

Introduced: 3/1/77  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY SWANSON, ELIASON,  
MALONE, OSE AND PARR

2 HOUSE BILL NO. 290

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the hospital and health care center  
7 fund."

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

9 \* Section 1. HOSPITAL AND HEALTH CARE CENTER FUND. (a) There is a  
10 special fund of the state within the Department of Public Works known as the  
11 "Hospital and Health Care Center Fund," into which shall be paid the proceeds  
12 of the sale of the bonds (except any accrued interest paid on them, which  
13 shall be paid into the bond redemption fund) and any grant or other money  
14 which is legally provided for the same purposes for which the bonds are  
15 authorized. The money in the construction fund shall be used to pay the  
16 costs of acquiring, equipping, constructing and installing additions and  
17 improvements to the facilities listed in bond resolutions and costs incidental  
18 thereto, including costs of the authorization, issuance and sale of the bonds.  
19 To the extent provided in the bond resolution, money in the construction fund  
20 may also be used for the payment of interest on the bonds during the period  
21 of actual construction, and for such further period, not exceeding one year  
22 after the period of construction, as may be provided in the bond resolution.  
23 Money in the construction fund may also be transferred to the bond redemption  
24 fund, to the extent provided in the bond resolution, to establish a reserve  
25 for the payment of the principal of and interest on the bonds.

26 (b) The bond resolution may provide for the investment of money in the  
27 construction fund in such manner as the State Bond Committee may determine.  
28 The interest earned upon or any profits derived from the sale of this invest-  
29 ment shall be deposited in and become a part of the construction fund.

1 (c) All facilities shall be built by the Department of Public Works or  
2 a municipality in accordance with applicable state and local building codes  
3 including the obtaining of required permits. The commissioner of public  
4 works shall provide the municipality with a copy of any state building code  
5 or restriction applicable to the project.

6 \* Sec. 2. LOCAL CONTROL OF PROJECTS. (a) A municipality may, by resolu-  
7 tion of its governing body, request the assumption of the Department of  
8 Public Works' responsibilities relating to the selection of an architect, the  
9 planning and construction of a hospital or health care project of the state  
10 which is to be located within the boundaries of the municipality. After  
11 receipt of the request, the department shall provide by agreement for assump-  
12 tion by the municipality of the department's responsibilities relating to the  
13 planning, design, and construction of the project. The parties may by mutual  
14 agreement provide for joint or cooperative assumption of responsibilities by  
15 the department and the municipality.

16 (b) If two or more municipalities request assumption of responsibilities  
17 for a project, the commissioner shall determine which municipality is best  
18 able to direct planning, design, and construction of the project and enter  
19 into an agreement with that subdivision, or provide for joint or cooperative  
20 administration, as the parties may agree or the commissioner may determine.

21 \* Sec. 3. USE OF APPROPRIATED FUNDS. Upon execution of an agreement  
22 under sec. 2 of this Act, state funds appropriated for a project which is the  
23 subject of the agreement shall be transferred to a special account in the  
24 state treasury. A municipality administering the project under the agreement  
25 may draw on the account for costs of the project, under fiscal control of the  
26 department. If an agreement provides for joint or cooperative administration  
27 of the project, payment of costs shall be made to the party incurring the  
28 costs.

29 \* Sec. 4. RESPONSIBILITY OF DEPARTMENT. When a municipality has assumed

1 responsibility for a public works project in accordance with secs. 2 - 5 of  
2 this Act, the department is relieved of responsibility to the extent it is  
3 assumed by the municipality. The department may provide technical assistance  
4 on the responsibility assumed if requested to do so by the municipality and  
5 shall be reasonably compensated for that assistance from the account estab-  
6 lished under sec. 3 of this Act.

7 \* Sec. 5. TITLE TO SITE AND COMPLETION OF PROJECT. (a) Title acceptable  
8 to the department to a suitable project site shall be vested in the state  
9 before work is begun on the site.

10 (b) Responsibility for maintenance of the project shall be established  
11 in the original contract agreement. The department shall participate in the  
12 final inspection of the project and approve of the final documents on the  
13 project.

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