipality of the resource
17 development project. The department shall give priority in the allocation of grant
18 money to a municipality that, compared to other applicants, is experiencing or will
19 experience the most direct or severe economic or social burden as a result of a project.

20 (c) Money from a state impact aid grant may not be used for retirement of
21 municipal debt. A municipality may use money from a grant only for

- 22 (1) planning;
23 (2) construction, maintenance, and operation of essential public
24 facilities;
25 (3) other necessary public services provided by the municipality.

26 Sec. 29.60.690. REPORT TO THE LEGISLATURE. Within 10 days after the
27 convening of each regular session, the department shall submit to the legislature a list
28 of all municipalities that received a state impact aid grant during the current fiscal
29 year, a written justification for each grant that has been awarded during that fiscal
30 year, and a list of municipalities determined by the department to be eligible for
31 additional grants. The department shall include a recommendation of the amount of

- 1 money that should be appropriated to the state impact aid fund to enable the
2 department to make grants to all municipalities determined to be eligible for them.
3 * Sec. 2. This Act takes effect July 1, 1993.