

Original sponsor: Labor and Commerce
Committee

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 139 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to payments for purchases by school
7 districts and municipalities; and providing for an
8 effective date."

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

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* Section 1. PURPOSE. The purpose of this bill is to require munic-
11 ipalities and school districts to pay for their purchases of goods and
12 services in a timely manner.

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* Sec. 2. AS 14.03 is amended by adding a new section to read:

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Sec. 14.03.087. PAYMENTS FOR PURCHASES. Payments for purchases

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by a school district are subject to the requirements applicable to

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state agencies under AS 37.05.285(a) - (d) and 37.05.285(f)(1) - (2).

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When applying AS 37.05.285(a) - (d) and 37.05.285(f)(1) - (2) to a

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school district, "state" and "state agency" are read as "school dis-

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trict", and "state official" is read as "school district official".

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In this section, "school district" means a borough school district, a

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city school district, or a regional educational attendance area.

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* Sec. 3. AS 14.08.101 is amended to read:

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Sec. 14.08.101. POWERS. A regional school board may

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(1) sue and be sued;

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(2) contract with the department, the Bureau of Indian

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Affairs, or another [ANY OTHER] school district, agency, or regional

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board for the provision of services, facilities, supplies or utili-

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ties;

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(3) determine its own fiscal procedures including but not

1 limited to policies and procedures for the purchase of supplies and
2 equipment; except as provided by AS 14.03.087, the regional school
3 boards are exempt from AS 37.05 (Fiscal Procedures Act) and AS 36.30
4 (State Procurement Code);

5 (4) appoint, compensate and otherwise control all school
6 employees in accordance with this title; these employees are not
7 subject to AS 39.25 (State Personnel Act);

8 (5) adopt regulations governing organization, policies and
9 procedures for the operation of the schools;

10 (6) establish, maintain, operate, discontinue and combine
11 schools subject to the approval of the commissioner;

12 (7) recommend to the department projects for construction,
13 rehabilitation, and improvement of schools and education-related
14 facilities as specified in AS 14.11.010(a), and plan, design, and
15 construct the project when the responsibility for it is assumed under
16 AS 14.11.020;

17 (8) by resolution adopted by a majority of all the members
18 of the board and provided to the commissioner of the department,
19 assume ownership of all land and buildings used in relation to the
20 schools in the regional educational attendance area;

21 (9) provide housing for rental to teachers, by leasing
22 existing housing from a local agency or individual, or by entering
23 into contractual arrangements with a local agency or individual to
24 lease housing that will be constructed by the local agency or indi-
25 vidual for that purpose;

26 (10) exercise those other functions that may be necessary
27 for the proper performance of its responsibilities.

28 * Sec. 4. AS 29.10.200 is amended by adding a new paragraph to read:

29 (51) AS 29.71.060 (payments for purchases).

1 * Sec. 5. AS 29.71 is amended by adding a new section to read:

2 Sec. 29.71.060. PAYMENTS FOR PURCHASES. (a) Payment for pur-
3 chases of goods or services provided to a municipality must be made by
4 a required payment date that is

5 (1) the date on which payment is due under the terms of a
6 contract; or

7 (2) 30 days after the goods or services are received and
8 the municipality that is responsible for paying for the purchase
9 receives a proper billing for the amount of the payment due, if a date
10 on which payment is due is not established by contract and if the
11 billing contains or is accompanied by documents required by the con-
12 tract or purchase order.

13 (b) If a seller offers a discount from the amount otherwise due
14 for property or services in exchange for payment within a specified
15 period of time, the municipality may make payment in an amount equal
16 to the discounted price only if payment is made within the specified
17 period of time.

18 (c) If payment for goods or services purchased by the municipal-
19 ity is not made on or before a required payment date under (a) of this
20 section, the municipality shall pay interest on the unpaid balance
21 from the required payment date at the rate of 1.5 percent a month,
22 unless an agreement exists between the seller and the municipality
23 that establishes a lower rate of interest or precludes the charging of
24 interest. If the interest-bearing period of time is either (1) a
25 fraction of a month, or (2) one or more full months plus a fraction of
26 a month, the municipality shall pay the same amount of interest for
27 the fraction of a month as it would pay for a full month.

28 (d) This section does not apply

29 (1) if the cost of the goods or services purchased exceeds

1 \$500,000;

2 (2) to payment for specific goods or services in dispute
3 after a seller of goods or services receives notice from the municipal
4 official responsible for authorizing payment for goods and services
5 that the amount of the invoice or quality of specific goods or ser-
6 vices is in dispute and stating the reasons for the dispute; the
7 municipality shall pay for the specific goods or services in dispute
8 within 30 days after the resolution of the dispute;

9 (3) to a contract covered by AS 36.90.010; or

10 (4) to a payment for which reimbursement is available to
11 the municipality under an insurance contract.

12 (e) In this section, payment is considered made on the date when
13 the payment is personally delivered to the seller or agent of the
14 seller or on the date the payment is mailed.

15 (f) In this section, "dispute" means a determination by the
16 municipal official responsible for authorizing the payments for the
17 purchase of goods or services that the performance or price charged is
18 not in compliance with the terms of the contract or purchase order.

19 * Sec. 6. This Act does not apply to purchase contracts entered into
20 before July 1, 1989.

21 * Sec. 7. This Act takes effect July 1, 1989.