



ARDOR PROGRAM

STATUTES AND REGULATIONS

Alaska Regional Development Organizations Program Statutory Provisions

Alaska Statute [AS 44.33.896] Alaska Regional Economic Assistance Program

(a) Subject to appropriation, 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 appropriation and 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 not 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. The department shall establish by regulation a formula that determines the amount of the match required under this subsection based on the capability of each organization to generate money from nonstate sources. The amount of match required may not exceed the amount of grant money and may not be less than 20 percent of the grant. The total amount of grant money provided to an organization during a fiscal year may not exceed \$100,000.

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(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) Not later than February 1 of each year, the department shall compile a report on the activities of regional development organizations. The department shall deliver the report to the senate secretary and the chief clerk of the house of representatives and notify the legislature that the report is available. The report must include the information listed in (1) - (3) of this subsection. To compile the report, the department shall require each regional development organization to provide the following information to the department on or before a date set by the department:

(1) an assistance and funding summary for the previous fiscal year that includes

(A) the assistance provided to the organization by the department, the amount and purposes of grants made to the organization by the department, and a statement of any other funding received by the organization from the state;

(B) the amount of federal funding and grants received by the organization; and

(C) the amounts and sources of private sector sponsorships;

(2) an activity summary that includes

(A) a summary of the meetings of the board of the regional development organization held during the past year, including the number of meetings and the date, location, and a brief description of the agenda of each meeting;

(B) a summary of economic development initiatives being undertaken and services being provided by the regional development organization at the time of the report;

(C) a work plan containing goals, objectives, and strategies for addressing regional economic needs;

(D) a summary of any comprehensive economic development strategy being implemented by the board at the time of the report; and

(E) the status of projects funded by grants from the state or the federal government; and

(3) an economic development summary that includes

(A) potential projects identified by the board that may enhance economic development; and

(B) challenges to regional economic development identified by the board.

(f) In this section,

(1) "department" means the Department of Commerce, Community, 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.

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* Sec. 22. The uncodified law of the State of Alaska is amended by adding a new section to read:

INITIAL REPORT FILED UNDER AS 44.33.896(e). In addition to the requirements of AS 44.33.896(e), enacted by sec. 19 of this Act, the Department of Commerce, Community, and Economic Development shall include, in the first report compiled after the effective date of sec. 19 of this Act, a funding summary for the previous three fiscal years.

* Sec. 23. The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. Notwithstanding AS 44.62.190, the Department of Commerce, Community, and Economic Development may continue to use and enforce regulations previously adopted to administer the former Alaska regional economic assistance program to the extent those regulations do not conflict with AS 44.33.896, added by sec. 19 of this Act. The Department of Commerce, Community, and Economic Development shall update and readopt those regulations in accordance with AS 44.62 to conform to the provisions of this Act.

* Sec. 24. The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. AS 44.33.896, enacted by sec. 19 of this Act, is retroactive to July 1, 2013.

* Sec. 25. Sections 2, 6, 8, 10, 12, 14, 16, 18, and 20 of this Act take effect December 30, 2018

* Sec. 26. AS 16.43.451(f), enacted by sec. 4 of this Act, takes effect January 1, 2015.

* Sec. 27. Except as provided in secs. 25 and 26 of this Act, this Act takes effect immediately under AS 01.10.070(c).

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Alaska Regional Development Organizations Program Regulations

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3 AAC 57.010

PURPOSE.

This chapter is intended to implement, interpret, and make specific the Alaska regional economic assistance program under AS 44.33.026.

History -

Eff. 2/22/89, Register 109

Authority -

AS 44.33.020

AS 44.33.026

3 AAC 57.020

DUTIES AND RESPONSIBILITIES OF THE DEPARTMENT.

(a) The department will provide assistance to organizations and individuals interested in the formation of an Alaska regional development organization by providing the following:

1. information, procedures, forms, and other material as required, on how to apply and qualify for an Alaska regional development grant;
2. counseling and technical assistance to the regional economic organization in establishing and operating an Alaska regional development organization program; and
3. available data and information on the region's economy in support of the regional organizational efforts.

(b) The department will:

1. receive and process Alaska regional development organization designation, and grant, applications;
2. disburse and receive regional development fund money;

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3. supervise and service grants;
4. provide a written determination of compliance for each application for designation, and funding, of an Alaska regional development organization.

(c) Upon designation of an Alaska regional development organization, the department will assist in coordinating the organization's plans, programs, activities, and projects with other local, state, and federal agency efforts.

History -

Eff. 2/22/89, Register 109

Authority -

AS 44.33.020

AS 44.33.026

3 AAC 57.030

ELIGIBILITY.

(a) The department will accept applications from an applicant seeking designation and funding as an Alaska regional development organization, if the applicant is one of the following: a nonprofit corporation incorporated under the laws of Alaska, including a regional Native nonprofit corporation; an association of municipal governments; a public/private association such as an association of municipal governments and chambers of commerce; an association of local chambers of commerce; an association of local economic development councils or private economic development councils; a body formed by an organized municipality; or any other entity that meets the criteria of AS 44.33.026 (e)(2).

(b) An economic development district, as designated by the Economic Development Administration, United States Department of Commerce, is, under AS 44.33.026 (b), automatically designated as an Alaska regional development organization. If a federally funded economic development district includes more than one designated Alaska regional development organization, the preexisting Alaska regional development organizations may not receive more than two grant awards after the date of the first federal grant award to that economic development district. Thereafter, that economic development district will be the sole designated Alaska regional development organization and the sole eligible grant applicant for that region.

(c) It is the responsibility of the applicant to show that the proposed regional development organization complies with the criteria in 3 AAC 57.040 and 3 AAC 57.050 , and AS 44.33.026 (a).

History -

Eff. 2/22/89, Register 109; am 11/26/93, Register 128

Authority -

AS 44.33.020

AS 44.33.026

3 AAC 57.040

REGIONAL SIZE REQUIREMENTS.

(a) To assure that an Alaska regional development organization is able to plan and carry out development projects of broad geographic significance, the organization must be of sufficient size or population, and must contain adequate resources, to support an active regional economic development program.

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(b) The applicant must submit proof that the proposed organization's boundaries include a large enough population to form an economically viable unit with shared interests, resources, traditions, and goals. At a minimum, the applicant must provide evidence that the proposed organization's boundaries (1) contain a regional economic center with a population of at least 2,500 people which serves the area, and (2) have either a geographic area of at least 12,000 square miles or a total population of 80,000 or more. The boundaries must also conform to AS 44.33.026 (a)(2).

(c) If the proposed boundaries do not include a regional economic center with a population of at least 2,500 people, the applicant must identify the regional economic center and submit information to convince the department that there are sufficient population and resources to fulfill the intent of (a) and (b) of this section.

History -

Eff. 2/22/89, Register 109

Authority -

AS 44.33.020

AS 44.33.026

3 AAC 57.050

BOARD REPRESENTATION.

(a) It is the intent of the Alaska regional economic assistance program that Alaska regional development organization boards have private sector economic development and business orientation. To conform to AS 44.33.026 (e), representation on the board should include locally elected public officials; the principal economic interests of the region, including business, service industry, transportation, utilities, and labor; the professions; and educational institutions.

(b) If an Alaska regional development organization is composed of a single organized municipality or a regional Native corporation, it is the responsibility of the applicant to demonstrate how the interests listed in (a) of this section will be represented on the board.

(c) An Alaska regional development organization board with a large number of members, as determined by the department, must appoint an executive committee to be responsible for program administration.

History -

Eff. 2/22/89, Register 109

Authority - AS 44.33.020

AS 44.33.026

3 AAC 57.060

ALASKA REGIONAL DEVELOPMENT ORGANIZATION DESIGNATION PROCESS.

(a) An application for designation of a regional organization as an Alaska regional development organization shall be filed with the department. The application material must contain a map delineating boundaries; a description of the proposed Alaska regional development organization, its board representation, and its bylaws; formal resolutions supporting the application from three-fourths of the organized communities in the region (in the case of an unincorporated community, the resolution must be from the traditional governing body); and formal resolutions supporting the application from three-fourths of the nonprofit organizations in the region that are, as outlined in their articles of incorporation, directly involved in community or regional economic development activities. An application for funding the proposed Alaska regional development organization may accompany the application for designation.

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(b) Within 10 working days of its receipt, the department will review an application for designation and make a determination as to whether it is in compliance with the requirements in 3 AAC 57.030 , 3 AAC 57.040 , and 3 AAC 57.050 .

(c) If the department determines that the application does not meet the requirements in (b) of this section, it will be returned to the applicant with an explanation of its deficiency and further processing will be suspended until the deficiency is addressed.

(d) If the department determines that the application meets the requirements in (b) of the section, it will publish a public notice of the department's intent to designate the applicant an Alaska regional development organization. The public notice will describe the application of the proposed Alaska regional development organization, its boundaries, and board make-up; will state that the application is available for inspection; and will provide 30 days for submission of comments regarding the proposal to the department. A copy of the public notice will be given to any person who has requested it in writing. The public notice will be published through conspicuous advertisement in a newspaper of general circulation in the region, and on radio and TV stations in the region. To the extent practicable, notice will be posted by the department in villages and municipalities in the region.

(e) If, at the end of the comment period, there are no unresolved conflicts or major areas of concern, the department will designate the applicant an Alaska regional development organization.

(f) If substantive objections are received during the comment period, or if a competing application is submitted before the end of the comment period which meets program requirements in 3 AAC 57.030 , 3 AAC 57.040 and 3 AAC 57.050 and (a) of this section, the department will suspend any action concerning designation of an Alaska regional development organization in that region. The department will provide written notification of the suspension to the applicant and all persons who commented on the application. The department will also provide a copy of all written comments to the applicant. A suspended application is subject to (g) of this section.

(g) The department will not mediate conflicts. Conflicts arising from substantive objections or competing applications for designation of an Alaska regional development organization must be resolved by the given region. An application will not be reconsidered until that region can provide proof that general agreement has been reached by a majority of parties on record who expressed a substantive objection during the public comment period or submitted a competing application before the end of the comment period.

(h) When the substantive objections are addressed to the satisfaction of the department, or, in the case of competing applications, when a resolution that is acceptable to the department is reached, the application will be processed in accordance with (e) of this section.

History -

Eff. 2/22/89, Register 109; am 11/26/93, Register 128

Authority -

AS 44.33.020

AS 44.33.026

3 AAC 57.070

FUNDING PROCEDURES.

(a) The department will, in its discretion, make a grant to a designated Alaska regional development organization in accordance with AS 44.33.026 (b). Applications for funding will be accepted by the department from designated Alaska regional development organizations on a year-around basis. Funding for this program is limited and the department makes no guarantee that any application will be funded. Applications will be processed on a first-come, first-served basis until the regional development fund is depleted. Subject to appropriations for that purpose, an organization that receives funding will have a first priority for funding in the subsequent fiscal year.

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Nonfunded applications will have the next lower priority for funding in the next state fiscal year. The department will, in its discretion, adjust priorities and lower the funding level requested by a previously funded Alaska regional development organization, to accommodate nonfunded applications.

(b) As provided in AS 44.33.026 (c), a grant of up to \$100,000 will, within the department's discretion, be provided to a designated Alaska regional development organization during a single fiscal year.

(c) To qualify for a grant, a designated Alaska regional development organization must provide funding that is not less than 33 and one-third percent of the money to be provided by the department. The matching money must

1. be in cash and must be from nonstate sources; and
2. include a sum equal to 20 percent of the matching share, but not to exceed \$10,000, from the municipalities, other local entities and the private sector in the region, to demonstrate the designated Alaska regional development organization's commitment to the program.

(d) Under special circumstances, the department will consider a written request from a designated Alaska regional development organization for a waiver from the matching grant requirement specified in (c)(2) of this section. The request for a waiver must demonstrate that a significant effort was made to obtain funds from those sources and document the response to that effort.

(e) Matching grants will, in the department's discretion, be awarded to designated Alaska regional development organizations according to the following formula:

1. if the population within the region of the Alaska regional development organization is 40,000 or greater, funding will be awarded on a dollar for dollar matching basis;
2. if the population within the region of the Alaska regional development organization is less than 40,000 but the region includes all or part of an organized borough, funding will be awarded on the basis of two department dollars for each matching dollar;
3. if the population within the region of the Alaska regional development organization's region is less than 40,000 and the region includes no part of an organized borough, funding will be awarded on the basis of three department dollars for each matching dollar.

(f) Under special circumstances, the department will review a written request from a designated Alaska regional development organization for a waiver, allowing the organization to substitute up to 20 percent of the match requirement with in-kind service contributions. Such waivers will be limited to the first two years of funding for Alaska regional development organizations awarded grants requiring match under (e)(1) or (e)(2) of this section. In-kind contributions may not be used to substitute for the funding required in (c)(2) of this section.

(g) After an Alaska regional development organization has received an initial grant, the organization may file an annual application for continuation of funding. The following procedure will be used for second and subsequent-year funding:

1. before the end of the project year, the designated Alaska regional development organization must file an application with the department for refunding;
2. the department will review the application for compliance with the provisions of 3 AAC 57.090 and 3 AAC 57.100;
3. if the review reveals no area of concern, the department will execute a new grant with the designated Alaska regional development organization; the new grant will begin upon either the termination of the old grant year or the date of execution of the new grant, whichever is specified in the new grant agreement.

(h) Funding will only be given to a designated Alaska regional development organization after a grant agreement has been executed by the department under AS 44.33.026 (b). The grant agreement will contain the obligations and requirements of the grantee under the Alaska regional economic assistance program (AS 44.33.026) and

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the department's grant procedures. The grant agreement will include a detailed work program of tasks to be completed by the designated Alaska regional development organization during the grant period, methods and procedures for receiving payments, accounting and reporting procedures, and audit requirements, and will provide that the department will retain 10 percent of the state matching portion until project completion.

History -

Eff. 2/22/89, Register 109; am 11/26/93, Register 128

Authority -

AS 44.33.020

AS 44.33.026

3 AAC 57.080

BASIC REQUIREMENTS.

A designated and funded Alaska regional development organization is responsible, at a minimum, for the following:

1. providing services designed to encourage economic development to the local villages, communities, and businesses in the region;
2. collecting and distributing economic information relevant to the region; and
3. serving as an effective liaison between state government and the region.

History -

Eff. 2/22/89, Register 109

Authority -

AS 44.33.020

AS 44.33.026

3 AAC 57.090

FUNCTIONS AND RESPONSIBILITIES.

(a) A designated and funded Alaska regional development organization shall develop and implement a regional economic development strategy. The organization shall prepare, and submit to the department, a completed strategy within 18 months after receipt of funding. The organization shall coordinate the development and implementation of the strategy with other local, state, federal, and private development agencies and organizations. The strategy must contain the following elements:

1. fact-gathering, to assure that the area understands the current development situation as a base upon which to make decisions;
2. identification of potentials (such as resources or location) that can be the bases of economic development;
3. establishment of goals and objectives to point out the direction of economic development activities;
4. production of a strategy for local economic development which includes a work plan that proposes the methods, resources, responsibilities, and schedules for implementing the development strategy; and
5. development of a set of community and village economic profiles for every organized municipality in the region which has agreed to participate in the organization.

(b) A designated and funded Alaska regional development organization shall

1. adopt the strategy by formal action of the Alaska regional development organization's board;
2. submit a copy of the strategy to the department; and

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3. update the strategy every two years and resubmit it to the department.

(c) A designated and funded Alaska regional development organization shall implement economic development activities in the region as detailed in its regional development strategy, which might include

1. carrying out economic-development-related research, planning, implementation, and advisory functions, and responding to information requests;
2. coordinating the organization's development activities with the development activities of local villages, communities, other regions, and the private sector within the region as appropriate;
3. providing advice and recommendations to the department on state plans, programs, and projects that affect the region, or villages and municipalities in the region;
4. coordinating those state economic or business development projects or programs in the region which are considered appropriate and important.

(d) A designated and funded Alaska regional development organization shall carry out certain administrative activities, including

1. preparation of application materials for funding the Alaska regional development organization;
2. preparation of grant application materials, and accepting grant offers, from state and federal agencies and other sources, as appropriate;
3. arranging for the contribution of the required matching share of program costs;
4. receiving, and managing, money from the department and other grant programs for the operation of the Alaska regional development organization;
5. complying with grant conditions and terms, including financial management and work program requirements;
6. keeping records, and preparing and submitting reports as required by the Alaska regional development organization grant;
7. retaining professional staff with appropriate economic development experience to carry out the functions of the organization and the annual plan of work as specified in its application and grant agreement; and
8. maintaining an office with regular office hours in a public location.

(e) The board of directors of a funded and designated Alaska regional development organization shall adopt and enforce policies to ensure that principal professional staff do not engage in or solicit outside employment or render services for outside interests when such employment, service, or interest creates a conflict with, impairs, or detracts from the discharge of their duties to that Alaska regional development organization.

History -

Eff. 2/22/89, Register 109; am 11/26/93, Register 128

Authority -

AS 44.33.020

AS 44.33.026

3 AAC 57.100

TERMINATION OR SUSPENSION OF ORGANIZATIONS.

If it becomes necessary to terminate or suspend a designated and funded organization, the commissioner will, at least 30 days before the effective date of the action, provide written notice to the Alaska regional development organization that it is being terminated or suspended due to one or more of the following:

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1. the Alaska regional development organization no longer meets the criteria for designation set out in 3 AAC 57.030 , 3 AAC 57.040 , and 3 AAC 57.050;
2. the Alaska regional development organization has failed to develop and implement a regional economic development strategy, or has failed to carry out its approved work plan as required in 3 AAC 57.090;
3. the Alaska regional development organization board has requested termination; or
4. the Alaska regional development organization has failed to comply with other terms and conditions of the grant agreement with the department.

History - Eff. 2/22/89, Register 109

Authority -

AS 44.33.020

AS 44.33.026

3 AAC 57.900.

DEFENITIONS.

In this chapter,

1. "commissioner" means the commissioner of the Department of Commerce, Community, and Economic Development;
2. "department" means the Department of Commerce, Community, and Economic Development;
3. "project year" means a 12-month period for grant funding, beginning on the date of execution of the grant agreement by the department;
4. "regional development organization" or "organization" means the same as in AS 44.33.026(e);
5. "regional economic center" means a local government unit that is incorporated under either state or federal statutes and that is a major supply point, financial center, and transportation hub whose sphere of influence encompasses the region in question;
6. "significant amendment" means an amendment that results in a major revision, addition, or deletion to the Alaska regional development organization's bylaws or board make-up, or alters the boundaries of the region other than by technical adjustment;
7. "substantive objection" means expression of opposition by a community or an organization which provides refutable information regarding the integrity or viability of application material, including material regarding boundaries, the proposed Alaska regional development organization, its board representation, or bylaws.

History - Eff. 2/22/89, Register 109

Authority -

AS 44.33.020

AS 44.33.026