

**HOUSE BILL NO. 134**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVES STOLTZE, Masek, Gatto, Crawford, Seaton**

**Introduced: 2/26/03**

**Referred: State Affairs, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act authorizing the Department of Corrections to enter into agreements with**  
2 **municipalities for new or expanded public correctional facilities in the Fairbanks North**  
3 **Star Borough, the Matanuska-Susitna Borough, Bethel, and the Municipality of**  
4 **Anchorage."**

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

6 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
7 to read:

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

13 (1) Fairbanks North Star Borough - expansion of existing facility by up to 80  
14 beds;

1 (2) Matanuska-Susitna Borough - construction of new facility with up to 1,200  
2 beds;

3 (3) Bethel - expansion of existing facility by up to 120 beds;

4 (4) Municipality of Anchorage - expansion of Anchorage Jail by up to 200  
5 beds.

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

8 (1) the average capital cost for all beds may not exceed \$135,000 a bed for  
9 (a)(1), (2), and (4) of this section and \$155,000 a bed for (a)(3) of this section, adjusted for  
10 inflation each year at a rate equal to the percentage increase in the Consumer Price Index for  
11 urban wage earners and clerical workers for Anchorage, Alaska, during the previous calendar  
12 year as determined by the Bureau of Labor Statistics, United States Department of Labor;

13 (2) if construction of a new facility is authorized, the municipality shall own  
14 the facility, and the state may enter into a long-term lease not to exceed 25 years with the  
15 municipality to operate the facility; the annual lease payment for a new facility may not  
16 exceed \$14,600 a bed;

17 (3) if expansion of an existing facility is authorized, the state shall enter into a  
18 joint ownership agreement with the municipality of the expanded facility, enter into a long-  
19 term lease not to exceed 25 years of the municipality's interest in the facility, and operate the  
20 facility; payments under the lease may not exceed \$16,700 a bed for the Bethel facility and  
21 \$14,600 a bed for the Fairbanks and Anchorage facilities;

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

24 (c) The authorization given by (a)(4) of this section is subject to the following  
25 condition: expansion of the facility may only occur if the expansion is funded by up to  
26 \$30,000,000 in federal receipts.