

SENATE BILL NO. 154

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY SENATORS JACKO, Halford, Pearce, Zharoff, Kelly

**Introduced: 3/9/93
Referred: L&C, FIN**

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the economic development grant program; and providing for
2 an 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. ECONOMIC DEVELOPMENT GRANT PROGRAM.**

6 **Sec. 29.60.670. ECONOMIC DEVELOPMENT GRANT FUND.** (a) The
7 economic development grant fund consisting of appropriations to the fund is
8 established in the Department of Commerce and Economic Development. Except as
9 otherwise provided in an appropriation act, money appropriated to the fund does not
10 lapse but is retained in the fund.

11 (b) The legislature may appropriate money from the fund for an economic
12 development grant or for any other public purpose.

13 **Sec. 29.60.675. ECONOMIC DEVELOPMENT GRANTS.** (a) A municipality
14 or a regional development organization may apply for an economic development grant

1 for a fiscal year by submitting, before October 1 of the preceding fiscal year, a form
2 prescribed by the commissioner of commerce and economic development. The grant
3 money may only be used for construction of a capital project that will be owned by
4 the municipality or the organization and that will increase economic opportunity within
5 the municipality or region that the organization represents. The grant application must
6 include the following information:

7 (1) the amount of money available to the municipality or the
8 organization from nonstate sources that the municipality or the organization proposes
9 to use to match grant funds for the project;

10 (2) the amount of money available from private, nongovernmental
11 sources that has been committed to or as a result of investment in the project;

12 (3) an estimate of the number and duration of construction jobs within
13 the municipality or region that will result from the project;

14 (4) an estimate of the number of new permanent jobs within the
15 municipality or region that will result directly or indirectly from the project;

16 (5) an estimate of the amount of state and municipal taxes that will be
17 generated as a result of the project during the 10 years following its completion; and

18 (6) a description of how the municipality or organization will pay for
19 the operation and maintenance of the project after it is constructed.

20 (b) The Department of Commerce and Economic Development shall evaluate
21 all grant applications received for a fiscal year. The department may request from a
22 municipality or organization additional information needed to evaluate a proposed
23 capital project. By February 1 of each year, the department shall submit to the finance
24 committees of each house of the legislature a prioritized list of projects for which the
25 department recommends funding based on the degree to which each project has the
26 potential to improve the economy of the state, and of the municipality that has applied
27 for the grant or the region represented by the organization that has applied for the
28 grant.

29 (c) The legislature may appropriate from the economic development fund all
30 or a portion of the money requested by a municipality or organization for a project
31 identified by the department in its prioritized list. Money appropriated shall be made

1 available by the department to the municipality or organization as a grant for the
2 project.

3 Sec. 29.60.680. GRANTS. The Department of Commerce and Economic
4 Development shall by regulation establish requirements for economic development
5 grants and shall administer the grants. A grant may not be awarded by the department
6 unless money for the project is appropriated under AS 29.60.675(c) and the
7 municipality or organization meets or exceeds the amount of matching money
8 identified in its grant application.

9 Sec. 29.60.685. DEFINITIONS. In AS 29.60.670 - 29.60.680, "regional
10 development organization" and "organization" have the meanings given in
11 AS 44.33.026(e).

12 * Sec. 2. This Act takes effect July 1, 1993.