

Municipal Advisory Group Resolution 2006-01

Alaska Natural Gas Pipeline Construction Impact Fund

- A. Whereas construction of an Alaska gas pipeline will bring impacts to municipalities;
- B. Whereas the Alaska Stranded Gas Fiscal Contract establishes an impact payment schedule to municipalities;
- C. Whereas the impact payments will be made to the State of Alaska and distribution will be subject to appropriation by the Alaska Legislature;
- D. Whereas the impacted communities require continuation of the Municipal Advisory Group, in part to make recommendations on the allocation of construction impact payments;

Be it therefore resolved:

The Municipal Advisory Group recommends that proposed legislation clarifying the Stranded Gas Development Act, as contained in Appendix I: Stranded Gas Development Act Conforming Amendments, of the Fiscal Interest Finding, be amended as follows:

***Sec. 15.** AS 43.82.505 is amended by adding new subsections to read:

(b) A special account is established in the general fund into which the Department of Revenue shall deposit impact payments received by the state under (a) of this section.

(c) The Alaska Natural Gas Pipeline Construction Impact Fund is established in the Department of Revenue. The legislature may appropriate money deposited in the special account established in (b) of this section, as well as any additional money considered necessary, to the Alaska Natural Gas Pipeline Construction Impact Fund to address the economic and social impacts incurred by a municipality, or incurred by a non-profit organization serving the unorganized borough, during the construction of a project that is the subject of a proposed contract developed under this chapter.

(d) Nothing in this chapter exempts money deposited into the special account in the general fund established in (b) of this section from the requirements of AS 37.07 (Executive Budget Act) or dedicates that money for a specific purpose.

(e) The commissioner of commerce, community and economic development, in consultation with the Municipal Advisory Group, shall use funds appropriated to the Alaska Natural Gas Pipeline Construction Impact Fund to make grants exclusively to a municipality, or to a non-profit organization serving the unorganized borough, for

impacts to transportation, infrastructure, law enforcement, emergency services, health and human services, education, labor force, population, wages or subsistence and socio-cultural impacts brought about by the construction of the gas pipeline. In determining whether an expenditure or proposed expenditure by a municipality or non-profit organization is eligible for a grant under this program, and in allocating funds among grant proposals, the commissioner shall consider the recommendations of the municipal advisory group established under this act and whether the proposed expenditures meet the purposes of this act.

The Municipal Advisory Group shall serve to the latter of 90 days following final distribution of impact funds or project commencement of operations, as called for under AS 43.82.510(c). Expenses of the Municipal Advisory Group are eligible for reimbursement under AS 43.82.505.