



AMENDMENT # 3

OFFERED IN THE HOUSE  
TO: CSHB 498(FIN)

BY REPRESENTATIVE *CROFT*

1 Page 1, line 8, following "project;": *(title amend)*

2 Insert "authorizing the Department of Corrections to enter into agreements with  
3 certain municipalities for new or expanded correctional facilities;"

4  
5 Page 5, following line 9:

6 Insert a new bill section to read:

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

9 AUTHORIZATION TO LEASE CORRECTIONAL FACILITY SPACE WITH  
10 MUNICIPALITIES. (a) To relieve overcrowding of existing correctional facilities in the  
11 state and the extensive use of out-of-state correctional facilities, the Department of  
12 Corrections, not later than July 1, 2006, may enter into agreements with the following  
13 municipalities for new or expanded correctional facilities:

- 14 (1) Dillingham - construction of new facility with 25 beds;
- 15 (2) Kodiak - construction of new facility with 20 beds;
- 16 (3) Kotzebue - expansion of existing facility by 26 beds;
- 17 (4) North Slope Borough - construction of new facility with 20 beds.

18 (b) The authorizations given by (a) of this section are subject to the following  
19 conditions:

- 20 (1) the average capital cost for all beds may not exceed \$155,000 a bed,  
21 adjusted for inflation each year at a rate equal to the percentage increase in the Consumer  
22 Price Index for urban wage earners and clerical workers for Anchorage, Alaska, during the  
23 previous calendar year as determined by the Bureau of Labor Statistics, United States  
24 Department of Labor;

1           (2) if construction of a new facility is authorized, the municipality shall own  
2 the facility, and the state may enter into a long-term lease not to exceed 20 years with the  
3 municipality to operate the facility; the annual lease payment for a new facility may not  
4 exceed \$16,700 a bed;

5           (3) if expansion of an existing facility is authorized, the state shall enter into a  
6 joint ownership agreement with the municipality of the expanded facility, enter into a long-  
7 term lease not to exceed 20 years of the municipality's interest in the facility, and operate the  
8 facility; payments under the lease may not exceed the amount listed in (2) of this subsection;

9           (4) the agreement to lease must contain terms providing that the commissioner  
10 of corrections may terminate for cause any contract for operating the facility."

11  
12 Renumber the following bill sections accordingly.

13  
14 Page 5, line 15:

15           Delete "and 5"

16           Insert "and 6"