

**SENATE BILL NO. 179**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 4/18/97

Referred: Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act authorizing the Department of Corrections, for the benefit of the state,  
2 to enter into an agreement to use space within a correctional facility in the  
3 Matanuska-Susitna Borough that is built, owned, and operated by a private  
4 contractor, and setting conditions on the operation of the correctional facility  
5 affected by the use agreement; and authorizing the Department of Corrections, for  
6 the benefit of the state, to enter into an agreement with the City of Seward to  
7 use space within a correctional facility that is built, owned, and operated by a  
8 private contractor, and setting conditions on the operation of the correctional  
9 facility affected by the use agreement."

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

11 \* **Section 1.** AUTHORIZATION FOR AGREEMENT FOR STATE USE OF  
12 CORRECTIONAL FACILITY SPACE TO BE OWNED AND OPERATED BY THIRD-

1 PARTY CONTRACTOR IN THE MATANUSKA-SUSITNA BOROUGH. (a) To relieve  
2 overcrowding of existing correctional facilities, the Department of Corrections may enter into  
3 an agreement for use of space within a correctional facility in the Matanuska-Susitna Borough  
4 that will house persons who are committed to the custody of the commissioner of corrections.  
5 The agreement for use entered into under this section is predicated upon and must provide for  
6 an agreement under which a private third-party contractor, who has been selected by the  
7 solicitation of competitive bids under AS 36.30, builds, owns, and operates the facility by  
8 providing for custody, care, and discipline services for persons held by the commissioner of  
9 corrections under authority of state law.

10 (b) The authorization given by (a) of this section is subject to the conditions of (c)  
11 and (d) of this section and to the further limitation that the total payments related to the  
12 capital cost of the facility for the full term of the agreement for use, which shall be not less  
13 than 15 years nor more than 25 years, may not exceed \$130,000,000 and the anticipated  
14 annual amount of the payment by the Department of Corrections under the agreement for use  
15 must be reasonably commensurate with that total.

16 (c) An agreement for use of space authorized by (a) of this section may not involve  
17 a correctional facility that

18 (1) contains a total population of not less than 700 prisoners; or

19 (2) is to be operated by the state or a municipality except that the state or a  
20 municipality may operate the correctional facility temporarily if, in a correctional facility that  
21 is to be operated by a third-party contractor with whom the state or municipality has entered  
22 into an agreement to operate the correctional facility, the private third-party contractor with  
23 whom the state or municipality has entered into the agreement to operate the correctional  
24 facility defaults in performance under the contract and operation of the correctional facility  
25 by the state or the municipality is reasonably necessary to ensure the facility's continued  
26 operation.

27 (d) In the award of a contract for the operation of the correctional facility to be  
28 operated under the authorization set out in (a) of this section, the Department of Corrections  
29 shall require that persons employed by the contractor as correctional officers in the facility  
30 meet the requirements of AS 18.65.130 - 18.65.290 that are applicable to correctional officers.

31 \* **Sec. 2. AUTHORIZATION FOR AGREEMENT FOR STATE USE OF**

1 CORRECTIONAL FACILITY SPACE TO BE OWNED AND OPERATED BY THIRD-  
2 PARTY CONTRACTOR IN THE CITY OF SEWARD. (a) To relieve overcrowding of  
3 existing correctional facilities, the Department of Corrections may enter into an agreement  
4 with the City of Seward for use of space within a correctional facility that will house persons  
5 who are committed to the custody of the commissioner of corrections. The agreement for use  
6 entered into under this section is predicated upon and must provide for an agreement under  
7 which a private third-party contractor builds, owns, and operates the facility by providing for  
8 custody, care, and discipline services for persons held by the commissioner of corrections  
9 under authority of state law.

10 (b) The authorization given by (a) of this section is subject to the conditions of (c)  
11 and (d) of this section and to the further limitation that the total payments related to the  
12 capital cost of the facility for the full term of the agreement for use, which shall be not less  
13 than 15 years nor more than 25 years, may not exceed \$120,000,000 and the anticipated  
14 annual amount of the payment by the Department of Corrections under the agreement for use  
15 must be reasonably commensurate with that total.

16 (c) An agreement for use of space authorized by (a) of this section may not involve  
17 a correctional facility that

18 (1) contains a total population of not less than 500 prisoners; or

19 (2) is to be operated by the state or a municipality except that the state or a  
20 municipality may operate the correctional facility temporarily if, in a correctional facility that  
21 is to be operated by a third-party contractor with whom the state or municipality has entered  
22 into an agreement to operate the correctional facility, the private third-party contractor with  
23 whom the state or a municipality has entered into the agreement to operate the correctional  
24 facility defaults in performance under the contract and operation of the correctional facility  
25 by the state or the municipality is reasonably necessary to ensure the facility's continued  
26 operation.

27 (d) In the award of a contract for the operation of the correctional facility to be  
28 operated under the authorization set out in (a) of this section, the Department of Corrections  
29 shall require that persons employed by the contractor as correctional officers in the facility  
30 meet the requirements of AS 18.65.130 - 18.65.290 that are applicable to correctional officers.