

Original sponsors: M.Davis, Zawacki,
Leman, et al.

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 79 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH 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 including the cost of preventive maintenance, annualized
16 over the life of the improvement. The fiscal note must identify the
17 state agency, political subdivision, or other public or private entity
18 that is responsible for payment of the projected costs. A revised
19 fiscal note shall be prepared and attached to the bill as necessary
20 before the bill is reported from each subsequent committee of refer-
21 ral.
22 * Sec. 2. AS 37.07.030 is amended to read:
23 Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legis-
24 lature shall
25 (1) provide for a budget review function;
26 (2) analyze the comprehensive operating and capital improve-
27 ments programs and financial plans recommended by the governor;
28 (3) adopt legislation to authorize implementation of the

1 governor's comprehensive operating and capital improvements programs
2 and financial plans or appropriate alternatives to those plans;

3 (4) provide for a post-audit function to cover financial
4 transactions, program accomplishment, and compliance with legislative
5 intent;

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

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

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

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

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

24 (1) the coordinated program goals and objectives that the
25 governor recommends to guide the decisions on the proposed program
26 plans and budget appropriations;

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

1 (3) the governor's capital improvements program and budget
2 recommendations for the succeeding fiscal year and capital improve-
3 ments program for the succeeding six fiscal years which must include

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

12 (B) a summary of projects previously authorized and
13 not yet completed;

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

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

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

24 (F) bond election bills to authorize the bonds
25 required to fund the projects scheduled for the first three years
26 of the plan;

27 (G) projections of population of the state and its
28 regions and communities;

29 (H) economic data and projections necessary for the

1 evaluation of the plan, including projected operating and mainte-
2 nance costs of each proposed capital improvement, annualized over
3 the life of the improvement, and an identification of the pro-
4 jected funding source for those costs;

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

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

11 (6) any additional information that will facilitate under-
12 standing of the governor's proposed programs and financial plans by
13 the legislature and the public.

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

15 (8) "operating and maintenance costs" means the costs
16 necessary to operate a capital improvement and to preserve each type
17 of capital improvement as nearly as possible in its original or
18 improved condition; "operating and maintenance costs" includes the
19 cost of preventive maintenance.