



LAWS OF ALASKA

1979

Source

SCSHB 185

Chapter No.

62

AN ACT

Authorizing state aid to municipalities for the construction and development of cultural facilities.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: May 18, 1979
Actual Effective Date: August 16, 1979

AN ACT

Authorizing state aid to municipalities for the construction and development of cultural facilities.

* Section 1. AS 43.18 is amended by adding a new section to read:

ARTICLE 5. CULTURAL FACILITIES.

Sec. 43.18.500. CULTURAL FACILITY CONSTRUCTION AND DEVELOPMENT GRANTS. (a) There is established within the Department of Commerce and Economic Development a cultural facilities development fund for the purpose of providing state assistance in the construction and development of cultural facilities within those municipalities which actively provide support to the arts. Within the limits of direct appropriations for the purpose or through the appropriation of the proceeds of a general obligation bond issue, the department shall make grants to municipalities for construction and development of cultural facilities.

(b) Grants for only one site may be awarded to a municipality under this section.

(c) Application for a grant shall be made in the form required by the commissioner.

(d) No application for a grant may be considered for approval by the commissioner and no funds paid by him under this section unless

(1) the project is endorsed by resolution of the governing body of the sponsoring municipality on its own behalf or on behalf of the officially recognized arts planning organization of the municipality;

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1 (2) the commissioner is satisfied that the sponsoring municipi-
2 pality

3 (A) has the authority under AS 29.41 or AS 29.48 to
4 provide and maintain a cultural facility;

5 (B) is able to provide the local share of total project
6 costs; and

7 (C) will be financially able to maintain and operate the
8 facility upon completion;

9 (3) the municipality provides all information which the
10 department may require by regulation to enable the commissioner to
11 verify estimates of total project costs;

12 (4) the complete application has been submitted

13 (A) to the state assessor for his determination and
14 verification that the fair market value of any real property
15 claimed as a credit under (f)(4) of this section is accurate; and

16 (B) to the Department of Transportation and Public
17 Facilities, for review in accordance with the provisions of AS 35.-
18 10.190;

19 (C) to the Advisory Council on Cultural Facilities
20 (AS 44.33.400 - 44.33.410) for its review; and

21 (5) after providing voters with a description of the funding
22 sources for construction of a proposed facility and a summary of the
23 estimated annual maintenance, operating and occupancy costs of the
24 cultural facility, the municipality has secured the approval of the
25 residents for construction of the facility; the approval of the resi-
26 dents may be given by

27 (A) authorization of a general obligation bond to pro-
28 vide the contribution of the municipality to the project;

29 (B) voter approval of the dedication of the proceeds of

1 a general tax increase to provide the contribution of the municipi-
2 pality to the project; or

3 (C) an affirmative vote of the majority of the voters
4 casting votes on a proposition at a regular or special election
5 called for the purpose.

6 (e) The grant to a municipality shall be disbursed in accordance
7 with the terms of an agreement between the commissioner, on behalf of
8 the state, and the governing body of the municipality receiving the
9 grant. The agreement may include any provision agreed upon by the
0 parties, but shall include in substance the following provisions:

1 (1) the municipality shall secure, retain and protect title
2 to the site or location on which the facility is to be constructed or
3 developed; for purposes of this paragraph it is sufficient that title is
4 obtained in fee or by lease by the terms of which the municipality
5 enjoys exclusive use of the land and any improvements for the estimated
6 project life of the facility or the period of maturity of any state
7 general obligation bond a portion of the proceeds of which are used to
8 provide financial assistance for the construction or development of the
9 facility;

0 (2) the municipality agrees to provide the local contribution
1 to total project cost required by (f) of this section, and to return to
2 the state any excess contribution by the state as required by (h) of
3 this section;

4 (3) the municipality agrees to proceed with and complete the
5 proposed project expeditiously in accordance with plans originally
6 submitted;

7 (4) the municipality will not materially alter or modify
8 plans for the facility or undertake construction in a manner which
9 materially departs from the approved design and plan for construction or
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1 development of the facility without first securing the written recommen-
2 dation of the officially recognized arts planning organization of the
3 municipality;

4 (5) the municipality agrees to assume responsibility for the
5 maintenance and operation of the facility, directly or by delegation of
6 responsibility to an entity organized by ordinance of the municipality
7 or to a nonprofit corporation dedicated to the arts and recognized by
8 the municipality; the feasibility of the discharge of this obligation
9 shall be demonstrated to the satisfaction of the commissioner before the
10 payment of any state funds; and

11 (6) the parties agree that if property constructed or devel-
12 oped with financial assistance provided under this section is designed
13 or used for purposes other than for principal use as a cultural facil-
14 ity, the state may require the municipality to reimburse the state for
15 that portion of the total project cost which the state's investment in
16 the project bears to the total of investment from all sources made in
17 the project.

18 (f) A municipality receiving a grant under this section shall
19 contribute to the total cost of the project. The amount of the munic-
20 ipality's contribution is determined by the application of the formula
21 (average per capita full and true value of all
22 property in the municipality/average per capita
23 full and true value of all property in the
24 state) x contribution percentage
25 to the estimated total project cost as determined by the commissioner at
26 the time of approval of a grant application. For purposes of this
27 subsection

28 (1) the contribution percentage for,

29 (A) a municipality having a population of 5,000 or less

is 10 per cent of the total project cost;

(B) a municipality having a population of 5,001 to 10,000 is 20 per cent of the total project cost; and

(C) a municipality having a population of more than 10,000 is 30 per cent of the total project cost;

(2) if an application is submitted for a municipality for which no average per capita full and true property value determination has been made, the commissioner shall request the state assessor to compute the average per capita full and true property value of that municipality and report it to him;

(3) the actual contribution rate of the municipality may not exceed the contribution percentage established in (1) of this subsection;

(4) there shall be allowed as a credit against the municipality's contribution computed under this subsection,

(A) for a project involving construction of a new facility, the fair market value of land acquired by the municipality as the site or location for the facility;

(B) for a project involving development of an existing structure or facility, the fair market value of the land and improvements which are acquired by the municipality and committed for use as a cultural facility;

(5) the grant awarded by the state may not exceed the estimated total project cost as determined by the commissioner under (d)(3) of this section less the contribution by the municipality determined in accordance with this subsection.

(g) If funds appropriated or provided by bond issue for grants under this section are not adequate to satisfy amounts required by approved grant applications, funds shall be allocated by the commis-

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1 sioner on the basis of priority recommended by the Advisory Council on
2 Cultural Facilities.

3 (h) If, upon completion of the facility, it appears that actual
4 total project costs varied substantially from estimated total project
5 costs determined by the commissioner under (d)(3) of this section and if
6 the actual contribution of the state exceeds the percentage of total
7 project costs payable by the state determined under (f)(5) of this
8 section, the commissioner shall require the municipality to pay an
9 amount to the state sufficient to reduce the state contribution to the
10 percentage of state contribution required by (f)(5) of this section. If
11 the actual total project costs exceed estimates, the commissioner may
12 not provide additional financial assistance to the municipality.

13 (i) The commissioner shall

14 (1) provide an annual report to the legislature with respect
15 to grants made under this section;

16 (2) adopt regulations to carry out the provisions of this
17 section, including, but not limited to, regulations describing informa-
18 tion about the proposed facility to be provided by the municipality
19 which submits an application for a grant under this section.

20 (j) In this section,

21 (1) "commissioner" means the commissioner of commerce and
22 economic development;

23 (2) "construction" means site preparation, erection of a
24 structure, and acquisition and installation of fixtures and necessary
25 fixed equipment, but does not include completion of feasibility studies,
26 site acquisition or facility design;

27 (3) "cultural facility" means a structure or complex the
28 principal purpose of which is to serve the visual and performing arts,
29 including but not limited to a theatre, concert hall or gallery, or to

1 serve as the repository of the historical or contemporary heritage of
2 the community and its people, and which also may be used for compatible
3 activities, including but not limited to, activities relating to educa-
4 tion, community meetings, tourism, and visitor information;

5 (4) "department" means the Department of Commerce and Eco-
6 nomic Development;

7 (5) "development" means the acquisition and preservation, re-
8 modeling or redevelopment of an existing structure or facility, together
9 with the acquisition and installation of fixtures and necessary fixed
0 equipment, for use as a cultural facility;

1 (6) "municipality" means a home rule or general law city or
2 borough, and includes municipalities unified under AS 29.68.240 -
3 29.68.440;

4 (7) "total project costs" means, in addition to costs directly
5 related to the project, the total of all costs of financing and carrying
6 out the project including, but not limited to,

7 (A) the costs of all necessary studies (except feasibil-
8 ity studies), surveys, plans and specifications, architectural,
9 engineering or other special services, acquisition of real prop-
0 erty, site preparation and development, purchase, construction,
1 reconstruction and improvement of real property and the acquisition
2 of machinery and equipment necessary in connection with the
3 project;

4 (B) an allocable portion of the administrative and
5 operating expenses of the municipality;

6 (C) the cost of financing the project, including
7 interest on bonds issued to finance the project; and

8 (D) the cost of other items, including indemnity and
9 surety bonds and premiums on insurance, legal fees, fees and

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1 expenses of trustees, depositaries, financial advisors, and costs
2 of paying agents for the bonds issued.

3 * Sec. 2. AS 44.19.930 is amended by adding a new paragraph to read:

4 (5) to recommend to the governor a list of persons for con-
5 sideration for appointment to the Advisory Council on Cultural Faci-
6 lities, in accordance with AS 44.33.400.

7 * Sec. 3. AS 44.33 is amended by adding new sections to read:

8 ARTICLE 9. ADVISORY COUNCIL ON CULTURAL FACILITIES.

9 Sec. 44.33.400. ADVISORY COUNCIL ON CULTURAL FACILITIES ESTAB-
10 LISHED. (a) There is in the Department of Commerce and Economic De-
11 velopment the Advisory Council on Cultural Facilities.

12 (b) The council consists of five members, appointed by the gover-
13 nor from a list of candidates provided to him for that purpose by the
14 State Council on the Arts. The members of the council are appointed for
15 overlapping three-year terms, with two of the members first appointed
16 serving three years, two of the members serving two years, and one
17 member serving a term of one year.

18 (c) The council shall select a chairman and vice-chairman from its
19 membership.

20 Sec. 44.33.405. TRAVEL EXPENSES AND PER DIEM. Members of the
21 Advisory Council on Cultural Facilities are not entitled to receive
22 compensation for their services, but they shall receive per diem and
23 travel expenses allowed by law for members of boards and commissions for
24 attendance at a maximum of four meetings per year.

25 Sec. 44.33.410. DUTIES. The Advisory Council on Cultural Facili-
26 ties shall

27 (1) by regulation, establish criteria for ranking applica-
28 tions for grants to municipalities for the purpose of construction or
29 development of cultural facilities under AS 43.18.500; the regulations

1 shall provide for the assignment of priority among applications trans-
2 mitted by the commissioner; the criteria for ranking applications shall
3 include facility need and suitability, public support for construction
4 or development and maintenance of a facility, availability of land,
5 management capacity, alternatives to completion of the facility pro-
6 posed, redevelopment or rehabilitation of a structure qualifying as an
7 historic property or a building of historic value which is part of an
8 historic district, and cost;

9 (2) by application of the criteria adopted under (1) of this
0 section, advise the commissioner regarding the approval of requests for
1 financial assistance in the construction of cultural facilities sub-
2 mitted in accordance with AS 43.18.500;

3 (3) at the request of a municipality, provide assistance in
4 the preparation of an assessment of needs and review proposals and plans
5 for construction or development of a cultural facility, for which finan-
6 cial assistance is requested under AS 43.18.500; and

7 (4) submit an annual report to the commissioner and the
8 legislature summarizing its activities and expenses.

9 * Sec. 4. AS 44.33.020 is amended by adding a new paragraph to read:

0 (22) administer the program of state assistance for the con-
1 struction and development of cultural facilities in accordance with
2 AS 43.18.500.

3 * Sec. 5. AS 29.48.030(14) is amended to read:

4 (14) libraries, visual or performing arts centers, or museums;

5 * Sec. 6. AS 44.42.055(b)(3) is amended by adding a new subparagraph to
6 read:

7 (J) cultural facilities;
8
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