

Original sponsor: Rules Committee by
request of the Governor

Offered: 4/23/76
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 846

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Fisheries Economic Impact Council."

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

8 * Section 1. AS 44.33 is amended by adding new sections to read:

9 ARTICLE 6. FISHERIES ECONOMIC IMPACT COUNCIL.

10 Sec. 44.33.250. FISHERIES ECONOMIC IMPACT COUNCIL. There is
11 created in the Department of Commerce and Economic Development the
12 Fisheries Economic Impact Council.

13 Sec. 44.33.255. PURPOSE OF COUNCIL. The council is created to
14 advise the governor of the probability of an area in the state becoming
15 economically impacted by a fisheries failure, of economic measures which
16 may be taken to alleviate the effects of the fisheries failure, and of
17 the advisability of designating an area as an area economically impacted
18 by a fisheries failure so that special emergency measures may be imple-
19 mented to alleviate the financial distress inherent in a fisheries
20 failure.

21 Sec. 44.33.260. MEMBERSHIP AND VACANCIES. The council consists of
22 the following seven directors: the commissioner of the Department of
23 Community and Regional Affairs, the commissioner of the Department of
24 Commerce and Economic Development, the commissioner of the Department of
25 Fish and Game, and four other persons appointed by the governor. The
26 four directors appointed by the governor serve at his pleasure for
27 three-year terms; they must be residents of the state and qualified
28 voters at the time of appointment and shall comply with the requirements
29 of AS 39.50. Initial terms of the four appointed directors are one,

1 two, three and four years, respectively. A director is eligible for
2 reappointment. A vacancy in a directorship occurring other than by
3 expiration of the term shall be filled in the same manner as the origi-
4 nal appointment for the unexpired term only.

5 Sec. 44.33.265. OFFICERS AND QUORUM. The commissioner of commerce
6 and economic development shall be chairman of the council. Four direc-
7 tors constitute a quorum.

8 Sec. 44.33.270. COMPENSATION AND EXPENSES. The directors of the
9 council serve without compensation but are entitled to travel expenses
10 and per diem as authorized by law.

11 Sec. 44.33.275. STAFF. Staff support for the council shall be
12 provided by the Department of Commerce and Economic Development. In
13 addition, the council may in its discretion employ an executive director
14 and other employees as required. Employees of the council, other than
15 the executive director, are in the classified service under AS 39.25.

16 Sec. 44.33.280. POWERS OF COUNCIL. The council may

17 (1) adopt bylaws for the conduct of its business;

18 (2) maintain an office at any location;

19 (3) accept a grant or gift from a governmental unit or
20 person, firm, or corporation to carry out the provisions of this chapter,
21 make agreements with respect to a gift or grant, and do all things
22 necessary, useful, and desirable or convenient in connection with
23 procuring, accepting, or disposing of a gift or grant;

24 (4) recommend to the governor areas to be designated as an
25 area economically impacted by a fisheries failure;

26 (5) recommend to the governor means to alleviate the impact
27 of a fisheries failure in a designated area.

28 Sec. 44.33.285. ACTION BY GOVERNOR. The governor may, upon recom-
29 mendation of the council, designate by proclamation an area as an area

1 economically impacted by a fisheries failure. When an area is so
2 designated, assistance grants shall be made by the Department of Com-
3 merce and Economic Development as provided in AS 37.11.100 and the
4 governor may recommend in his budget submission that capital projects
5 planned for the area be accelerated and that new projects be funded for
6 the area. The proclamation may provide that waivers of capital projects
7 requirements, as authorized in sec. 300 of this chapter, become effec-
8 tive only to the extent set out in the proclamation.

9 Sec. 44.33.290. EMPLOYMENT PREFERENCE. In the performance of
10 contracts awarded by the state in an area economically impacted by a
11 fisheries failure, residents of the area shall be employed where they
12 are available and qualified so that the economic effects of alleviating
13 the failure will be maximized. If resident labor is not available, the
14 contractor shall inform the Department of Labor of the number of addi-
15 tional workers needed, the positions to be filled, and the efforts made
16 at recruitment in the area. If the Department of Labor is satisfied
17 that a good faith effort has been made by the contractor to hire resi-
18 dents of the area, it may issue a certificate allowing other hire for
19 designated positions. A clause requiring these provisions shall be part
20 of each state contract awarded.

21 Sec. 44.33.295. CONTRACTORS' PREFERENCE. If the department
22 determines that there are contractors in an area designated as an area
23 economically impacted by a fisheries failure and who are qualified to
24 perform a contract, preference to the extent feasible shall be given to
25 those contractors under regulations adopted by the council.

26 Sec. 44.33.300. WAIVER OF CERTAIN PROVISIONS. When the governor
27 has by proclamation declared an area economically impacted by a fisher-
28 ies failure, the following provisions regarding public contracts may be
29 waived to the extent specified in the proclamation:

1 (1) the requirement of a contractor's bond as prescribed in
2 AS 36.25.010 may be waived if the contract amount does not exceed
3 \$100,000;

4 (2) the public bid requirements as contained in AS 19.10.170,
5 19.10.190, 19.30.191(b), and AS 35.15.010 - 35.15.030 may be waived if
6 the contract is to be performed by a contractor whose principal office
7 is in the designated area and the contract amount does not exceed
8 \$100,000;

9 (3) the general policy to require all construction to be
10 under bid contract as contained in AS 35.15.010 may be waived if the
11 contract is to be performed by the state, another governmental entity,
12 or a nonprofit entity.

13 Sec. 44.33.305. REGULATIONS. The department, after consultation
14 with the Department of Labor, may adopt regulations to implement secs.
15 250 - 310 of this chapter.

16 Sec. 44.33.310. DEFINITIONS. In this chapter,

17 (1) "base period" means any 10 years after 1950, not neces-
18 sarily continuous, during which a fishery produced at economically
19 representative levels as determined by the council in consultation with
20 the Department of Fish and Game;

21 (2) "department" means the Department of Commerce and Economic
22 Development;

23 (3) "fisheries failure" means that the income to the partici-
24 pants in a fishery dropped below the average annual income for the base
25 period for that fishery and the drop in income is of such magnitude that
26 the average family income of all residents of the designated area as
27 determined by the council is below the Federal Social Security Adminis-
28 tration Poverty Guideline, adjusted by the council to reflect appropri-
29 ate cost-of-living differentials; the availability of alternate employ-

1 ment shall be considered in determining whether a fisheries failure has
2 occurred under this paragraph.

3 * Sec. 2. AS 19.10.170 is amended to read:

4 Sec. 19.10.170. CONSTRUCTION BY DEPARTMENT. Except as provided
5 in AS 44.33.300, it [IT] shall be the general policy of the department
6 to require the construction of all highways under bid contract. How-
7 ever, when the estimated cost of a construction project is less than
8 \$20,000 or when it appears to be in the best interests of the state, the
9 department may perform the work notwithstanding any other provisions of
10 law.

11 * Sec. 3. AS 19.10.190 is amended to read:

12 Sec. 19.10.190. ADVERTISEMENT, BIDS, CONTRACTS, AND INFORMAL
13 BIDS. Except as provided in AS 44.33.300, when [WHEN] the estimated
14 cost of any construction exceeds \$20,000, the department shall, except
15 as provided in sec. 170 of this chapter, proceed to advertise, request
16 bids, and award the contract in the manner provided in secs. 200 and
17 210 of this chapter. Whenever any proposed construction contract is
18 for a sum less than \$20,000, it shall be discretionary with the depart-
19 ment whether the contract shall be advertised and awarded in accordance
20 with secs. 200 and 210 of this chapter. In all events the department
21 shall request informal bids from as many contractors as can be re-
22 quested conveniently.

23 * Sec. 4. AS 19.30.191(b) is amended to read:

24 (b) Except as provided in AS 44.33.300, construction [CONSTRUC-
25 TION] of each project subject to the provisions of this section shall
26 be performed by contract awarded by competitive bidding, unless the
27 commissioner finds that, under the circumstances relating to the
28 project, some other method is in the public interest. Contracts for
29 the construction of each project shall be awarded only on the basis of

1 the lowest responsible bid submitted by a bidder meeting established
2 criteria of responsibility. No requirement or obligation may be
3 imposed upon a bidder as a condition precedent to the award of a
4 contract to a bidder unless the requirement or obligation is otherwise
5 lawful and specifically set out in the advertised specifications.

6 * Sec. 5. AS 35.15.010 is amended to read:

7 Sec. 35.15.010. CONSTRUCTION BY DEPARTMENT. Except as provided
8 in AS 44.33.300, it [IT] shall be the general policy of the department
9 to require the construction of all public works under bid contract.
10 However, when the estimated cost of a construction project is less than
11 \$20,000, or when it appears to be in the best interests of the state,
12 the department may perform the work, notwithstanding any other provi-
13 sions of law.

14 * Sec. 6. AS 35.15.030 is amended to read:

15 Sec. 35.15.030. ADVERTISEMENT, BIDS, CONTRACTS, AND INFORMAL
16 BIDS. When the estimated cost of any construction exceeds \$20,000, the
17 department shall, except as provided in sec. 10 of this chapter and
18 in AS 44.33.300, proceed to advertise, request bids, and award the
19 contract in the manner provided in secs. 40 and 50 of this chapter.
20 When any proposed construction contract is for a sum less than \$20,000,
21 it is discretionary with the department whether the contract is adver-
22 tised and awarded in accordance with secs. 40 and 50 of this chapter.
23 In all events the department shall request informal bids from as many
24 contractors as can be requested conveniently.

25 * Sec. 7. AS 36.10.010 is amended to read:

26 Sec. 36.10.010. EMPLOYMENT PREFERENCE. In the performance of
27 contracts let by the state or a political subdivision of the state for
28 construction, repair, preliminary surveys, engineering studies, con-
29 sulting, maintenance work or any other retention of services necessary

1 to complete any given project, 95 per cent residents shall be employed
2 where they are available and qualified. If 10 or fewer persons are
3 employed under the contract, then 90 per cent residents shall be
4 employed where they are available and qualified. In all cases of
5 public works projects, preference shall be given to residents. In an
6 area which has been designated as an area economically impacted by a
7 fisheries failure, residents of that area shall be given employment pre-
8 ference as provided in AS 44.33.290, followed by other residents of the
9 state.

10 * Sec. 8. AS 36.25.010(a) is amended to read:

11 (a) Except as provided in AS 44.33.300, before [BEFORE] a contract
12 exceeding \$2,000 for the construction, alteration, or repair of a
13 public building or public work of the state or a political subdivision
14 of the state is awarded to a general or specialty contractor, the
15 contractor shall furnish to the state or a political subdivision of the
16 state the following bonds, which become binding upon the award of the
17 contract to that contractor:

18 (1) a performance bond with a corporate surety qualified to
19 do business in the state, or at least two individual sureties who shall
20 each justify in a sum equal to the amount of the bond; the amount of the
21 performance bond shall be equivalent to the amount of the payment bond;

22 (2) a payment bond with a corporate surety qualified to do
23 business in the state, or at least two individual sureties who shall
24 each justify in a sum equal to the amount of the bond for the protection
25 of all persons who supply labor and material in the prosecution of the
26 work provided for in the contract; when the total amount payable by the
27 terms of the contract is not more than \$1,000,000, the payment bond
28 shall be in a sum of one-half the total amount payable by the terms of
29 the contract; when the total amount payable by the terms of the contract

1 is more than \$1,000,000 and not more than \$5,000,000, the payment bond
2 shall be in a sum of 40 per cent of the total amount payable by the
3 terms of the contract; when the total amount payable by the terms of
4 the contract is more than \$5,000,000, the payment bond shall be in the
5 sum of \$2,500,000.

6 * Sec. 9. AS 39.25.120 is amended by adding a new paragraph to read:

7 (9) the executive director of the Fisheries Economic Impact
8 Council.

9 * Sec. 10. AS 39.50.200(9) is amended by adding a new subparagraph to
10 read:

11 (LL) Fisheries Economic Impact Council (AS 44.33.250).

12 * Sec. 11. AS 37.11 is amended by adding a new section to read:

13 ARTICLE 2. ALASKA FISHERY IMPACT FUND.

14 Sec. 37.11.100. ALASKA FISHERY IMPACT FUND. (a) There is estab-
15 lished a separate fund known as the Alaska fishery impact fund which
16 shall be administered by the Department of Commerce and Economic Develop-
17 ment. Funds designated in this section and apportioned by statute for
18 deposit in the Alaska fishery impact fund are for grants to assist
19 economically impacted fishing communities within areas designated by a
20 proclamation under AS 44.33.285. The Department of Community and
21 Regional Affairs, in consultation with the Department of Fish and Game,
22 shall determine which communities are economically impacted fishing
23 communities.

24 (b) A computed amount equivalent to not less than two per cent of
25 the receipts paid the state from mineral lease bonuses and rentals for
26 state land and royalties derived from minerals produced on state land
27 but not to exceed \$15,000,000 may be appropriated by the legislature to
28 the Alaska fishery impact fund. The commissioner of revenue, after
29 determining that there is in the Alaska fishery impact fund a surplus

1 above an amount sufficient to meet anticipated demands, may invest the
2 surplus as provided in ch. 10 of this title. Interest derived from
3 investment of surplus funds shall be deposited to the general fund.

4 (c) Unappropriated or otherwise unencumbered balances remaining in
5 the Alaska fishery impact fund at the close of each fiscal year shall
6 not lapse as provided in AS 37.25.010 but shall be available in perpe-
7 tuity for fund purposes.

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