

Offered: 3/9/87  
Referred: Finance

5-0052B

Original sponsors: Davis, Brown  
and Goll

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 9 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to projected operating and mainte-

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nance costs of capital improvements."

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

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\* Section 1. AS 24.08.030 is amended by adding a new subsection to

10 read:

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(b) Before an appropriation bill containing an appropriation for

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a capital improvement is reported from the committee of first refer-

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ral, there shall be attached to the bill a fiscal note containing the

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projected operating and maintenance costs of each proposed capital

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improvement. The note must identify the state agency, political

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subdivision, or other public or private entity that is responsible for

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payment of the projected costs.

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\* Sec. 2. AS 37.07.030 is amended to read:

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Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legis-

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lature shall

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(1) provide for a budget review function;

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(2) analyze the comprehensive operating and capital im-

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provements programs and financial plans recommended by the governor;

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(3) adopt legislation to authorize implementation of the

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governor's comprehensive operating and capital improvements programs

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and financial plans or appropriate alternatives to those plans;

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(4) provide for a post-audit function, to cover financial

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transactions, program accomplishment, and compliance with legislative

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intent;

1 (5) adopt or revise the estimate or receipts required to  
2 balance the succeeding fiscal year's budget in order that proposed  
3 expenditures do not exceed estimated receipts for that fiscal year;

4 (6) adopt, revise, or initiate revenue measures in order to  
5 balance the succeeding fiscal year's budget and the capital improve-  
6 ments section of the budget for the succeeding six years;

7 (7) require that the projected operating and maintenance  
8 costs of each proposed capital improvement, annualized over the life  
9 of the improvement, be submitted with legislation and that the source  
10 of funding for those costs be identified.

11 \* Sec. 3. AS 37.07.060(b) is amended to read:

12 (b) The governor shall present the proposed comprehensive oper-  
13 ating and capital improvements programs and financial plans in a  
14 message to a joint session of the legislature before the fourth legis-  
15 lative day following the convening of the legislature in regular  
16 session. The message shall be accompanied by an explanatory report  
17 which summarizes recommended goals, plans, and appropriations. The  
18 report shall contain

19 (1) the coordinated program goals and objectives which the  
20 governor recommends to guide the decisions on the proposed program  
21 plans and budget appropriations;

22 (2) the governor's operating program and budget recommenda-  
23 tions for the succeeding fiscal year organized by agency as required  
24 by AS 37.07.020(a);

25 (3) the governor's capital improvements program and budget  
26 recommendations for the succeeding fiscal year and capital improve-  
27 ments program for the succeeding six fiscal years which shall include

28 (A) a description of each project, its estimated cost  
29 for the year construction is to start and the estimated cost of

1 the project adjusted for inflation over the estimated period of  
2 construction, and the source of financing for the project; the  
3 project description for a new building or a new facility or for a  
4 major addition to a building or facility should include a site  
5 plan, preliminary drawings, and architect's or engineer's total  
6 cost estimate for the project;

7 (B) a summary of projects previously authorized and  
8 not yet completed;

9 (C) a summary, listed by agency, of all previously  
10 proposed projects which have been deferred beyond the six years  
11 covered by the plan and the year in which construction has been  
12 rescheduled to begin;

13 (D) a forecast of the debt structure of the state and  
14 the various debt ratios over the life of the state's bonds out-  
15 standing, bonds authorized and to be issued, and bond authoriza-  
16 tions recommended in the plan;

17 (E) a description of additional revenue measures  
18 needed to finance the plan in lieu of debt;

19 (F) bond election bills to authorize the bonds re-  
20 quired to fund the projects scheduled for the first three years  
21 of the plan;

22 (G) projections of population of the state and its  
23 regions and communities;

24 (H) economic data and projections necessary for the  
25 evaluation of the plan, including projected operating and mainte-  
26 nance costs of each proposed capital improvement, annualized over  
27 the life of the improvement, and an identification of the pro-  
28 jected funding source for those costs;

29 (4) a summary of state receipts in the last fiscal year, a

1 revised estimate for the current fiscal year, and an estimate for the  
2 succeeding fiscal year;

3 (5) a summary of expenditures during the last fiscal year,  
4 those authorized for the current fiscal year, and an estimate for the  
5 succeeding fiscal year;

6 (6) any additional information which will facilitate under-  
7 standing of the governor's proposed programs and financial plans by  
8 the legislature and the public.

9 \* Sec. 4. AS 37.07.120 is amended by adding a new paragraph to read:

10 (8) "operating and maintenance costs" means the costs  
11 necessary to operate a capital improvement and to preserve each type  
12 of capital improvement as nearly as possible in its original or im-  
13 proved condition.