

HB

198

SPONSOR STATEMENT

HB 198

"AN ACT RELATING TO THE ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE."

REPRESENTATIVE FOSTER

The ARDOR (Alaska Regional Development Organizations) program was established in statute in 1988, and with implementing regulations, became effective in early 1989. Thirteen ARDORS have since been designated, and it is anticipated a fourteenth ARDOR will be organized in the Matanuska-Susitna Borough.

Currently, the statute requires each ARDOR receive no more than \$50.0 per year which must be matched on a one-to-one basis with nonstate funds. HB198 will allow state grant funding of up to \$100.0 per ARDOR and authorizes the department to establish, by regulation, the amount of matching funds required based upon the capacity of each ARDOR to generate nonstate sources of funding.

The department envisions a matching fund formula easing the match requirements, and allowing rural areas access to the program. Rural ARDORS would be given the opportunity to lead their regions toward economic self-sufficiency thereby benefiting all of Alaska.

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 198

Revision Date: N/A
 Title: Regional Economic Assistance Program
 Sponsor: Representative Foster
 Requestor: Representative Foster

Department Affected: Commerce and Economic Development
 BRU: Economic Development
 Component: N/A
 COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	750.0	750.0	750.0	750.0	0.0	0.0
MISCELLANEOUS						
TOTAL OPERATING	750.0	750.0	750.0	750.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF	750.0	750.0	750.0	750.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	750.0	750.0	750.0	750.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: N/A

ANALYSIS: (Attach a separate page if necessary.)
 See attached.

Prepared by: Tom Lawson, Section Chief, Business & Regional Dev.
 Division: Economic Development

Phone: 465-2017
 Date: _____

Approved by Commissioner: Paul Fuhs
 Agency: Commerce and Economic Development

Date: 3/8/93

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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 198

ANALYSIS: (continued)

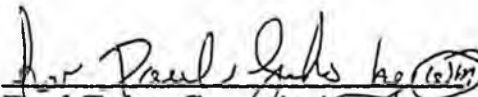
This legislation amends the ARDOR (Alaska Regional Development Organizations) program, established in statute in 1988, to allow state grant funding of up to \$100.0 per ARDOR. It also authorizes the department to establish by regulation the amount of matching funds required based on the capacity of each ARDOR to generate money from nonstate sources. Currently, the statute (AS 44.33.026) requires that each ARDOR receive no more than \$50.0 per year which must be matched on a one-to-one basis with nonstate funds. A total of \$1,400.0/year would be necessary for the 13 designated ARDORs and the one anticipated new ARDOR being organized in the Matanuska-Susitna Borough. \$650.0 already exists in the Governor's FY 94 Operating Budget request. The ARDOR program sunsets July 1, 1997.

HB 198: "An Act relating to the Alaska regional economic assistance program."

The department is neutral on the passage of this bill.

The ARDOR (Alaska Regional Development Organizations) program was established in statute in 1988 and with implementing regulations became effective in early 1989. Since then 13 ARDORs have been designated, eight in the last two years. An anticipated fourteenth ARDOR is being organized in the Matanuska-Susitna Borough. Currently, the statute (AS 44.33.026) requires that each ARDOR receive no more than \$50.0 per year which must be matched on a one-to-one basis with nonstate funds. This legislation amends the statute to allow state grant funding of up to \$100.0 per ARDOR and authorizes the department to establish by regulation the amount of matching funds required based on the capacity of each ARDOR to generate money from non-state sources.

If this legislation is passed, the department envisions a matching fund formula that would ease match requirements and especially favor rural areas. A total of \$1,400.0/year would be necessary for the 13 existing ARDORs and one anticipated new ARDOR.


Paul Fuhs, Commissioner

3/12/93
Date

dgl/116pp.ed

Sec. 44.33.025. Recording. [Repealed, E.O. No. 47, § 6 (1980).]

Sec. 44.33.026. Alaska regional economic assistance program.

(a) The department shall

(1) encourage the formation of regional development organizations by providing assistance in forming organizations to interested individuals, including information on how to qualify and apply for regional development grants and federal funding under 42 U.S.C. 3121 — 3246 (Public Works and Economic Development Act of 1965), as amended;

(2) assist an interested individual in establishing boundaries for a proposed organization to ensure that the region

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

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

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

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

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

(5) assist each organization to

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

(B) collect and distribute economic information relevant to the region;

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

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

(b) Subject to (c) of this section, the department may make regional development grants to organizations for projects the department determines will be of value in encouraging economic development. During a fiscal year the department may make no more than 15 grants and may only make grants to one organization from a particular region. An organization that is designated an economic development district under 42 U.S.C. 3171 qualifies for grants under this subsection. The department shall by regulation adopt procedures for applying for regional development grants, including application deadlines. The department may by regulation establish additional grant eligibility requirements.

(c) To qualify for a grant, a regional development organization must match the grant by providing an amount of money from nonstate

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

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

(e) In this section

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

(2) "regional development organization" or "organization" means a nonprofit organization or nonprofit corporation formed to encourage economic development within a particular region of the state that includes the entire area of each municipality within that region and that has a board of directors that represents the region's economic, political, and social interests. (§ 2 ch 94 SLA 1988; r § 3 ch 94 1988)

Postponed repeal. — Section 3, ch. 94, SLA 1988 repeals this section effective July 1, 1993.

Cross references. — For statement of legislative purpose, see sec. 1, ch. 94 1988 in the Temporary and Special

Secs. 44.33.030 — 44.33.060. Power development. [Repealed, ch 79 SLA 1983.]

Sec. 44.33.110. Civil Air Patrol. [Repealed, E.O. No. 33 (1968) current provisions, see AS 18.60.146.]

Article 2. Alaska Division of Tourism.

Section 119. Purposes	Section 124. Membership of the Tourism Marketing Committee
120. Alaska division of tourism	
122. Establishment of Tourism Coordinating Committee	135. Grants for promotion or development of visitor travel

Sec. 44.33.119. Purposes. The purposes of AS 44.33.119 — 44.33.135 and AS 44.33.700 — 44.33.735 are to

(1) encourage the expansion and growth of the state's visitor industry for the benefit of the citizens of the state;

(2) ensure that the economic benefits to be derived from tourism in the state are retained in the state, to the greatest extent possible;

(3) ensure that a maximum number of residents of the state are employed in the tourism industry;

(4) promote cooperation between the state and private sector in the planning and execution of a generic visitor marketing campaign in the public interest;



HOUSE COMMUNITY AND REGIONAL AFFAIRS

DATE: 3/25/93

PLACE: Rm. 124

SUBJECT OF MEETING:
 HB 220 HB 198
 HB 71
 HB 93

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Larry LaBelle ^x	Rep Foster	State Capitol Juneau, AK	99801		465-3789	(Y) N	HB 71 - HB 93 - HB 198
Jay Frank	State Farm Allstate	431 N. Franklin St			6-5777	(Y) N	HB 34
John						Y N	
CHRIS GATES, DIR.	DEPT OF COMMERCE	DIR OF ECONOMIC DEVELOPMENT PO BOX 110804			5 5467	(Y) N	HB 198
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	