

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

3/30/86-

Date: 4-17-81

The Committee on FINANCE has had HB 639

"An Act making a special appropriation to the outdoor recreational, open space, and historic properties development fund; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Robert P. Adams

MILLO H TRILZ

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

W. H. ...
NOTE: FUNDING NOTE
...

Robert P. Adams
CHAIRMAN

Introduced: 2/13/84
Referred: Resources and Finance

Funding Information
General Fund \$500,000
Other Funds -0-
\$500,000

1 IN THE HOUSE

BY HERRMANN

2

HOUSE BILL NO. 639

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation to the outdoor
7 recreational, open space, and historic properties
8 development fund; and providing for an effective
9 date."

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

11 * Section 1. The sum of \$500,000 is appropriated from the general fund
12 to the outdoor recreational, open space, and historic properties develop-
13 ment fund (AS 41.98.170).

14 * Sec. 2. The appropriation made by this Act is for capitalization of a
15 loan and grant fund and does not lapse in accordance with AS 37.25.010.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

Alaska State Legislature

REPRESENTATIVE
ADELHEID HERRMANN

P.O. BOX 83
NAKNEK, ALASKA 99833
(907) 246-4495

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 485-4942, 485-4943



Lov
CHAIRMAN
SPECIAL COMMITTEE
ON FISHERIES

MEMBER
TRANSPORTATION
COMMITTEE

House of Representatives

MEMORANDUM

DISTRICT 26

ADAK
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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

TO: Representative Al Adams, Chairman
House Finance Committee

FROM: Representative Adelheid Herrmann

DATE: April 3, 1984

SUBJECT: HB 639 and HB 640 concerning funding for and changes to
the Outdoor Recreational, Open Space, and Historic
Properties Development Fund

I am enclosing some background material on the above bills, which I
sponsored, and are pending in the House Finance Committee.

HB 639 is the appropriation to the Development Fund in the amount of
\$500,000; and HB 640 changes the eligibility requirements for grant
distribution to be aligned with the criteria established by the
federal grant program. The state and federal grant programs focus
on acquisition and development of historic and recreational
properties. If HB 640 goes through, funds from each program can be
treated as matching grants.

You had mentioned that you thought that possibly the grant funding
under the Alaska Historical Commission, Department of Education, may
duplicate the purpose of the Development Fund. The purpose spelled
out for the grants under the Commission are quite different and do
not parallel the purpose of the Development Fund grants. The end
result is also different. The Commission provides grants which are
limited to Research and Publication which goes toward historical
research and retrieval of archival materials, provides some training
whereby small communities are afforded the opportunity to learn how
to deal with valuable records and archival conservation, and
publication of manuscripts on Alaska history which are
non-commercial in nature.

The Development Fund, on the other hand, provides grants for
purchase and actual improvements to properties for the benefit of
the general public. The federal program is limited to properties
listed on the National Register of Historic Places, but the state
program is not as limited; but status, such as placement on the
Register, is a consideration.

Rep. Al Adams
April 3, 1984
Page Two

I am hopeful that this information will be of assistance to you and let me know if you have any further questions.

AH/r/ml
Enclosure

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ADELHEID HERRMANN

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MEMORANDUM

TO: Representatives John Ringstad and Richard Shultz, CoChairmen; Members, House Resources Committee

FROM: Representative *AH* Adelheid Herrmann

DATE: March 27, 1984

RE: HB 639 -- Special Appropriation to the Outdoor Recreational, Open Space, and Historic Properties Development Fund; and providing for an effective date

Attached you will find background material which I think will be of assistance while you consider the above bill.

Enclosed you will find the following:

1. HB 639
2. Memorandum to House Resources Committee on HB 639
3. HB 640 and CSHB 640 (Loans)
4. Memorandum to House Loans Committee on HB 640, which includes
 - a. House Research Agency excerpt on Development Fund; and
 - b. Statutory Reference

Thank you for your attention.

AH/jr
Enclosures

REPRESENTATIVE
ADELHEID HERRMANN

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MEMORANDUM

TO: Representatives John Ringstad and Richard Shultz, CoChairmen; Members, House Resource Committee

FROM: Representative Adelheid Herrmann

DATE: March 26, 1984

RE: HB 639--Special Appropriation to the Outdoor Recreational, Open Space, and Historic Properties Development Fund; and providing for an effective date

FUND CREATED

The development fund was created under AS 41.22.010 renumbered as AS 41.98.170 in 1983. Appropriations and other funds deposited in the fund "shall be utilized by the Department [of Natural Resources] 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. . . ." [Copy of statutory site attached to MEMO to House Loans Committee]

GRANT PROCESS

The federal grant deadline for this year is March 30th for submission to the Division of Parks, Department of Natural Resources. The Division develops a package of grant applications with review materials for submission to the Alaska Historic Sites Advisory Committee which evaluates and awards the grants. Federal funds are tied to nominations to the National Register of Historic Places; whereas the state program has broader language not limited to placement on the Register.

PAGE TWO

TERMS

The federal program provides assistance on a 50-50 matching basis for statewide historic preservation planning and survey and for acquisition, stabilization and restoration of properties listed in the National Register of Historic Places. The funds are disbursed through state and local governments and private organizations and individuals are eligible for the assistance. Because it has national distribution, the state receives an annual apportionment from the funds based on the amount of Congressional apportionment and a formula used by the Department of Interior.

The Division estimates the federal apportionment for fiscal year 85 to be \$414,500. That amount may be as high as \$640,000 as referenced in the operating budget as presented.

The state program provides assistance by authorizing either loans or grants to be made from the fund. The statute states that the money shall be used to make grants to municipalities of up to one-half the nonfederal share of costs of projects described in "Fund Creation" above. As mentioned in the House Research Agency Report on State Loan Programs, only grants have been distributed through the program which allowed the communities to qualify for the matching federal funds.

ADMINISTRATION

The Alaska Department of Natural Resources, Division of Parks, administers both the federal and state programs. Reactivating the fund does not involve additional operating costs as staff is in place at this time; and from what I understand, an administrative fee is included in the grant.

AH/jr

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 Management

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 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

MH Approved by Commissioner: Ann D. Arnold, Deputy Date: 2/29/84
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

REPRESENTATIVE
ADELHEID HERRMANN
P.O. BOX 63
NAKNEK, ALASKA 99633
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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 Resources Committee.

PAGE TWO

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 sporadic -- 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.

PAGE THREE

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;

#

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 background 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.

MUNICIPAL ASSISTANCE

Administrative Staff

Judy Marquez, Director
Division of Parks
274-4676

Offices: 619 Warehouse Avenue
Anchorage

Mailing
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

Section

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)

Revisor's notes. — Formerly AS 41.22.010. Renumbered in 1983.

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)

Revisor's notes. — Formerly AS 41.22.020. Renumbered in 1983.

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)

Revisor's notes. — Formerly AS 41.22.030. Renumbered in 1983.

Chapter 99. General Provisions.

Section

10. Game management and enforcement

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)

Introduced: 2/13/84
Referred: Resources and Finance

<u>Funding Information</u>	
General Fund	\$500,000
Other Funds	-0-
	<u>\$500,000</u>

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BY HERRMANN

2

HOUSE BILL NO. 639

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act making a special appropriation to the outdoor recreational, open space, and historic properties development fund; and providing for an effective date."

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