

Offered: 3/30/87
Referred: Rules

5-0052L

Original sponsors: Davis, Brown
and Goll

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 9 (Finance)

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-

7

nance costs of capital improvements."

8

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

9 * Section 1. AS 24.08.030 is amended by adding a new subsection to
10 read:

11 (b) Before an appropriation bill containing an appropriation for
12 a capital improvement is reported from the committee of first refer-
13 ral, there shall be attached to the bill a fiscal note containing the
14 projected operating and maintenance costs of each proposed capital
15 improvement. The note must identify the state agency, political
16 subdivision, or other public or private entity that is responsible for
17 payment of the projected costs. A revised note shall be prepared and
18 attached to the bill as necessary before the bill is reported from
19 each subsequent committee of referral.

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

21 Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legis-
22 lature shall

23 (1) provide for a budget review function;

24 (2) analyze the comprehensive operating and capital im-
25 provements programs and financial plans recommended by the governor;

26 (3) adopt legislation to authorize implementation of the
27 governor's comprehensive operating and capital improvements programs
28 and financial plans or appropriate alternatives to those plans;

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

1 transactions, program accomplishment, and compliance with legislative
2 intent;

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

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

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

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

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

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

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

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

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

9 (B) a summary of projects previously authorized and
10 not yet completed;

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

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

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

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

24 (G) projections of population of the state and its
25 regions and communities;

26 (H) economic data and projections necessary for the
27 evaluation of the plan, including projected operating and mainte-
28 nance costs of each proposed capital improvement, annualized over
29 the life of the improvement, and an identification of the

1 projected funding source for those costs:

2 (4) a summary of state receipts in the last fiscal year, a
3 revised estimate for the current fiscal year, and an estimate for the
4 succeeding fiscal year;

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

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

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

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