

**CS FOR SENATE BILL NO. 154(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION**

BY THE SENATE LABOR AND COMMERCE COMMITTEE

**Offered: 3/19/93
Referred: FINANCE**

Sponsor(s): SENATORS JACKO, Halford, Pearce, Zharoff, Kelly, Taylor

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.** The
7 economic development grant fund consisting of appropriations to the fund is
8 established in the Department of Administration. Except as otherwise provided in an
9 appropriation act, money appropriated to the fund does not lapse but is retained in the
10 fund.

11 **Sec. 29.60.675. ECONOMIC DEVELOPMENT GRANTS.** (a) A municipality
12 or a regional development organization may apply for an economic development grant
13 for a fiscal year by submitting an application to the Office of the Governor before
14 October 1 of the preceding fiscal year. The application shall be on a form prescribed

1 by the office of management and budget after consulting with the Department of
2 Commerce and Economic Development and the Department of Community and
3 Regional Affairs. The grant money may only be used for construction of a capital
4 project that will increase economic opportunity within the municipality or region that
5 the organization represents. The grant application must include the following
6 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 taxes, municipal taxes, and other
17 fees or payments to the state or applicant that will be generated as a result of the
18 project during the 10 years following its completion; and

19 (6) a description of the ownership of the completed project and how
20 the project will be operated and maintained after it is constructed.

21 (b) All grant applications received for a fiscal year shall be evaluated by a
22 committee composed of representatives of the office of management and budget, the
23 Department of Commerce and Economic Development, the Department of Community
24 and Regional Affairs, and other agencies. Committee members shall be selected by
25 the director of the office of management and budget and shall be chaired by the
26 director or the director's designee. The committee may request from a municipality
27 or organization additional information needed to evaluate a proposed capital project.
28 As part of the annual capital improvements program presented to the legislature under
29 AS 37.07.060, the governor shall submit to the finance committees of each house of
30 the legislature a prioritized list of projects for which the evaluation committee
31 recommends funding based on the degree to which each project has the potential to

1 improve the economy of the state and of the municipality that has applied for the grant
2 or the region represented by the organization that has applied for the grant.

3 (c) The legislature may appropriate or allocate from the economic development
4 fund or allocate in an appropriation to the fund all or a portion of the money requested
5 by a municipality or organization for a project identified in the prioritized list.

6 Sec. 29.60.680. GRANTS. The Department of Administration, after consulting
7 with the Department of Commerce and Economic Development and the Department
8 of Community and Regional Affairs, shall by regulation establish requirements for
9 economic development grants under AS 29.60.670 - 29.60.685 and shall administer the
10 grants. The regulations are subject to approval by the office of management and
11 budget. A grant may not be awarded by the department unless money for the project
12 is appropriated or allocated under AS 29.60.675(c) and the municipality or organization
13 meets or exceeds the amount of matching money identified in its grant application.

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

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