

Referred  
to  
Ct RIA  
committee  
4/5/82

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 RILL

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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Introduced: 6/23/81  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY METCALFE

2 HOUSE BILL NO. 618

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST 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  
8 date."

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

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

11 CHAPTER 96. STATE AID FOR CAPITAL PROJECTS.

12 Sec. 29.96.010. AID FOR CAPITAL PROJECTS. (a) During each  
13 fiscal year the Department of Administration shall compute and pay an  
14 entitlement to each qualified municipality. The entitlement shall be  
15 used for capital projects at the discretion of the municipality. The  
16 entitlement shall be computed in accordance with (b) of this section,  
17 and is payable by the Department of Administration in accordance with  
18 (c) of this section.

19 (b) The amount of an entitlement to a municipality under this  
20 section shall be computed in accordance with the following formula:

21 
$$\frac{TA}{TP} \times P = \text{entitlement}$$

22 where

23 TA = the total amount of money available for distribution as  
24 entitlements during the fiscal year;

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

27 P = the population of the municipality for which the entitlement  
28 is being computed.

29 (c) A municipality qualifies to receive money as an entitlement

1 under this section if it provides to the Department of Administration a  
2 copy of an ordinance or resolution adopted by it that

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

5 (2) identifies the capital projects for which the money will  
6 be spent; and

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

9 (d) A municipality may provide a grant of money received under  
10 this section to a nonprofit corporation for any capital project of the  
11 nonprofit corporation that serves a public purpose.

12 Sec. 29.96.020. DETERMINATION OF POPULATION. (a) For purposes  
13 of this chapter, the population of a municipality shall be determined  
14 from the latest figures of the United States Bureau of the Census.

15 (b) For purposes of determining the population of a home rule or  
16 general law borough, the population of each city located within the  
17 boundaries of the borough shall be subtracted from the population of  
18 the borough.

19 Sec. 29.96.030. CAPITAL PROJECTS AID ACCOUNT. The capital  
20 projects aid account is established in the Department of Administration.  
21 Each fiscal year the legislature may appropriate the proceeds of an  
22 increase effective after January 1, 1981, in a tax imposed under AS 43.-  
23 55.011 or 43.55.016, to the account for distribution as authorized in  
24 AS 29.96.010.

25 Sec. 29.96.040. DEFINITIONS. In this chapter,

26 (1) "capital project" means

27 (A) a public facility; or

28 (B) equipment that may be necessary to construct,  
29 operate, or maintain a public facility or service;

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

4                   \* Sec. 2. AS 29.96.030 is amended to read:

5                   Sec. 29.96.030. CAPITAL PROJECTS AID ACCOUNT. The capital  
6                   projects aid account is established in the Department of Administration.  
7                   Each fiscal year the legislature shall [MAY] appropriate the proceeds  
8                   of an increase effective after January 1, 1981, in a tax imposed under  
9                   AS 43.55.011 or 43.55.016, to the account for distribution as authorized  
10                  in AS 29.96.010.

11                  \* Sec. 3. Section 1 of this Act takes effect July 1, 1982.

12                  \* Sec. 4. Section 2 of this Act takes effect on the effective date of an  
13 amendment to the Constitution of the State of Alaska authorizing the dedica-  
14 tion of proceeds of an increase in a severance tax on oil and gas production  
15 for municipal purposes.

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THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

HB 618

FISCAL NOTE

I. REQUEST HB 618  
 Bill/Resolution No. HB 618  
 Title State Aid to Municipalities for Capital Projects  
 Requested by House State Affairs Committee Date February 2, 1982

II. FISCAL DETAIL  
 Agency Affected Department of Administration - Administrative Services  
 Program Category Affected Centralized Administrative Services  
 BRU, Program, Or Subprogram(s) Affected Fiscal/Personnel  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

	0	0	0	0	0	0
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)  
 HB 618 would have no fiscal impact on the Department of Administration

IV. DATE February 2, 1982 PREPARED BY Robert L. Rehfeld *RLR*  
 AGENCY Administration  
 Original: Legislative Finance PHONE 465-2200  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Rep. Metcalfe  
 33-001 (Rev. 12/81) the Governor Keith Specking

H/B 612  
219 811

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CS House Bill 618  
 Title "An Act relating to State Aid to Municipalities for Capital Projects"  
 Requested by State Affairs Committee Date March 10, 1982

II. FISCAL DETAIL  
 Agency Affected Community and Regional Affairs  
 Program Category Affected Community Development  
 BRU, Program, Or Subprogram(s) Affected Local Government Assistance  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		147.7				
200 TRAVEL		17.0				
300 CONTRACTUAL		24.1				
400 COMMODITIES		8				
500 EQUIPMENT		4.5				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS, ETC.		-0-				
TOTAL		194.1				

FUNDING (Thousands of Dollars)

GENERAL FUND		194.1				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		4				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

See Attached.

IV. DATE March 10, 1982 PREPARED BY W.F. "Bill" Williams  
 AGENCY Dept. of Community and Regional Affairs  
 Original: Legislative Finance PHONE 465 4735  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)

FISCAL NOTE - HOUSE BILL 618

<u>EXPENDITURE CATAGORY</u>	<u>Sub-total</u>	<u>Catagory Total</u>	<u>Program Total</u>
<u>Personal Service</u>			
Local Government Specialist III	45.1		
Local Government Specialist III	45.1		
Accounting Tech II	33.6		
Clerk Typist III	23.9		
	<u>          </u>	147.7	
<u>Travel</u>		17.0	
<u>Contractual Services</u>		24.1	
<u>Commodities</u>		.8	
<u>Equipment</u>		<u>4.5</u>	
			<u>\$194.1</u>

FISCAL NOTE

House Bill 618, "An Act relating to State Aid to Municipalities for Capital Projects"

Section III. Analysis (Attachments)

Two field staff positions will be necessary to assist the municipalities of the State in their participation in this program. The two field positions, Local Government Specialist III's will be required to provide technical expertise in the preparation of documentation for eligibility of applicant and capital project.

This fiscal note provides for two support positions to process the application budget and project narrative. In addition, an increase in accounting requirements for program administration is anticipated with the passage of this Bill. Incremental closing of the grant is a process whereby the State may monitor the progress of the projects, this function requires a review of the use of funds already spent and a projection of funds being requested by the grantee. This incremental reporting of the grant's financial status is supported by a narrative of grantee achievements.

The Department anticipates that the four positions included in this fiscal note will be adequate staffing for the passage of this legislation, House Bill 618.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS House Bill 618  
Title "An Act relating to State Aid to Municipalities for Capital Projects"  
Requested by State Affairs Committee Date March 10, 1982

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs  
Program Category Affected Community Development  
BRU, Program, Or Subprogram(s) Affected Local Government Assistance  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		0*				
200 TRAVEL		0*				
300 CONTRACTUAL		0*				
400 COMMODITIES		0*				
500 EQUIPMENT		0*				
600 LAND & STRUCTURES		0*				
700 GRANTS, CLAIMS, ETC.		0*				
TOTAL		0*				

FUNDING (Thousands of Dollars)

GENERAL FUND		0*				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		0*				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

NOTE: CS HB 618, as enabling legislation only, has no fiscal impact to the Department, assuming there is no accompanying bill of appropriation or funding through the budgetary process. However, if CS HB 618 is funded in whatever manner, in whatever State fiscal year, and regardless of funding level, the attached represents the minimum fiscal impact to the Department of Community and Regional Affairs to implement CS HB 618. If funding is authorized after the State's FY 83 budget, the amounts shown on the attached must necessarily be modified to accommodate inflation.

IV. DATE March 10, 1982

PREPARED BY W.F. "Bill" Williams

AGENCY Dept. of Community & Regional Affairs

Original: Legislative Finance

PHONE 465-4735

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

FISCAL NOTE - CS HOUSE BILL 618

<u>EXPENDITURE CATAGORY</u>	<u>Sub-total</u>	<u>Catagory Total</u>	<u>Program Total</u>
<u>Personal Service</u>			
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Local Government Specialist III	45.1		
Accounting Tech II	33.6		
Clerk Typist III	<u>23.9</u>		
		147.7	
<u>Travel</u>		17.0	
<u>Contractual Services</u>		24.1	
<u>Commodities</u>		.8	
<u>Equipment</u>		<u>4.5</u>	
			<u>\$194.1</u>

FISCAL NOTE

House Bill 618, "An Act relating to State Aid to Municipalities for Capital Projects"

Section III. Analysis (Attachments)

Two field staff positions will be necessary to assist the municipalities of the State in their participation in this program. The two field positions, Local Government Specialist III's will be required to provide technical expertise in the preparation of documentation for eligibility of applicant and capital project.

This fiscal note provides for two support positions to process the application, budget and project narrative. In addition, an increase in accounting requirements for program administration is anticipated with the passage of this bill. Progress reports and funding requests would be received, processed and payments requested by these individuals. Additionally, they would calculate the original allocation amounts communities would receive based on the formula set out in the bill.