

1 IN THE HOUSE

BY MR. LEONARD

2 HOUSE BILL NO. 246

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SECOND LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the expenditure of
7 public funds of the state and its political
8 subdivisions; repealing Secs. 14-3-1, 14-3-2
9 and 14-4-2, ACLA 1949; and providing for an
10 effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 Section 1. DEFINITIONS. When used in this Act:

13 (1) "State" means the State of Alaska;

14 (2) "Political subdivision" means any general law city,
15 general law borough, school district or public utility district;

16 (3) "Public funds" means moneys which are expended by
17 the state or a political subdivision on account of any purchase.

18 (4) "Person" means an individual, partnership, cor-
19 poration, firm, society, unincorporated association, company,
20 trust joint stock company, trustee, executor, administrator, es-
21 tate or trust, or any group, joint venture or other unincorporated
22 organization through or by means of which any business, financial
23 operation or venture is carried on, whether such persons are doing
24 business for themselves or in a fiduciary capacity;

25 (5) "Purchase" means:

26 (a) the acquisition or procurement, either by
27 sales, by rental or lease agreement or otherwise, of any
28 materials, supplies, goods, wares, merchandise or produce
29 for public use; and

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1 (b) any and all printing, binding, or preparation
2 of blanks, books, and all types of printed forms and
3 stationery procured or done for public use;

4 (6) "Purchase price" means the total amount of public
5 funds ultimately expended in respect to any purchase;

6 (7) "Person maintaining a local business" means any
7 person who, for a continuous period of not less than three con-
8 secutive months immediately prior to the time any purchase is
9 made, has maintained in Alaska an established place of business,
10 intended in good faith to be permanent, and having in the regular
11 course of business inventories within Alaska upon which, or in
12 respect to which, taxes of the state or of a political subdivision
13 are made;

14 (8) "Person maintaining an outside business" means any
15 person other than a person maintaining a local business.

16 Sec. 2. EXPENDITURE OF PUBLIC FUNDS. No expenditure of
17 public funds shall be made for or in respect to any purchase by
18 the state or a political subdivision from any person maintaining
19 an outside business, except in either or all of the following
20 instances:

21 (1) When it is established that any such purchase can-
22 not be made in Alaska;

23 (2) When it is established that the lowest purchase
24 price for which such purchase can be made in Alaska exceeds the
25 charge usually and customarily made by persons maintaining a local
26 business to private persons for identical purchases;

27 (3) When it is established that the purchase price at
28 which such purchase can be made from a person maintaining a local
29 business is more than 10 per cent higher than the purchase price

1 at which such purchase can be made from a person maintaining an
2 outside business.

3 Sec. 3. COMPLETION BID CONTRACTS. Notwithstanding the pro-
4 visions of Section 3(1) of Ch. 82, SLA 1955, relating to the
5 awarding of bids to an Alaskan bidder, in all instances where the
6 law requires contracts for purchases to be let by competitive bids,
7 the lowest bid made by any person maintaining a local business
8 shall be deemed to be the lowest bid for the award of such con-
9 tract, except where such bid is more than 10 per cent higher than
10 the amount of the lowest bid made by any person maintaining an
11 outside business.

12 Sec. 4. ALASKA PRODUCTS PREFERENCE. a. Subject to the
13 provisions of Subsection b. of this section, where any bid is
14 made in respect to a contract for the purchase of materials, sup-
15 plies, goods, wares, merchandise or produce, manufactured or pro-
16 duced in Alaska, such bid shall be deemed the lowest bid for the
17 award of such contract, except where any such bid is more than
18 10 per cent higher than the amount of the lowest bid for pur-
19 chases of like materials, supplies, goods, wares, merchandise or
20 produce, manufactured or produced outside of Alaska.

21 b. The purchasing agent for the State of Alaska and the
22 official governing body of a political subdivision may establish
23 and revise from time to time and file with the commissioner of
24 administration for the State of Alaska a list of materials, supplies
25 goods, wares, merchandise or produce, manufactured or produced in
26 Alaska, to the purchase of which Subsection a. of this section
27 shall not apply.

28 Sec. 5. CONTRACTS VOID. Any purchase made or any contract
29 awarded or executed in respect to any purchase in violation of the

1 provisions of this Act is absolutely void and of no force and
2 effect, and no payment or expenditure of public funds shall be
3 made by the state or any political subdivision on account of any
4 such purchase or contract.

5 Sec. 6. PENALTIES. Any officer or employee of the state or
6 of a political subdivision who violates any provision of this Act
7 shall be guilty of a misdemeanor, and upon conviction thereof shall
8 be punished by a fine of not more than \$1,000.00, by imprisonment
9 for not more than one year, or by both fine and imprisonment.

10 Sec. 7. REPEALER. Secs. 14-3-1, 14-3-2, and 14-4-2, ACIA
11 1949 are repealed.

12 Sec. 8. This Act takes effect on July 1, 1961.
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