SCOMM

#34:26

REPRESENTATIVE
ADELHEID HERRMANN
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(907) 246-4495

While in Juneau
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Alaska State Legislature

House of Representatives

CHAIRMAN
SPECIAL COMMITTEE
ON FISHERIES

MEMBER
TRANSPORTATION
COMMITTEE

DISTRICT 26
ADAK
AKUTAN
ALEKNAGIK
ATKA
BELKOFSKI
CLARK'S POINT
COLD BAY
DILLINGHAM
DUTCH HARBOR
EGEGIK
EKUK
EKWOK
FALSE PASS
IGIUGIG
ILIAMNA
KING COVE
KING SALMON
KOKHANOK
KOLIGANEK
LEVELOCK
MANOKOTAK
NAKNEK
NELSON LAGOON
NEWHALEN
NEW STUYAHOK
NIKOLSKI
NONDALTON
PEDRO BAY
PILOT POINT
PORT ALSWORTH
PORT HEIDEN
PORT MOLLER
PORTAGE CREEK
SAND POINT
SOUTH NAKNEK
SQUAW HARBOR
ST. GEORGE
ST. PAUL
TOGIAK
TWIN HILLS
UGASHIK
UNALASKA

MEMORANDUM

TO: Representative Rick Uehling, Chair
Members, House Special Committee
on Loans

FROM: Representative Adelheid Herrmann

DATE: February 29, 1984

RE: HB 640 -- Historic Properties Development Fund

The following is a brief background on the above legislation which may be helpful to the Committee as it considers the bill.

SCOPE

The bill amends the eligibility requirements currently established for funding under the Outdoor Recreational, Open Space, and Historic Properties Development Fund (AS 41.98.170). I am seeking to change the eligibility requirement to allow individual entities to participate in the program, should funding become available, either through the state, the federal government, or both.

Now, only cities, municipalities and organized boroughs may apply for loans or grants. In particular, this bill would provide that persons (defined to include individuals, associations, corporations, and the like) would also be eligible for applying to the Development Fund for assistance.

I have also sponsored a bill appropriating $500,000 to the Development Fund. This bill, HB 639, is currently pending in the House Finance Committee.

PURPOSE

The Division of Parks, under DNR, administers two federal programs in addition to the State program. They are the Land and Water Conservation Grants and the National Historic Preservation Grants. Of the latter, of which I am concerned, the funding is divided into two types: Survey and Planning which is inventory and assessment; and Acquisition and Development, called the "brick and mortar" money. Eligibility for funding under this category is open to persons, organizations, governmental agencies, municipalities, boroughs, etc. This program requires matching funds.

The Division of Parks also administers the Outdoor Recreational, Open Space, and Historic Properties Development Fund. Funds from this source can be matched with the federal funds for a project -- but only if you comply with state eligibility requirements -- which at this time does not include persons, organizations and corporations. This class of persons is precluded from benefiting from the joint match available to larger cities, municipalities and boroughs. It is this inequity that I seek to eliminate.

BENEFITS

We need to support the efforts of individuals who feel strongly about banning together and preserving a historic structure that is of historical or cultural significance. We should not handicap a segment of our communities who have the desire and willingness to provide services in-kind in order to improve the environment.

We also need to take advantage of the expertise within our state government in providing assistance to these groups. We have the staff in place to advise groups on this subject. I have been advised by the personnel administering this program that having the same eligibility requirements for both state and federal programs is very desirable. It would confirm that a partial funding from each program could be treated as matching grants -- eliminating any doubt by applicants and staff.

FEDERAL FUNDING

As mentioned, the federal government appropriates money to the state to administer the Land and Water Conservation Grants and the National Historic Preservation Grants. Funding from the federal government in the past has been sporatic -- at best. President Reagan does not support the programs, however, there is a chance that a Congressional add-on may send between $500,000-$1,000,000 our way.

GENERAL

Since the key element in this bill is the use of the term "person", the following statutory definition is supplied:

AS 01.10.060. Definitions. In the laws of the state, unless context otherwise requires.

# # #

(7) "person" includes a corporation, company, partnership, firm, association, organization, business trust, or society, as well as a natural person;

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I am also enclosing for your review, material taken from the House Research Agency Report 82-A: State Loan Programs -- A Review of Administration, Funding and Activity, December 1982. This material provides general backgroun information on the Outdoor Recreational, Open Space, and Historic Properties Development Fund.

Please note that the statutory reference mentioned in the attached (AS 41.22.010-41.22.030) has been renumbered to AS 41.98.170-41.98.180. A copy of the statutory language on the Fund is enclosed.

AH/jr
Enclosures

OUTDOOR RECREATIONAL, OPEN SPACE, AND HISTORIC PROPERTIES DEVELOPMENT FUND

Department of Natural Resources, Division of Parks

AS 41.22.010 - AS 41.22.030: enacted in 1976

Purpose

This program was enacted to enable communities to make option payments on parks and open space land; grants are made for the acquisition, development or extension of outdoor sites, or for the acquisition, preservation, or protection of local historic sites.

Method

The Division of Parks, which is authorized to make either loans or grants from the fund, has made only grants, which allow communities to qualify for federal matching grants, rather than loans, which do not count as matching funds.

Eligibility

Only cities, home rule municipalities, and organized boroughs may borrow from the fund.

Terms

Maximum Amount: Variable; to be determined by the Department
Maximum Term: 10 years
Interest Rate: 6.0%

Funding, FY 81-83

The fund finances grants through the sale of bonds; one such sale, totaling $2,500,000, was held in FY 1976.

Activity, FY 81-83

The fund has made 50 grants, totaling approximately $2,400,000.

Administrative Staff

Judy Marquez, Director
Division of Parks
274-4676

Offices: 619 Warehouse Avenue
Anchorage

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Address: 619 Warehouse Avenue
Anchorage, Alaska 99501

Article 3. Outdoor Recreational, Open Space, and Historic Properties Development Fund.

Section
170. Fund created
175. Fund utilization for local projects
180. Powers and duties of Department of Natural Resources

Sec. 41.98.170. Fund created. There is in the Department of Natural Resources an outdoor recreational, open space, and historic properties development fund to be administered by the division of parks. Appropriations or other money deposited in the fund shall be utilized by the department to pay the nonfederal share of costs of projects which are initiated by the state to acquire, develop, or extend outdoor recreation sites and facilities and to acquire, preserve, or protect historic sites, buildings and monuments. Plans for expenditures from the fund shall be submitted by the governor in accordance with the Executive Budget Act (AS 37.07) as part of the annual budget presentation to the legislature. (§ 1 ch 32 SLA 1976)

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Sec. 41.98.175. Fund utilization for local projects. (a) In addition to uses of fund money authorized in AS 41.98.170, money of the fund shall be utilized to make grants to municipalities of up to one-half the nonfederal share of costs of projects described in AS 41.98.170 which are initiated by a municipality, and loans of amounts necessary to enable municipalities to make option payments on parks and open space land for the acquisition of which federal funds are anticipated.

(b) Priority of need for loans under (a) of this section shall be determined by an examination of the value of land for park and open space purposes if permanently acquired, of the likelihood that the land will be permanently acquired by exercise of the option, and of the imminence of the risk of loss for park and recreation purposes if options are not obtained.

(c) Loans under (a) of this section shall be conditioned on repayment within 10 years, at an annual interest rate of six per cent.

(d) In (a) of this section "municipalities" includes cities or organized boroughs of any class exercising powers to initiate projects described in AS 41.98.170 and acquire parks and open space land, as otherwise authorized by law, and includes unified municipalities organized under AS 29.68.240 — 29.68.440. (§ 1 ch 32 SLA 1976)

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Sec. 41.98.180. Powers and duties of Department of Natural Resources. The Department of Natural Resources may adopt regulations necessary to carry out the purposes of AS 41.98.170 — 41.98.180 and designate agents and delegate powers to them as is necessary. (§ 1 ch 32 SLA 1976)

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Sec. 41.99.010. Game management and enforcement. Nothing in this title denies the Department of Fish and Game or the Board of Fish and Game their management and enforcement responsibilities related to the fish and game of this state. (§ 4 ch 47 SLA 1972)

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Judy Marquez, Director
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STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date:

REQUEST
Bill/Resolution No.: HB 640
Title: Act Relating to Historic Properties Grants
Sponsor: Hermann
Requestor:
Date of Request: 2/28/84

FISCAL DETAIL
Agency Affected: Department of Natural Resources
Program Category Affected: Parks and Rec. Management
BRU, Program or Subprogram(s) Affected: Historic Resource Managment

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

~~Senate~~ House bill 639 appropriates $500,000.00 from the general fund to the outdoor recreational open space and historic properties development fund in AS41.98.170.

ANALYSIS: Attach a separate page for analysis

Prepared By: Ty Dilliplane Phone: 265-4140
Division: Parks and Outdoor Recreation Date: 2/28/84
Approved by Commissioner: [illegible] Date: 2/29/84
Agency: Department of Natural Resources

MH

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

Introduced: 2/13/84
Referred: House Special Committee
on State Loans and Finance

IN THE HOUSE BY HERRMANN

HOUSE BILL NO. 640

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to historic properties grants."

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

* Section 1. AS 41.98.175(a) is amended to read:

(a) In addition to uses of fund money authorized in AS 41.98.-170, money of the fund shall be utilized to make grants to municipalities or persons of up to one-half the nonfederal share of costs of projects described in AS 41.98.170 that [WHICH] are initiated by a municipality or a person [,] and to make loans of amounts necessary to enable municipalities to make option payments on parks and open space land for the acquisition of which federal funds are anticipated.