

Introduced: 1/25/66
Referred: Local Govern-
ment and Judiciary

1 IN THE SENATE

BY HANSEN, BLODGETT,
KILCHER AND PEARSON

2 SENATE BILL NO. 198

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act to provide public buildings for the
7 use of the state and its political sub-
8 divisions."

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

10 * Section 1. AS 18.55.010 is amended to read:

11 Sec. 18.55.010. PURPOSE OF SECS. 10 - 290 OF THIS
12 CHAPTER. The purpose of secs. 10 - 290 of this chapter is
13 to remedy the acute housing shortage that exists in certain
14 localities of the state by undertaking slum clearance, low-
15 cost housing projects, housing for persons and their
16 families engaged in national defense activities in the state,
17 and housing projects and housing for veterans of World War II
18 and other citizens of the state and to remedy the short sup-
19 ply of necessary public buildings by providing for the
20 financing, construction and acquisition of public buildings
21 for lease to the state and its political subdivisions.

22 * Sec. 2. AS 18.55.100(a)(15) is amended to read:

23 (15) arrange or contract for the financing,
24 design, construction and acquisition of public buildings
25 for lease to the state or a political subdivision of the
26 state in accordance with secs. 10 - 290 of this chapter.

27 * Sec. 3. AS 18.55 is amended by adding a new section to
28 read:

29 Sec. 18.55.105. LEASE OF AUTHORITY'S PUBLIC BUILDINGS

1 TO POLITICAL SUBDIVISIONS. (a) A public building owned by
2 the authority may not be leased to a political subdivision
3 of the state except upon execution of a prior agreement of
4 lease of the premises between the state and the authority.
5 An agreement of lease shall grant an option to the state to
6 apply rental payments made under the lease towards purchase
7 of the premises and receive conveyance of title upon satis-
8 faction of the purchase price. The purchase price shall be
9 a sum equal to all costs of the authority in financing,
10 designing, constructing and acquiring the premises leased
11 and shall include the cost of amortizing indebtedness in-
12 curred for those purposes. Total rental payments required
13 under the lease shall equal the purchase price of the premises
14 leased. Upon execution of an agreement of lease between the
15 state and the authority, the state may sublease or assign its
16 interest in the lease to a political subdivision which satis-
17 fies the requirements of (b) of this section. A sublease or
18 lease assignment shall include the same option of purchase
19 and right to conveyance of title upon satisfaction of the
20 purchase price as is afforded the state in its agreement of
21 lease with the authority. In case of a sublease to a politi-
22 cal subdivision, the state shall covenant with the sub-
23 lessee that it will not exercise its option to purchase the
24 premises subleased during the term of the sublease.

25 (b) A political subdivision may qualify for a sublease
26 or assignment of the state's interest in a lease with the
27 authority as authorized by (a) of this section only if

28 (1) the premises which are the subject of the sub-
29 lease or lease assignment are sought as a replacement for a

1 local facility which is condemned, destroyed by fire or other
2 calamity, or is certified by a state official to be inadequate,
3 unsafe, or otherwise unsatisfactory under the laws of the
4 state for its intended use;

5 (2) the purchase price of the premises does not
6 exceed \$2,500,000;

7 (3) the amount of total indebtedness outstanding
8 on all premises subleased or assigned by the state under this
9 section does not exceed \$7,500,000;

10 (4) the political subdivision agrees to assign to
11 the state, as security for payments required under the pro-
12 posed sublease or lease assignment, receipts of state taxes
13 shared with the political subdivision, to the extent of the
14 amount of any default in payments required under the pro-
15 posed sublease or lease assignment;

16 (5) the Department of Commerce investigates and
17 certifies to the governor the feasibility of a proposed
18 sublease or lease assignment, including but not limited to
19 certification of the fiscal capacity of the political sub-
20 division to meet payments required under the proposed sub-
21 lease or lease assignment;

22 (6) the proposed sublease or lease assignment is
23 ratified by referendum vote of a majority of the qualified
24 voters voting in a regular or special local election pro-
25 vided that the voters are apprised specifically on the
26 ballot of

27 (A) the term of years of the proposed sub-
28 lease or lease assignment;

29 (B) the amount of required payments;

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(C) the security required under ~~paragraph~~
(4) of this subsection;

(D) the option to purchase and right of
conveyance; and

(E) other terms and conditions of the pro-
posed sublease or lease assignment, as determined by
the governing body of the political subdivision;

(7) the proposed sublease or lease assignment is
ratified by the legislature by concurrent resolution.

(c) If a political subdivision party to a sublease or
lease assignment authorized by this section fails to make
timely payment of sums due to be paid under the sublease or
lease assignment, the state, upon not less than 90 days'
notice to the governing body of the political subdivision,
may assess, levy and collect taxes within the political
subdivision in an amount equal to the payments due and
limited to those taxes which the political subdivision is
authorized to assess, levy and collect under other provi-
sions of law. Assessment, levy, collection and enforcement
of collection shall be at the time and in the manner author-
ized the political subdivision under other provisions of law.
* Sec. 4. AS 18.55.288(2) is amended to read:

(2) "public buildings" means a publicly owned
structure leased to the state or a political subdivision of
the state for governmental, [GOVERNMENT OR] public or
educational use;