

1 IN THE HOUSE

BY MR. METCALFE  
BY REQUEST

2 HOUSE BILL NO. 176

3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4 TWENTY-SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the expenditure of pub-  
7 lic funds of the Territory and its politi-  
8 cal subdivisions for purchases and print-  
9 ing, and to the letting of competitive  
10 bids; prescribing penalties for violations;  
11 repealing Sections 14-3-1, 14-3-2 and  
12 14-4-2 ACLA 1949; and declaring an emer-  
13 genoy."

14 BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

15 Section 1. When used in this Act--

16 (a) "Territory" shall mean the Territory of Alaska and  
17 any institution or instrumentality thereof, including (but  
18 without limitation) any officer, employee, agent, agency,  
19 department, bureau, commission, committee or board of the  
20 Territory of Alaska.

21 (b) "Political subdivision" shall mean any local gov-  
22 ernment or governing body created, organized, existing or  
23 formed, either in whole or in part, under or by virtue of  
24 the laws of the Territory of Alaska, and shall include (but  
25 without limitation of the foregoing) any municipal corpora-  
26 tion and any school, public utility, health or other dis-  
27 trict of the Territory of Alaska.

28 (c) "Public funds" shall mean all moneys belonging to  
29 the Territory or any political subdivision and shall include,

1 (but without limitation) all moneys from whatever source  
2 derived which are expended by the Territory or a political  
3 subdivision on account of any purchase.

4 (d) "Person" shall mean an individual, partnership,  
5 corporation, firm, society, unincorporated association, com-  
6 pany, trust, joint stock company, trustee, executor, ad-  
7 ministrator, estate or trust, or any group, joint venture or  
8 other unincorporated organization through or by means of  
9 which any business, financial operation or venture is car-  
10 ried on, whether such persons are doing business for them-  
11 selves or in a fiduciary capacity.

12 (e) "Purchase" shall mean--

13 (1) The acquisition or procurement, either by  
14 sales, by rental or lease agreement or otherwise, by  
15 the Territory or any political subdivision, of any  
16 materials, supplies, goods, wares, merchandise or pro-  
17 duce for public use; and

18 (2) Any and all printing, binding, or preparation  
19 of blanks, books, and all types of printed forms and  
20 stationery, procured or done for public use by the Ter-  
21 ritory or any political subdivision.

22 (f) "Purchase price" shall mean the total amount of  
23 public funds ultimately expended in respect to any purchase.

24 (g) "Person maintaining a local business" shall mean  
25 any person who, for a continuous period of not less than  
26 three consecutive months immediately prior to the time any  
27 purchase is made, has maintained in Alaska an established  
28 place of business, intended in good faith to be permanent,  
29 and having in the regular course of business inventories

1 within Alaska upon which, or in respect to which, taxes of  
2 the Territory or of a political subdivision are paid.

3 (h) "Person maintaining an outside business" shall  
4 mean any person other than a person maintaining a local  
5 business.

6 Section 2. No expenditure of public funds shall be made for  
7 or in respect to any purchase by the Territory or a political sub-  
8 division from any person maintaining an outside business, except  
9 in either or all of the following instances: (a) when it shall  
10 be established that any such purchase cannot be made in Alaska,  
11 (b) when it shall be established that the lowest purchase price  
12 for which such purchase can be made in Alaska exceeds the charge  
13 usually and customarily made to private persons for identical  
14 purchases, or (c) when it shall be established that the purchase  
15 price at which such purchase can be made from a person maintain-  
16 ing a local business exceeds by not less than ten percent the  
17 purchase price at which such purchase can be made from a person  
18 maintaining an outside business.

19 Section 3. In all instances where the law requires con-  
20 tracts for purchases to be let by competitive bids, the lowest  
21 bid made by any person maintaining a local business shall be  
22 deemed to be the lowest bid for the award of such contract, ex-  
23 cept where such bid exceeds by not less than ten percent the  
24 amount of the lowest bid made by any person maintaining an out-  
25 side business.

26 Section 4.

27 (a) Subject to the provisions of subsection (b) of  
28 this section, where any bid is made in respect to a contract  
29 for the purchase of materials, supplies, goods, wares,

1 merchandise or produce, manufactured or produced in Alaska,  
2 such bid shall be deemed the lowest bid for the award of  
3 such contract, except where any such bid exceeds by not less  
4 than ten percent the amount of the lowest bid for purchases  
5 of like materials, supplies, goods, wares, merchandise or  
6 produce, manufactured or produced outside of Alaska.

7 (b) In case of purchases by the Territory, the Terri-  
8 torial Board of Administration, and in case of purchases by  
9 a political subdivision, its official governing body, may  
10 establish and revise from time to time and file with the  
11 Auditor of Alaska a list of materials, supplies, goods,  
12 wares, merchandise or produce, manufactured or produced in  
13 Alaska, to the purchase of which subsection (a) of this  
14 section shall not apply.

15 Section 5. Any purchase made or any contract awarded or  
16 executed in respect to any purchase in violation of the provisions  
17 of this Act shall be absolutely void and of no force and effect,  
18 and no payment or expenditure of public funds shall be made by  
19 the Territory or any political subdivision on account of any such  
20 purchase or contract.

21 Section 6. Any officer or employee of the Territory or of a  
22 political subdivision who violates any provision of this Act shall  
23 be guilty of a misdemeanor, and upon conviction thereof shall be  
24 punished by a fine of not more than \$100.00, by imprisonment for  
25 not more than 30 days, or by both such fine and imprisonment.

26 Section 7. Sections 14-3-1, 14-3-2 and 14-4-2 AGLA 1949  
27 are repealed.

28 Section 8. An emergency is declared to exist, and this Act  
29 shall take effect immediately upon its passage and approval.