

CSSB

480

HOUSE COMMITTEE REPORT

(11)

Date referred: 4/25/88

FURTHER REFERRALS:

DATE: 5-3-88

The Finance Committee has considered CSSB 480(Fin)

"An Act establishing the Alaska regional economic assistance program; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published 4/13/88
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Adams Al Adams

Porchot Pat Porchot

Larson Ron Larson

Swack Chuck Swack

Boyer Mark Boyer

Rieger Steve Rieger

Frank Don Frank

Brown Jan Brown

Davis Mike Davis

SIGNING OTHER RECOMMENDATIONS:

Goll Steve Goll

Wallis Kay Wallis

Al Adams

Chairman's signature

298
STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CSSB 480 (Fin)
PUBLISH DATE: SENATE 4/13/88

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
 Title: Alaska Regional Economic Assistance Program BRU: Division of Business Development
 Sponsor: Special Committee on Local & Economic Opportunity
 Requester: Senator Sturqulewski

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	300.0	500.0	500.0	500.0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	300.0	500.0	500.0	500.0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of dollars)

GENERAL FUND	0	300.0	500.0	500.0	500.0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	300.0	500.0	500.0	500.0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

See attached

Prepared by: Tom Lawson, Economic Development Planner Phone: 465-2017
 Division: Business Development Date: February 23, 1988

Approved by Commissioner: J. Anthony Smith Date: 3/7/88
 Agency: Department of Commerce and Economic Development

Distribution (by preparer):

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

RECEIVED

MAR 3 1988

page 1 of 2

09720-1/030488b

LEGISLATIVE FINANCE

Original sponsor: Special Committee on
Local and Regional
Economic Opportunity

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 480 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act establishing the Alaska regional economic
7 assistance program; and providing for an effective
8 date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. PURPOSE. It is the purpose of the legislature in estab-
11 lishing the Alaska regional economic assistance program to
12 (1) encourage the formation of regional development organiza-
13 tions that address the economic problems of specific regions in the state;
14 (2) coordinate private and public resources to support economic
15 development on a regional basis;
16 (3) provide the state with information on regional economic
17 issues and opportunities for international trade; and
18 (4) provide assistance in local economic diversification and
19 development efforts during the current recession to encourage regions of
20 the state to become economically self-sufficient.
21 * Sec. 2. AS 44.33 is amended by adding a new section to read:
22 Sec. 44.33.026. ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM.
23 (a) The department shall
24 (1) encourage the formation of regional development orga-
25 nizations by providing assistance in forming organizations to inter-
26 ested individuals, including information on how to qualify and apply
27 for regional development grants and federal funding under 42 U.S.C.
28 3121 - 3246 (Public Works and Economic Development Act of 1965), as
29 amended;

1 (2) assist an interested individual in establishing bound-
2 aries for a proposed organization to ensure that the region

3 (A) is of sufficient geographic size and contains a
4 large enough population to form an economically viable unit with
5 shared interests, resources, traditions, and goals;

6 (B) contains at least one municipality that serves as
7 a regional center; and

8 (C) contains the entire area of each municipality
9 included in the region;

10 (3) gather information about regional economic issues,
11 international trade, and tourism from organizations;

12 (4) serve as liaison between organizations and other state
13 agencies and encourage other agencies to make resources available to
14 help accomplish goals of the organizations;

15 (5) assist each organization to

16 (A) provide services designed to encourage economic
17 development to local communities and businesses;

18 (B) collect and distribute economic information rele-
19 vant to the region;

20 (C) participate in state marketing campaigns and join
21 state trade missions that are relevant to the region; and

22 (D) develop and implement strategies to attract new
23 industry, expand international trade opportunities, and encourage
24 tourism within the region.

25 (b) Subject to (c) of this section, the department may make
26 regional development grants to organizations for projects the depart-
27 ment determines will be of value in encouraging economic development.
28 During a fiscal year the department may make no more than 15 grants
29 and may only make grants to one organization from a particular region.

1 An organization that is designated an economic development district
2 under 42 U.S.C. 3171 qualifies for grants under this subsection. The
3 department shall by regulation adopt procedures for applying for
4 regional development grants, including application deadlines. The
5 department may by regulation establish additional grant eligibility
6 requirements.

7 (c) To qualify for a grant, a regional development organization
8 must match the grant by providing an amount of money from nonstate
9 sources for the project that equals the amount of grant money to be
10 used for the project. The total amount of grant money provided to an
11 organization during a fiscal year may not exceed \$50,000.

12 (d) There is established in the department the regional develop-
13 ment fund consisting of appropriations to the fund. Money from the
14 fund may be used only for regional development grants.

15 (e) In this section

16 (1) "department" means the Department of Commerce and
17 Economic Development;

18 (2) "regional development organization" or "organization"
19 means a nonprofit organization or nonprofit corporation formed to
20 encourage economic development within a particular region of the state
21 that includes the entire area of each municipality within that region
22 and that has a board of directors that represents the region's eco-
23 nomic, political, and social interests.

24 * Sec. 3. AS 44.33.026 is repealed July 1, 1993.

25 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

Chairman, Senate Community and Regional Affairs Committee
Vice-Chairman, Senate Judiciary Committee
Member, Senate Resources Committee

2937 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

While in Juneau
P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

MEMORANDUM

April 26, 1988

TO: Representative Al Adams, Chairman
House Finance Committee

FROM: Senator Arliss Sturgulewski (AS)

RE: SB 480 "An Act establishing the Alaska regional economic assistance program and providing for an effective date."

Senate Bill 480 will establish the Alaska Regional Assistance Program throughout the state. This legislation is designed to encourage the formation of regional organizations to address economic development problems. It is also designed to be a catalyst for the encouragement of local and regional groups to form together on their own initiative. It is flexible in structure to accommodate the diversity of regions within Alaska and is not a canned program put out by the state.

The legislation will compliment the regional program being developed within the Department of Commerce and Economic Development (DCED) by giving it a formal structure in statute. Senate Bill 480 allows for matching grants of up to \$50,000 per year for each region. The legislation restricts the number of regions to 15 and has a 1993 sunset date. The DCED currently anticipates that there might be about 12 regions formed. Early discussions suggest that some of the organizations and regions that might be interested in qualifying for the regional program are:

- S.E. Conference
- S.W. Municipal Conference
- NANA Region
- Bering Straits Region
- Bethel Area (Yukon-Kuskokwim)
- Kenai Peninsula Area
- Mat-Su Borough Area
- North Slope Borough Area
- North Star Borough Area
- Anchorage Area
- Prince William Sound Area

The regional assistance program is designed to be a partnership. There must be cooperation among communities in the region to work together; there

must be private and public representatives in the organizations; and there must be cooperation between the state and the region. One requirement is that DCED serve as a liaison between regional organizations and other state agencies to make resources available to help the regions accomplish their goals.

The legislation defines a regional development organization to mean a non-profit corporation or organization formed to encourage economic development within a particular region of the state. It has a board of directors that represents the region's economic, political and social interests.

The legislation has broad support. Some supporting organizations are listed below:

- Alaska Municipal League
- Alaska Conference of Mayors
- Alaska State Chamber of Commerce
- S.E. Conference
- S.W. Alaska Municipal Conference
- Economic Development Administration
- City of Kenai
- City of Wasilla
- Aleutians East Borough
- City of Sand Point
- City of Juneau
- Fairbanks Northstar Borough
- Anchorage Economic Development Corporation
- Juneau Economic Development Corporation
- City of Unalaska
- Mat-Su Regional Economic Development Corporation
- Mat-Su Borough
- City of Bethel
- Resource Development Council

Senate Bill 480 passed the Senate by a vote of 20 - 0.

Because of the strong public support for this legislation and the lateness of the session, I would appreciate your consideration for an early hearing.

Attachments: CSSB 480(Fin)
Fiscal Note
Bill History
Sectional Analysis
Press Release by Senator Sturgulewski
Newsletter by DCED

BILL: SB 480

NAME: CSSB 480(FIN)

TITLE: "An Act establishing the Alaska regional economic assistance program; and providing for an effective date."

PRIME SPONSOR: LOCAL & REGIONAL EC. OPPORTUNITY, SP. COMMITTEE

FUNDING : \$300,000 GENERAL(FNOTE) \$000 OTHER(FNOTE)

CURRENT STATUS: PASSED (S) STATUS DATE: 04/25/88

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU	TEXT	PRINT	BWD	FWD		FIRST	LAST	QUIT
SB 480				Bill/Resolution Action							

Page 2 of 2

Current Status: PASSED (S)

	Jrn-Date	Jrn-Pg	Action
1	02/22/88	2361	(S) READ THE FIRST TIME - REFERRAL(S)
2	02/22/88	2361	(S) L&C, THEN FIN
3	03/15/88	2632	(S) L&C RPT CS 2DP 3NR
4	03/15/88	2633	(S) FISCAL NOTE PUBLISHED
5	04/13/88	3004	(S) FIN RPT CS 7DP
6	04/13/88	3004	(S) UPDATED FISCAL NOTE W/ANALYSIS
7	04/25/88		(S) RULES TO CALENDAR
8	04/25/88		(S) READ THE SECOND TIME
9	04/25/88		(S) FIN CS ADOPTED UNAN CONSENT
10	04/25/88		(S) ADVANCED TO THIRD READING UNAN CONSENT
11	04/25/88		(S) READ THE THIRD TIME CSSB 480(FIN)
12	04/25/88		(S) PASSED Y20 N-
13	04/25/88		(S) EFFECTIVE DATE SAME AS PASSAGE

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU	TEXT	PRINT	BWD	FWD		FIRST	LAST	QUIT

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 25, 1988

SUBJECT: Alaska regional economic assistance
program (CSSB 480(Finance))

TO: Senator Arliss Sturgulewski

FROM: Tamara Brandt Cook *TBC*
Director
Division of Legal Services

Here is the sectional analysis that you requested for SB 480.

Section 1. This is a statement of the purpose of the legislature in establishing the Alaska regional economic assistance program.

Section 2. The Department of Commerce and Economic Development is required to encourage the formation of regional development organizations, assist individuals in establishing boundaries for proposed organizations, gather information about regional economic issues, serve as liaison between organizations and other state agencies, and assist organizations to provide services designed to encourage economic development, collect economic information, participate in state marketing campaigns and trade missions, and develop strategies to attract new industry, expand trade opportunities, and encourage tourism. The department may make grants to organizations for projects of value in encouraging economic development. The department may make no more than 15 grants and may only make grants to one organization from a particular region during a fiscal year. An organization designated as an economic development district under federal law qualifies for grants. In addition, to qualify for a grant an organization must match the grant. The total amount of grant money provided to one organization may not exceed \$50,000 during a fiscal year. A regional development fund is established. A regional development organization is defined to be a nonprofit organization or corporation formed to encourage economic development within a particular region

Senator Arliss Sturgulewski
Page 2
April 25, 1988

with general requirements regarding the composition of the board of directors.

Section 3. The Alaska regional economic assistance program is repealed July 1, 1993.

Section 4. The Act has an immediate effective date.

TBC:bb
b5/037



Official Business

Alaska State Legislature

P.O. BOX V
State Capitol
Juneau, Alaska 998

PRESS RELEASE

February 22, 1988

By: SENATOR ARLISS STURGULEWSKI, CHAIRMAN
Senate Special Committee on Local & Regional Economic Opportunity

Contact: Frank Homan - 465-3818

Senator Arliss Sturgulewski announced today the introduction of legislation designed to promote regional economic development. Senate Bill 480 will establish the Alaska regional economic assistance program and apply throughout the state. The legislation is sponsored by the Senate Special Committee on Local and Regional Economic Opportunity of which Senator Sturgulewski is chairman. Other members of the committee include Senator Lloyd Jones of Ketchikan and Senator Fred Zharoff of Kodiak.

"I am particularly pleased with this legislation," said Senator Sturgulewski. "We have been working on this bill for the past year and have had many meetings with numerous groups who are trying to bring about economic development in their areas. There is an excitement and a momentum out there that we want to encourage and assist. For example," she continued, "there are people coming together on a regional basis to help each other such as the Southwest Municipal Conference, the Southeast Conference, the Kenai Peninsula, the Mat-Su, the Lower Yukon Kuskokwim River area, Interior Alaska and the Northwest Arctic to mention only a few. They are now in various stages of formation and I hope this legislation

will aid in bringing them together for mutual benefit of the region."

The legislation will compliment the regional program being developed within the Department of Commerce and Economic Development (DCED) by giving it a formal structure. SB 480 provides for grants of up to \$50,000 per year to each region that qualifies.

"We have tried to keep the requirements of each region to a minimum," she said, "because we don't want the state to dictate to the regions. We would rather encourage the regions to form on their own initiative. If there is no support for the program from the regions, then the state will not force it on them. Each area has its own set of interests, resources, traditions, and goals," the Senator said, "and we want that to be the catalyst for development, not a canned program put out by the state."

The DCED will be responsible for the program. Information will flow both ways; the state would provide assistance to regions that request it and the regions would be responsible to provide information back to the state that would assist in state economic development promotion. "For example," Sturgulewski said, "if a region has a particular product or resource they want to develop for export, the information would be made available to the state and the state Office of International Trade would incorporate it into their overseas promotion program."

The regional assistance program is designed to be a partnership. There

must be cooperation among communities in the region to work together; there must be private and public representatives in the organization; and there must be cooperation between the state and the region. One requirement is that the DCED serve as a liaison between regional organizations and other state agencies to make resources available to help the regions accomplish their goals. "Too many times we have competition among agencies of the state when we should have cooperation. We're all in this together," said Sturgulewski.

The legislation defines regional development organization to mean a non-profit corporation formed to encourage economic development within a particular region of the state. It has a board of directors that represents the region's economic, political, ~~and~~, and social interests,

~~and that include as members principal officials, the persons from the~~
~~local, state, business sector, and non-profit organizations in the~~
~~region.~~

"I see this legislation as a positive step in creating economic development initiatives at the local level," said Sturgulewski. "There are a lot of people out there that have good ideas for economic growth. This legislation will say to them that the state wants to help support their efforts."

The bill was assigned to the Labor and Commerce and Finance Committees in the Senate.

Economic Development Planning

REGIONAL DEVELOPMENT ORGANIZATIONS PROGRAM PROPOSED

Alaska communities are facing a myriad of complex local, regional, state, and international economic issues which are at best difficult to address. As a result a series of regional economic development entities have evolved as individual communities have begun to pool their resources, providing communities with a cooperative and organized means to meet these economic challenges. Because of the economic downturn, the demand from regional organizations and communities for state economic development technical and financial assistance has increased dramatically while revenues for state, federal, and local economic development assistance programs have been reduced.

To address this issue, the Division of Business Development has designed the Alaska Regional Development Organizations (ARDOR) Program and is included in Governor Cowper's FY 89 capital budget submission. The purpose of ARDOR program is to facilitate economic development at the regional and local level through establishment of a network of regional economic development organizations and the provision of financial and technical assistance. Governor Cowper recently introduced the program in Anchorage at the 37th Annual Alaska Municipal League (AML) Local Government Conference.

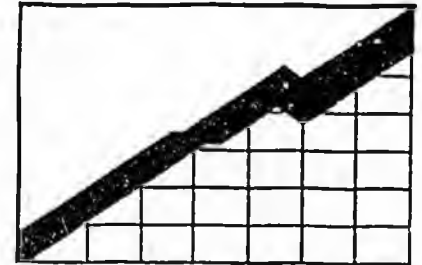
As proposed, the ARDORs will work with the communities and the division to develop and implement regional development strategies; address regional economic issues; collect and distribute regional economic information; provide development assistance within the region; participate in state economic development programs, such as marketing efforts; and coordinate economic development activities with member communities and the state. The ARDORs and regional development strategies will provide the foundation for the development of a credible, strong, and pragmatic state development strategy, under preparation, by the division.

The ARDOR program is designed to encourage evolution of economic regions and organizations from the local level and ultimately be self-sustaining. An economic region will likely consist of communities with similar or related economic problems and opportunities. At least one city within the region should be recognized as a regional center of economic activity. It will be up to the region to determine its ARDOR. The organization selected must represent the economic, political, civic and social interests of the region with the confidence of its residents.

The ARDOR Program grants will be administered by the Division of Business Development. One-to-one matching grants of up to \$30,000 will be provided annually to ARDORs to support full-time professional staff in each ARDOR office.

A state/regional electronic mail computer network for coordination of economic development activities and dissemination of economic information and news will be established. In addition, quarterly regional teleconferences will be conducted between appropriate state agencies and regions.

In developing the ARDOR program, the division has been working closely with Senator Arliss Sturgulewski, Chair of the Senate Community and Regional Affairs Committee and Chair of the Senate Special Committee on Local and Regional Economic Opportunity. At the AML Conference a joint session of the Senate and House Community and Regional Affairs Committees was held. The ARDOR program was a focal point of discussion. The AML passed a resolution in support of the ARDOR program.



ALASKA ECONOMIC DEVELOPMENT STRATEGY PROGRESSES

As part of the Alaska Economic Development Strategy, a report entitled, *The Alaska Economy: An Overview*, has been prepared and is in the final editing stages. The report assesses the relative strengths and weaknesses of each sector of the state's economy and will serve as the foundation of the strategy. It is anticipated that the report will be published in early 1988.

Development of a process for coordinating the development of state, regional and local economic development planning and implementation activities is a major objective of the strategy program. The Alaska Regional Development Organizations Program (see related story) was formally proposed in November to meet this objective.

VENTURE CAPITAL IN ALASKA

Elaine Wurster was recently hired to assist the division explore the feasibility of attracting venture capital into the state. Legitimate venture capital groups (with sizable investment capital) will be contacted to explore possible efforts in Alaska.

ANNUAL RDC MEETING

The Resource Development Council's Eighth Annual International Conference on Alaska's Resources, "What Alaska Can Do For America" will be held February 26-27 at the Anchorage Sheraton Hotel. A number of speakers will cover a broad range of topics affecting Alaska's development.

Concurrently, the Fourth Annual All-Alaska Exposition will highlight tourism, transportation, and local economic development projects.

Original sponsor: Special Committee on
Local and Regional
Economic Opportunity

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2 CS FOR SENATE BILL NO. 480 (Finance)
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4 FIFTEENTH LEGISLATURE - SECOND SESSION

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15 development on a regional basis;

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17 issues and opportunities for international trade; and

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19 development efforts during the current recession to encourage regions of
20 the state to become economically self-sufficient.

21 * Sec. 2. AS 44.33 is amended by adding a new section to read:

22 Sec. 44.33.026. ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM.

23 (a) The department shall

24 (1) encourage the formation of regional development orga-
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27 for regional development grants and federal funding under 42 U.S.C.
28 3121 - 3246 (Public Works and Economic Development Act of 1965), as
29 amended;

1 (2) assist an interested individual in establishing bound-
2 aries for a proposed organization to ensure that the region
3 (A) is of sufficient geographic size and contains a
4 large enough population to form an economically viable unit with
5 shared interests, resources, traditions, and goals;
6 (B) contains at least one municipality that serves as
7 a regional center; and
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20 (C) participate in state marketing campaigns and join
21 state trade missions that are relevant to the region; and
22 (D) develop and implement strategies to attract new
23 industry, expand international trade opportunities, and encourage
24 tourism within the region.
25 (b) Subject to (c) of this section, the department may make
26 regional development grants to organizations for projects the depart-
27 ment determines will be of value in encouraging economic development.
28 During a fiscal year the department may make no more than 15 grants
29 and may only make grants to one organization from a particular region.

1 An organization that is designated an economic development district
2 under 42 U.S.C. 3171 qualifies for grants under this subsection. The
3 department shall by regulation adopt procedures for applying for
4 regional development grants, including application deadlines. The
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6 requirements.

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Original sponsor: Special Committee on
Local and Regional
Economic Opportunity

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE SENATE

2

CS FOR SENATE BILL NO. 480 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

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9 sources for the project that equals the amount of grant money to be
10 used for the project. The total amount of grant money provided to an
11 organization during a fiscal year may not exceed \$50,000.

12 (d) There is established in the department the regional develop-
13 ment fund consisting of appropriations to the fund. Money from the
14 fund may be used only for regional development grants. An appro-
15 priation to the regional development fund lapses to the fund from
16 which it was appropriated July 1, 1993, unless otherwise provided in
17 the appropriation act.

18 (e) In this section

19 (1) "department" means the Department of Commerce and
20 Economic Development;

21 (2) "regional development organization" or "organization"
22 means a nonprofit corporation formed to encourage economic development
23 within a particular region of the state that includes the entire area
24 of each municipality within that region and that has a board of
25 directors that represents the region's economic, political, civic and
26 social interests.

27 * Sec. 3. AS 44.33.026 is repealed July 1, 1993.

28 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

Introduced: 2/22/88
Referred: Labor and Commerce
and Finance

5-1480A

BY THE SPECIAL COMMITTEE
ON LOCAL AND REGIONAL
ECONOMIC OPPORTUNITY

1 IN THE SENATE

2 SENATE BILL NO. 480

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska regional economic
7 assistance program; and providing for an effective
8 date."

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

10 * Section 1. PURPOSE. It is the purpose of the legislature in estab-
11 lishing the Alaska regional economic assistance program to

12 (1) encourage the formation of regional development organiza-
13 tions that address the economic problems of specific regions in the state;

14 (2) coordinate private and public resources to support economic
15 development on a regional basis;

16 (3) provide the state with information on regional economic
17 issues and opportunities for international trade; and

18 (4) provide assistance in local economic diversification and
19 development efforts during the current recession to encourage regions of
20 the state to become economically self-sufficient.

21 * Sec. 2. AS 44.33 is amended by adding a new section to read:

22 Sec. 44.33.026. ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM.

23 (a) The department shall

24 (1) encourage the formation of regional development orga-
25 nizations by providing assistance in forming organizations to inter-
26 ested individuals, including information on how to qualify and apply
27 for regional development grants and federal funding under 42 U.S.C.
28 3121 - 3246 (Public Works and Economic Development Act of 1965), as
29 amended;

1 (2) assist an interested individual in establishing bound-
2 aries for a proposed organization to ensure that the region

3 (A) is of sufficient geographic size and contains a
4 large enough population to form an economically viable unit with
5 shared interests, resources, traditions, and goals; and

6 (B) contains at least one municipality that serves as
7 a regional center;

8 (3) gather information about regional economic issues,
9 international trade, and tourism from organizations;

10 (4) serve as liaison between organizations and other state
11 agencies and encourage other agencies to make resources available to
12 help accomplish goals of the organizations;

13 (5) assist each organization to

14 (A) provide services designed to encourage economic
15 development to local communities and businesses;

16 (B) collect and distribute economic information rele-
17 vant to the region;

18 (C) participate in state marketing campaigns and join
19 state trade missions that are relevant to the region; and

20 (D) develop and implement strategies to attract new
21 industry, expand international trade opportunities, and encourage
22 tourism within the region.

23 (b) Subject to (c) of this section, the department may make
24 regional development grants to organizations for projects the depart-
25 ment determines will be of value in encouraging economic development.
26 During a fiscal year the department may only make grants to one orga-
27 nization from a particular region. An organization that is designated
28 an economic development district under 42 U.S.C. 3171 qualifies for
29 grants under this subsection. The department shall by regulation

1 adopt procedures for applying for regional development grants, includ-
2 ing application deadlines. The department may by regulation establish
3 additional grant eligibility requirements.

4 (c) To qualify for a grant, a regional development organization
5 must match the grant by providing an amount of money from nonstate
6 sources for the project that equals the amount of grant money to be
7 used for the project. The total amount of grant money provided to an
8 organization during a fiscal year may not exceed \$50,000.

9 (d) There is established in the department the regional develop-
10 ment fund consisting of appropriations to the fund. Money from the
11 fund may be used to carry out the purposes of this section and for
12 costs of administering the Alaska regional economic assistance pro-
13 gram. An appropriation to the regional development fund lapses to the
14 fund from which it was appropriated July 1, 1993, unless otherwise
15 provided in the appropriation act.

16 (e) In this section

17 (1) "department" means the Department of Commerce and
18 Economic Development;

19 (2) "regional development organization" or "organization"
20 means a nonprofit corporation formed to encourage economic development
21 within a particular region of the state with a board of directors
22 that represents the region's economic, political, civic and social
23 interests, and that includes at least one municipal official, one
24 person from the local private business sector, and one person who
25 represents the local Native community.

26 * Sec. 3. AS 44.33.026 is repealed July 1, 1993.

27 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).