

Introduced: 1/19/87
Referred: Labor & Commerce
and Finance

1 IN THE HOUSE

BY DONLEY AND GRUSSENDORF

2 HOUSE BILL NO. 45

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 an Alaska business bidder prefer-
7 ence; and providing for an effective date."

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

9 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that due
10 to the state's noncontiguous geographic location and unique climate, busi-
11 ness dealings with non-Alaskan firms produce administrative expenses not
12 commonly incurred in business dealings with resident businesses.

13 (b) The purpose of the Alaska business bidder preference when the
14 state acts as a market participant is to reduce state administrative costs,
15 strengthen the state's tax and revenue base, encourage local industry,
16 reduce unemployment and the social ills it creates, and to strengthen and
17 stabilize the state's economy.

18 * Sec. 2. AS 36.30.170(b) is repealed and reenacted to read:

19 (b) Notwithstanding an Alaska product preference under AS 36.-
20 30.322 - 36.30.338, the procurement officer shall award a contract
21 based on solicited bids to the lowest responsible and responsive
22 Alaska bidder if the bid is not more than

23 (1) five percent higher than the lowest nonresident bid-
24 der's and the contract is \$500,000 or more;

25 (2) 10 percent higher than the lowest nonresident bidder's
26 and the contract is more than \$100,000 and less than \$500,000;

27 (3) 15 percent higher than the lowest nonresident bidder's
28 and the contract is more than \$25,000 and \$100,000 or less; or

29 (4) 20 percent higher than the lowest nonresident bidder's

1 and the contract is \$25,000 or less.

2 * Sec. 3. AS 36.30.170 is amended by adding a new subsection to read:

3 (d) In this section, "Alaska bidder" means a person who

4 (1) holds a current Alaska business license;

5 (2) does more than \$1,000,000 worth of annual business in
6 the state or performs more than 20 percent of the person's annual
7 business in the state, whichever is less;

8 (3) certifies under penalty of perjury that the bidder will
9 employ Alaska residents in the performance of the contract unless
10 resident laborers are unqualified or unavailable;

11 (4) has maintained a permanent place of business in the
12 state for a period of six months immediately preceding the date of the
13 bid; and

14 (5) submits a bid for goods or services under the name that
15 appears on the person's current Alaska business license.

16 * Sec. 4. This Act takes effect July 1, 1987.