

Offered: 3/5/84
Referred: Finance

Original sponsor: Herrmann

1 IN THE HOUSE

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

2

CS FOR HOUSE BILL NO. 640 (Loans)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

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

7

loans."

8

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

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

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municipality or a person [,] and to make loans of amounts necessary

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to enable municipalities to make option payments on parks and open

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space land for the acquisition of which federal funds are anticipated.

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
 Approved by Commissioner: Maria D. Spindler, Dep. Dir. 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 99833
(907) 246-4495

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4942, 465-4943

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
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KING COVE
KING SALMON
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LEVELOCK
MANOKOTAK
NAKNEK
NELSON LAGOON
NEWHALEN
NEW STUYAHOK
NIKCLSKI
NONDALTON
PEDRO BAY
PILOT POINT
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PORT HEIDEN
PORT MOLLER
PORTAGE CREEK
SAND POINT
SOUTH NAKNEK
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ST. GEORGE
ST. PAUL
TOGIAK
TWIN HILLS
UGASHIK
UNALASKA

MEMORANDUM

TO: Representative Al Adams, Chairman; and Members,
House Finance Committee

FROM: Representative Adelheid Herrmann

DATE: April 16, 1984

RE: HB 639--Special Appropriation to the Outdoor Recreational,
Open Space, and Historic Properties Development
Fund; and providing for an effective date
HB 640--Historic Properties Grants and Loans

These two bills, which I sponsored, are scheduled to be before you tomorrow, April 17, for consideration.

As these two bills were considered by two different Committees in the House, I am consolidating the information that was provided to them, which I hope will be helpful to you.

HB 639

This is an appropriation in the amount of \$500,000 to be placed in the currently defunct Development Fund. 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]

HB 640

The bill amends the eligibility requirements currently established for funding under the Development Fund. I am seeking to change the requirements to allow individual entities to participate in the program, should funding become available, either through the state, 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, companies, partnerships, firms, organizations, business trusts or societies) would also be eligible to apply to the Fund for assistance.

PROGRAMS

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 others listed previously. 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.

Reactivating the state fund does not involve additional operating costs as staff is currently in place at this time; and from what I understand, an administrative fee is included in the grant.

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 received 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 1/2 the nonfederal share of costs of projects described under HB 639 (page 1 of this memo). 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. A copy of the excerpted material from the HRA Report is attached for your reference.

BENEFITS

We need to support the efforts of individuals and groups 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 are 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.

GENERAL

The key element in HB 640 is the use of the term "person". For quick reference, the following statutory definition is supplied:

AS 10.10.060. 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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A copy of the statutory language on the Fund is enclosed, as well as background material provided by the House Research Agency Report 82-A: State Loan Programs--A Review of Administration, Funding and Activity, December 1982.

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>

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 recreational, open space, and historic properties development fund; and providing for an effective date."

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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).

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

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