

**SENATE BILL NO. 110**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 4/12/19

Referred: Community and Regional Affairs, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act relating to the community assistance fund and to community assistance;**  
2   **repealing the civil legal services fund, power cost equalization endowment fund, power**  
3   **cost equalization and rural electric capitalization fund, curriculum improvement and**  
4   **best practices fund, and Alaska higher education investment fund; disposing of**  
5   **proceeds; and providing for an effective date."**

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

7    \* **Section 1.** AS 14.43.825(f) is amended to read:

8                   (f) Payment of a scholarship is subject to appropriation [AND THE  
9            AVAILABILITY OF FUNDS FOR EXPENDITURE UNDER AS 37.14.750]. If  
10           insufficient funds are appropriated [OR AVAILABLE] in a fiscal year to pay all  
11           eligible scholarships, the commission may not award a scholarship to a new applicant,  
12           and the commission shall pay existing awards on a pro rata basis for that fiscal year.

13   \* **Sec. 2.** AS 14.43.915(a) is amended to read:

(a) The Alaska education grant account is created as an account in the general fund. **The department may seek appropriations to fund grants and awards from this account** [MONEY MAY BE APPROPRIATED TO THE ACCOUNT FROM THE ALASKA HIGHER EDUCATION INVESTMENT FUND UNDER AS 37.14.750 AND FROM OTHER SOURCES]. The commission may use the money in the account to pay grants awarded under AS 14.43.400 - 14.43.420 and to pay the cost of administration of the Alaska education grant program created under AS 14.43.400.

\* **Sec. 3.** AS 14.43.915(b) is amended to read:

(b) The Alaska performance scholarship award account is created as an account in the general fund. **The department may seek appropriations to fund awards from this account** [MONEY MAY BE APPROPRIATED TO THE ACCOUNT FROM THE ALASKA HIGHER EDUCATION INVESTMENT FUND UNDER AS 37.14.750 AND FROM OTHER SOURCES]. The commission may use the money in the account to pay scholarships awarded to students under AS 14.43.810 - 14.43.849.

\* **Sec. 4.** AS 14.43.915(c) is amended to read:

(c) Of the total amount available annually to the commission for payment of grants under AS 14.43.400 - 14.43.420 and for payment of scholarships under AS 14.43.810 - 14.43.849, one-third of the combined amount in the accounts established under (a) and (b) of this section shall be available solely for payment of grants awarded under AS 14.43.400 - 14.43.420. The commission shall annually allocate to all qualified applicants for scholarships awarded under AS 14.43.810 - 14.43.849 two-thirds of the combined amount in the accounts. If an insufficient number of qualified applicants are awarded grants under AS 14.43.400 - 14.43.420 or scholarships under AS 14.43.810 - 14.43.849, or both, before the end of that fiscal year, the commissioner shall redeposit the remaining funds **into the relevant account** [INTO THE ALASKA HIGHER EDUCATION INVESTMENT FUND ESTABLISHED UNDER AS 37.14.750].

\* **Sec. 5.** AS 29.60.850 is repealed and reenacted to read:

**Sec. 29.60.850. Community assistance.** The legislature may appropriate funds

1 for the purpose of community assistance.

2 \* **Sec. 6.** AS 29.60.855(a) is amended to read:

3 (a) The basic amount used for determining the basic community assistance  
4 payment for a fiscal year is \$300,000. However, if the amount **appropriated**  
5 **[AVAILABLE]** for payments for that fiscal year under **AS 29.60.850**  
6 **[AS 29.60.850(c)]** is less than the amount necessary to make the payments under (b)  
7 of this section, the department shall reduce the basic amount pro rata.

8 \* **Sec. 7.** AS 29.60.860(a) is amended to read:

9 (a) Subject to (b) of this section, if the amount **appropriated** **[AVAILABLE]**  
10 for distribution under **AS 29.60.850** **[AS 29.60.850(c)]** exceeds the amount needed to  
11 fully fund all the basic community assistance payments, the **excess amount**  
12 **[BALANCE]** shall be distributed on a per capita basis to municipalities, to reserves,  
13 and to communities in the unorganized borough.

14 \* **Sec. 8.** AS 37.05.530(g) is amended to read:

15 (g) The provisions of this subsection apply to amounts received by the state  
16 under 42 U.S.C. 6506a(l) or former 42 U.S.C. 6508, as follows:

17 (1) amounts received and not appropriated for grants to municipalities  
18 under (d) of this section shall be deposited at the end of each fiscal year as follows:

19 (A) 25 percent of amounts received by the state during that  
20 fiscal year under 42 U.S.C. 6506a(l) or former 42 U.S.C. 6508 to the principal  
21 of the Alaska permanent fund; and

22 (B) .5 percent of amounts received by the state during that  
23 fiscal year under 42 U.S.C. 6506a(l) or former 42 U.S.C. 6508 to the public  
24 school trust fund (AS 37.14.110);

25 (2) if, after making the grants under (d) of this section, the amounts  
26 remaining are insufficient to make payment in full of the deposits required by (1)(A)  
27 and (B) of this subsection, the deposits shall be allocated pro rata between the fund  
28 deposits;

29 (3) the amounts remaining after the making of the payment of the  
30 deposits in full to the Alaska permanent fund and the public school trust fund under  
31 (2) of this subsection may be appropriated

1 [(A) FIRST,] to each of the funds described in (1)(A) and (B)  
 2 of this subsection to recover amounts not paid to those funds on or after  
 3 September 1, 2006, because of deficiencies in making the payments required  
 4 by (2) of this subsection; [AND

5 (B) AFTER APPROPRIATIONS AUTHORIZED BY (A) OF  
 6 THIS PARAGRAPH, TO THE POWER COST EQUALIZATION AND  
 7 RURAL ELECTRIC CAPITALIZATION FUND (AS 42.45.100);]

8 (4) the amounts remaining [AFTER ANY APPROPRIATION TO  
 9 THE POWER COST EQUALIZATION AND RURAL ELECTRIC  
 10 CAPITALIZATION FUND] shall lapse into the general fund for use by the state for  
 11 the following facilities and services: planning; construction, maintenance, and  
 12 operation of essential public facilities; and other necessary public services.

13 \* **Sec. 9.** AS 42.05.141(b) is amended to read:

14 (b) The commission shall perform the duties assigned to it under  
 15 AS 42.45.100 - 42.45.180 [AS 42.45.100 - 42.45.190].

16 \* **Sec. 10.** AS 42.45.100 is repealed and reenacted to read:

17 **Sec. 42.45.100. Power cost equalization and rural electric capitalization**  
 18 **program.** The legislature may appropriate funds for the purpose of equalizing power  
 19 cost a kilowatt-hour statewide at a cost close to or equal to the mean of the cost a  
 20 kilowatt-hour in Anchorage, Fairbanks, and Juneau by paying money to eligible  
 21 electric utilities in the state.

22 \* **Sec. 11.** AS 42.45.180(a) is amended to read:

23 (a) The authority may make a grant from legislative appropriations [THE  
 24 FUND] for an eligible utility for a small power project that will reduce the cost of  
 25 generating or transmitting power to the customers of the utility. The amount of the  
 26 grant may not exceed 75 percent of the cost of the project. The authority may not  
 27 make a grant under this section unless the eligible utility has secured financing for 25  
 28 percent of the cost of the project [FROM A SOURCE OTHER THAN THE POWER  
 29 COST EQUALIZATION AND RURAL ELECTRIC CAPITALIZATION FUND], as  
 30 provided under (c) of this section.

31 \* **Sec. 12.** AS 42.45.180(c) is amended to read:

(c) In determining whether an eligible utility has secured financing for 25 percent of the cost of the project [FROM A SOURCE OTHER THAN THE POWER COST EQUALIZATION AND RURAL ELECTRIC CAPITALIZATION FUND], the authority shall accept solicited and unsolicited proposals for third party financing or for a joint venture between the utility and an entity from the private sector provided that the private sector participant has

(1) a valid state business license;

(2) a resolution or letter of agreement executed by the eligible utility agreeing to participation by the private sector participant;

(3) a business plan that illustrates how the proposed project will reduce the cost of generating or transmitting power to the customers of the utility.

\* **Sec. 13.** AS 43.77.045(a), as amended by sec. 32, ch. 101, SLA 2018, is amended to read:

(a) A person engaged in a floating fisheries business is allowed a credit against the tax due under this chapter for contributions of cash or equipment accepted for

(1) direct instruction, research, and educational support purposes, including library and museum acquisitions, and contributions to endowment, by an Alaska university foundation, by a nonprofit, public or private, Alaska two-year or four-year college accredited by a national or regional accreditation association, or by a public or private nonprofit elementary or secondary school in the state;

(2) secondary school level vocational education courses, programs, and facilities by a school district in the state;

(3) vocational education courses, programs, and facilities by a state-operated vocational technical education and training school;

(4) a facility by a nonprofit, public or private, Alaska two-year or four-year college accredited by a national or regional accreditation association or by a public or private nonprofit elementary or secondary school in the state;

(5) Alaska Native cultural or heritage programs and educational support, including mentoring and tutoring, provided by a nonprofit agency for public school staff and for students who are in grades kindergarten through 12 in the state;

(6) education, research, rehabilitation, and facilities by an institution

1 that is located in the state and that qualifies as a coastal ecosystem learning center  
2 under the Coastal America Partnership established by the federal government;

3 (7) [THE ALASKA HIGHER EDUCATION INVESTMENT FUND  
4 UNDER AS 37.14.750;

5 (8)] funding a scholarship awarded by a nonprofit organization to a  
6 dual-credit student to defray the cost of a dual-credit course, including the cost of

7 (A) tuition and textbooks;

8 (B) registration, course, and programmatic student fees;

9 (C) on-campus room and board at the postsecondary institution  
10 in the state that provides the dual-credit course;

11 (D) transportation costs to and from a residential school  
12 approved by the Department of Education and Early Development under  
13 AS 14.16.200 or the postsecondary school in the state that provides the dual-  
14 credit course; and

15 (E) other related educational and programmatic costs;

16 (8) [(9)] constructing, operating, or maintaining a residential housing  
17 facility by a residential school approved by the Department of Education and Early  
18 Development under AS 14.16.200;

19 (9) [(10)] childhood early learning and development programs and  
20 educational support to childhood early learning and development programs provided  
21 by a nonprofit corporation organized under AS 10.20, a tribal entity, or a school  
22 district in the state, by the Department of Education and Early Development, or  
23 through a state grant;

24 (10) [(11)] science, technology, engineering, and math programs  
25 provided by a nonprofit agency or a school district for school staff and for students in  
26 grades kindergarten through 12 in the state; and

27 (11) [(12)] the operation of a nonprofit organization dedicated to  
28 providing educational opportunities that promote the legacy of public service  
29 contributions to the state and perpetuate ongoing educational programs that foster  
30 public service leadership for future generations of residents of the state.

31 \* **Sec. 14.** AS 14.07.182; AS 37.05.146(c)(70), 37.05.590; AS 37.14.750; AS 42.45.070,

1 42.45.080, 42.45.085, 42.45.099, 42.45.180(b), 42.45.190; AS 43.20.014(a)(7);  
2 AS 43.55.019(a)(7); AS 43.56.018(a)(7); AS 43.65.018(a)(7); AS 43.75.018(a)(7); and  
3 AS 43.77.045(a)(7) are repealed.

4 \* **Sec. 15.** The uncodified law of the State of Alaska is amended by adding a new section to  
5 read:

6 (a) The department of revenue shall make a good faith attempt to return unexpended  
7 donations to the Alaska higher education investment fund, repealed in sec. 14 of this Act, the  
8 power cost equalization fund, repealed in sec. 14 of this Act, and the power cost equalization  
9 and rural electric capitalization fund, repealed in sec. 10 of this Act, to the original donors.

10 (b) The department of revenue shall place any unexpended amounts from the  
11 remaining funds, repealed by secs. 5 and 14 of this Act, into the general fund.

12 \* **Sec. 16.** The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14 TRANSITION. (a) Litigation, hearings, investigations, and other proceedings related  
15 to funds repealed by this Act continue in effect and may be completed notwithstanding the  
16 repeal.

17 (b) Regulations adopted to implement a fund repealed by this Act remain in effect as  
18 issued, or until revoked, vacated, or otherwise modified under the provisions of this Act.

19 (c) Contracts, rights, liabilities, and obligations created by a fund repealed by this Act,  
20 and in effect of the effective date of this Act, remain in effect notwithstanding this Act's  
21 taking effect.

22 \* **Sec. 17.** This Act takes effect July 1, 2019.