

COMMITTEE REPORT

4/23/76

HOUSE

Mr. Speaker:

Date 5-8-76

The Committee on FINANCE has had HB 846

under consideration. A Majority of the members of the Committee

- () recommends it DO PASS
- () recommends it DO NOT PASS
- () recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- (x) recommends it BE REPLACED WITH CS FOR ^{Finance} HB 846 AND THAT

Finance CS FOR HB 846 DO PASS

() "and" recommends it BE REFERRED TO THE _____
COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

Original sponsor: Rules Committee by
request of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 846 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Fisheries Economic Impact Council;
7 and providing for an effective date."

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

9 * Section 1. AS 44.33 is amended by adding new sections to read:

10 ARTICLE 6. FISHERIES ECONOMIC IMPACT COUNCIL.

11 Sec. 44.33.250. FISHERIES ECONOMIC IMPACT COUNCIL. There is
12 created in the Department of Commerce and Economic Development the
13 Fisheries Economic Impact Council.

14 Sec. 44.33.255. PURPOSE OF COUNCIL. The council is created to
15 advise the governor of the probability of an area in the state becoming
16 economically impacted by a fisheries failure, of economic measures which
17 may be taken to alleviate the effects of the fisheries failure, and of
18 the advisability of designating an area as an area economically impacted
19 by a fisheries failure so that special emergency measures may be imple-
20 mented to alleviate the financial distress inherent in a fisheries
21 failure.

22 Sec. 44.33.260. MEMBERSHIP AND VACANCIES. The council consists of
23 the following seven directors: the commissioner of the Department of
24 Community and Regional Affairs, the commissioner of the Department of
25 Commerce and Economic Development, the commissioner of the Department of
26 Fish and Game, and four other persons appointed by the governor. The
27 four directors appointed by the governor serve at his pleasure for
28 three-year terms; they must be residents of the state and qualified
29 voters at the time of appointment and shall comply with the requirements

1 of AS 39.50. Initial terms of the four appointed directors are one,
2 two, three and four years, respectively. A director is eligible for
3 reappointment. A vacancy in a directorship occurring other than by
4 expiration of the term shall be filled in the same manner as the origi-
5 nal appointment for the unexpired term only.

6 Sec. 44.33.265. OFFICERS AND QUORUM. The commissioner of commerce
7 and economic development shall be chairman of the council. Four direc-
8 tors constitute a quorum.

9 Sec. 44.33.270. COMPENSATION AND EXPENSES. The directors of the
10 council serve without compensation but are entitled to travel expenses
11 and per diem as authorized by law.

12 Sec. 44.33.275. STAFF. Staff support for the council shall be
13 provided by the Department of Commerce and Economic Development. In
14 addition, the council may in its discretion employ an executive director
15 and other employees as required. Employees of the council, other than
16 the executive director, are in the classified service under AS 39.25.

17 Sec. 44.33.280. POWERS OF COUNCIL. The council may

18 (1) adopt bylaws for the conduct of its business;

19 (2) maintain an office at any location;

20 (3) accept a grant or gift from a governmental unit or
21 person, firm, or corporation to carry out the provisions of this chapter
22 make agreements with respect to a gift or grant, and do all things
23 necessary, useful, and desirable or convenient in connection with
24 procuring, accepting, or disposing of a gift or grant;

25 (4) recommend to the governor areas to be designated as an
26 area economically impacted by a fisheries failure;

27 (5) recommend to the governor means to alleviate the impact
28 of a fisheries failure in a designated area.

29 Sec. 44.33.285. ACTION BY GOVERNOR. The governor may, upon recom-

1 mendation of the council, designate by proclamation an area as an area
2 economically impacted by a fisheries failure. When an area is so
3 designated, assistance grants shall be made by the Department of Com-
4 merce and Economic Development as provided in AS 37.11.100 and the
5 governor may recommend in his budget submission that capital projects
6 planned for the area be accelerated and that new projects be funded for
7 the area. The proclamation may provide that waivers of capital projects
8 requirements, as authorized in sec. 300 of this chapter, become effec-
9 tive only to the extent set out in the proclamation.

10 Sec. 44.33.290. EMPLOYMENT PREFERENCE. In the performance of
11 contracts awarded by the state in an area economically impacted by a
12 fisheries failure, residents of the area shall be employed where they
13 are available and qualified so that the economic effects of alleviating
14 the failure will be maximized. If resident labor is not available, the
15 contractor shall inform the Department of Labor of the number of addi-
16 tional workers needed, the positions to be filled, and the efforts made
17 at recruitment in the area. If the Department of Labor is satisfied
18 that a good faith effort has been made by the contractor to hire resi-
19 dents of the area, it may issue a certificate allowing other hire for
20 designated positions. A clause requiring these provisions shall be part
21 of each state contract awarded.

22 Sec. 44.33.295. CONTRACTORS' PREFERENCE. If the department
23 determines that there are contractors in an area designated as an area
24 economically impacted by a fisheries failure and who are qualified to
25 perform a contract, preference to the extent feasible shall be given to
26 those contractors under regulations adopted by the council.

27 Sec. 44.33.300. WAIVER OF CERTAIN PROVISIONS. When the governor
28 has by proclamation declared an area economically impacted by a fisher-
29 ies failure, the following provisions regarding public contracts may be

1 waived to the extent specified in the proclamation:

2 (1) the requirement of a contractor's bond as prescribed in
3 AS 36.25.010 may be waived if the contract amount does not exceed
4 \$100,000;

5 (2) the public bid requirements as contained in AS 19.10.170,
6 19.10.190, 19.30.191(b), and AS 35.15.010 - 35.15.030 may be waived if
7 the contract is to be performed by a contractor whose principal office
8 is in the designated area and the contract amount does not exceed
9 \$100,000;

10 (3) the general policy to require all construction to be
11 under bid contract as contained in AS 35.15.010 may be waived if the
12 contract is to be performed by the state, another governmental entity,
13 or a nonprofit entity.

14 Sec. 44.33.305. REGULATIONS. The department, after consultation
15 with the Department of Labor, may adopt regulations to implement secs.
16 250 - 310 of this chapter.

17 Sec. 44.33.310. DEFINITIONS. In this chapter,

18 (1) "base period" means any 10 years after 1950, not neces-
19 sarily continuous, during which a fishery produced at economically
20 representative levels as determined by the council in consultation with
21 the Department of Fish and Game;

22 (2) "department" means the Department of Commerce and Economic
23 Development;

24 (3) "fisheries failure" means that the income to the partici-
25 pants in a fishery dropped below the average annual income for the base
26 period for that fishery and the drop in income is of such magnitude that
27 the average family income of all residents of the designated area who
28 are participants in the fishery as determined by the council is below
29 the Federal Social Security Administration Poverty Guideline, adjusted

1 by the council to reflect appropriate cost-of-living differentials; the
2 availability of alternate employment in the designated area shall be
3 considered in determining whether a fisheries failure has occurred under
4 this paragraph.

5 * Sec. 2. AS 19.10.170 is amended to read:

6 Sec. 19.10.170. CONSTRUCTION BY DEPARTMENT. Except as provided
7 in AS 44.33.300, it [IT] shall be the general policy of the department
8 to require the construction of all highways under bid contract. How-
9 ever, when the estimated cost of a construction project is less than
10 \$20,000 or when it appears to be in the best interests of the state, the
11 department may perform the work notwithstanding any other provisions of
12 law.

13 * Sec. 3. AS 19.10.190 is amended to read:

14 Sec. 19.10.190. ADVERTISEMENT, BIDS, CONTRACTS, AND INFORMAL
15 BIDS. Except as provided in AS 44.33.300, when [WHEN] the estimated
16 cost of any construction exceeds \$20,000, the department shall, except
17 as provided in sec. 170 of this chapter, proceed to advertise, request
18 bids, and award the contract in the manner provided in secs. 200 and
19 210 of this chapter. Whenever any proposed construction contract is
20 for a sum less than \$20,000, it shall be discretionary with the depart-
21 ment whether the contract shall be advertised and awarded in accordance
22 with secs. 200 and 210 of this chapter. In all events the department
23 shall request informal bids from as many contractors as can be re-
24 quested conveniently.

25 * Sec. 4. AS 19.30.191(b) is amended to read:

26 (b) Except as provided in AS 44.33.300, construction [CONSTRUC-
27 TION] of each project subject to the provisions of this section shall
28 be performed by contract awarded by competitive bidding, unless the
29 commissioner finds that, under the circumstances relating to the

1 project, some other method is in the public interest. Contracts for
2 the construction of each project shall be awarded only on the basis of
3 the lowest responsible bid submitted by a bidder meeting established
4 criteria of responsibility. No requirement or obligation may be imposed
5 upon a bidder as a condition precedent to the award of a contract to a
6 bidder unless the requirement or obligation is otherwise lawful and
7 specifically set out in the advertised specifications.

8 * Sec. 5. AS 35.15.010 is amended to read:

9 Sec. 35.15.010. CONSTRUCTION BY DEPARTMENT. Except as provided
10 in AS 44.33.300, it [IT] shall be the general policy of the department
11 to require the construction of all public works under bid contract.
12 However, when the estimated cost of a construction project is less than
13 \$20,000, or when it appears to be in the best interests of the state,
14 the department may perform the work, notwithstanding any other provi-
15 sions of law.

16 * Sec. 6. AS 35.15.030 is amended to read:

17 Sec. 35.15.030. ADVERTISEMENT, BIDS, CONTRACTS, AND INFORMAL
18 BIDS. When the estimated cost of any construction exceeds \$20,000, the
19 department shall, except as provided in sec. 10 of this chapter and
20 in AS 44.33.300, proceed to advertise, request bids, and award the
21 contract in the manner provided in secs. 40 and 50 of this chapter.
22 When any proposed construction contract is for a sum less than \$20,000,
23 it is discretionary with the department whether the contract is adver-
24 tised and awarded in accordance with secs. 40 and 50 of this chapter.
25 In all events the department shall request informal bids from as many
26 contractors as can be requested conveniently.

27 * Sec. 7. AS 36.10.010 is amended to read:

28 Sec. 36.10.010. EMPLOYMENT PREFERENCE. In the performance of
29 contracts let by the state or a political subdivision of the state for

1 construction, repair, preliminary surveys, engineering studies, con-
2 sulting, maintenance work or any other retention of services necessary
3 to complete any given project, 95 per cent residents shall be employed
4 where they are available and qualified. If 10 or fewer persons are
5 employed under the contract, then 90 per cent residents shall be
6 employed where they are available and qualified. In all cases of
7 public works projects, preference shall be given to residents. In an
8 area which has been designated as an area economically impacted by a
9 fisheries failure, residents of that area shall be given employment pre-
10 ference as provided in AS 44.33.290, followed by other residents of the
11 state.

12 * Sec. 8. AS 36.25.010(a) is amended to read:

13 (a) Except as provided in AS 44.33.300, before [BEFORE] a contract
14 exceeding \$2,000 for the construction, alteration, or repair of a
15 public building or public work of the state or a political subdivision
16 of the state is awarded to a general or specialty contractor, the
17 contractor shall furnish to the state or a political subdivision of the
18 state the following bonds, which become binding upon the award of the
19 contract to that contractor:

20 (1) a performance bond with a corporate surety qualified to
21 do business in the state, or at least two individual sureties who shall
22 each justify in a sum equal to the amount of the bond; the amount of the
23 performance bond shall be equivalent to the amount of the payment bond;

24 (2) a payment bond with a corporate surety qualified to do
25 business in the state, or at least two individual sureties who shall
26 each justify in a sum equal to the amount of the bond for the protection
27 of all persons who supply labor and material in the prosecution of the
28 work provided for in the contract; when the total amount payable by the
29 terms of the contract is not more than \$1,000,000, the payment bond

1 shall be in a sum of one-half the total amount payable by the terms of
2 the contract; when the total amount payable by the terms of the contract
3 is more than \$1,000,000 and not more than \$5,000,000, the payment bond
4 shall be in a sum of 40 per cent of the total amount payable by the
5 terms of the contract; when the total amount payable by the terms of
6 the contract is more than \$5,000,000, the payment bond shall be in the
7 sum of \$2,500,000.

8 * Sec. 9. AS 39.25.120 is amended by adding a new paragraph to read:

9 (9) the executive director of the Fisheries Economic Impact
10 Council.

11 * Sec. 10. AS 39.50.200(9) is amended by adding a new subparagraph to
12 read:

13 (LL) Fisheries Economic Impact Council (AS 44.33.250).

14 # Sec. 11. AS 37.11 is amended by adding a new section to read:

15 ARTICLE 2. ALASKA FISHERY IMPACT FUND.

16 Sec. 37.11.100. ALASKA FISHERY IMPACT FUND. (a) There is estab-
17 lished a separate fund known as the Alaska fishery impact fund which
18 shall be administered by the Department of Commerce and Economic Develop-
19 ment. Funds designated in this section and apportioned by statute for
20 deposit in the Alaska fishery impact fund are for grants to assist
21 economically impacted fishing communities within areas designated by a
22 proclamation under AS 44.33.285.

23 (b) A computed amount equivalent to not less than two per cent of
24 the receipts paid the state from mineral lease bonuses and rentals for
25 state land and royalties derived from minerals produced on state land
26 may be appropriated by the legislature to the Alaska fishery impact
27 fund. The fund balance may not exceed \$15,000,000. The commissioner of
28 revenue, after determining that there is in the Alaska fishery impact
29 fund a surplus above an amount sufficient to meet anticipated demands,

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may invest the surplus as provided in ch. 10 of this title. Interest derived from investment of surplus funds shall be deposited to the general fund.

(c) Unappropriated or otherwise unencumbered balances remaining in the Alaska fishery impact fund at the close of each fiscal year shall not lapse as provided in AS 37.25.010 but shall be available in perpetuity for fund purposes.

* Sec. 12. This Act takes effect immediately in accordance with AS 01.10.070(c).

Introduced: 2/27/76
Referred: Resources and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

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14 Sec. 44.33.255. PURPOSE OF COUNCIL. The council is created to
15 advise the governor of the probability of an area within the state
16 becoming economically impacted by a fisheries failure, of economic
17 measures which may be taken to alleviate the effects of the fisheries
18 failure, and of the advisability of designating an area as an area
19 economically impacted by a fisheries failure so that special emergency
20 measures may be implemented to alleviate the financial distress inherent
21 in a fisheries failure.

22 Sec. 44.33.260. MEMBERSHIP AND VACANCIES. The council consists
23 of the following five directors: the commissioner of the Department
24 of Commerce and Economic Development, the commissioner of the De-
25 partment of Fish and Game, and three other persons appointed by the
26 governor. The three directors appointed by the governor serve at his
27 pleasure for three-year terms; they must be residents of the state and
28 qualified voters at the time of appointment and shall comply with the
29 requirements of AS 39.50. Initial terms of the three appointed

1 directors are one, two, and three years, respectively. A director is
2 eligible for reappointment. A vacancy in a directorship occurring
3 other than by expiration of the term shall be filled in the same
4 manner as the original appointment for the unexpired term only.

5 Sec. 44.33.265. OFFICERS AND QUORUM. The commissioner of the
6 Department of Commerce and Economic Development shall be chairman of
7 the council. Three directors constitute a quorum.

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9 council serve without compensation but are entitled to travel expenses
10 and per diem as authorized by law.

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12 provided by the department. In addition, the council may in its dis-
13 cretion employ an executive director and other employees as required.
14 Employees of the council, other than the executive director, are in
15 the classified service under AS 39.25.

16 Sec. 44.33.280. POWERS OF COUNCIL. The council may

- 17 (1) adopt bylaws for the conduct of its business;
- 18 (2) maintain an office at any location;
- 19 (3) accept a grant or gift from a governmental unit or
20 person, firm, or corporation to carry out the provisions of this
21 chapter, make agreements with respect to a gift or grant, and do all
22 things necessary, useful, and desirable or convenient in connection
23 with procuring, accepting, or disposing of a gift or grant;
- 24 (4) recommend to the governor areas to be designated as an
25 area economically impacted by a fisheries failure;
- 26 (5) recommend to the governor means to alleviate the impact
27 of a fisheries failure in a designated area.

28 Sec. 44.33.285. ACTION BY GOVERNOR. The governor may, upon
29 recommendation of the council, designate by proclamation an area as an

1 area economically impacted by a fisheries failure. When an area is so
2 designated, the governor may recommend in his budget submission that
3 capital projects planned for the area be accelerated and that new
4 projects be funded for the area. The proclamation may provide that
5 waivers of capital projects requirements, as authorized in sec. 300 of
6 this chapter, become effective only to the extent set out in the
7 proclamation.

8 Sec. 44.33.290. EMPLOYMENT PREFERENCE. In the performance of
9 contracts awarded by the state in an area economically impacted by a
10 fisheries failure, residents of the area shall be employed where they
11 are available and qualified so that the economic effects of alleviating
12 the failure will be maximized. If resident labor is not available,
13 the contractor shall inform the Department of Labor of the number of
14 additional workers needed, the positions to be filled, and the efforts
15 made at recruitment in the area. If the Department of Labor is
16 satisfied that a good faith effort has been made by the contractor to
17 hire residents of the area, it may issue a certificate allowing other
18 hire for designated positions. A clause requiring these provisions
19 shall be part of each state contract awarded.

20 Sec. 44.33.295. CONTRACTORS' PREFERENCE. If the department
21 determines that there are contractors in an area designated as an area
22 economically impacted by a fisheries failure and who are qualified to
23 perform a contract, preference to the extent feasible shall be given
24 to those contractors under regulations adopted by the council.

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26 has by proclamation declared an area economically impacted by a fisheries
27 failure, the following provisions regarding public contracts may be
28 waived to the extent specified in the proclamation:

29 (1) the requirement of a contractor's bond as prescribed in

1 AS 36.25.010 may be waived if the contract amount does not exceed
2 \$100,000;

3 (2) the public bid requirements as contained in AS 19.10.170,
4 19.10.190, 19.30.191(b), and 35.15.010--35.15.030 may be waived if the
5 contract is to be performed by a contractor whose principal office is
6 in the designated area and the contract amount does not exceed \$100,000;

7 (3) the general policy to require all construction to be
8 under bid contract as contained in AS 35.15.010 may be waived if the
9 contract is to be performed by the state, another governmental entity,
10 or a nonprofit entity.

11 Sec. 44.33.305. REGULATIONS. The department, after consultation
12 with the Department of Labor, may adopt regulations to implement this
13 chapter.

14 Sec. 44.33.310. DEFINITIONS. In this chapter,

15 (1) "base period" means any 10 years after 1950, not neces-
16 sarily continuous, during which a fishery produced at economically
17 acceptable levels as determined by the Department of Fish and Game;

18 (2) "department" means the Department of Commerce and
19 Economic Development;

20 (3) "fisheries failure" means that the income to the
21 participants in a fishery dropped below 50 per cent of the average
22 annual income for the base period for that fishery and the drop in
23 income is of such magnitude that the average family income of all
24 residents of the designated area as determined by the council is below
25 the Federal Social Security Administration Poverty Guideline, adjusted
26 by the council to reflect appropriate cost-of-living differentials.

27 * Sec. 2. AS 19.10.170 is amended to read:

28 Sec. 19.10.170. CONSTRUCTION BY DEPARTMENT. Except as provided
29 in AS 44.33.300, it [IT] shall be the general policy of the department.

1 to require the construction of all highways under bid contract.
2 However, when the estimated cost of a construction project is less
3 than \$20,000 or when it appears to be in the best interests of the
4 state, the department may perform the work notwithstanding any other
5 provisions of law.

6 * Sec. 3. AS 19.10.190 is amended to read:

7 Sec. 19.10.190. ADVERTISEMENT, BIDS, CONTRACTS, AND INFORMAL
8 BIDS. Except as provided in AS 44.33.300, when [WHEN] the estimated
9 cost of any construction exceeds \$20,000, the department shall, except
10 as provided in sec. 170 of this chapter, proceed to advertise, request
11 bids, and award the contract in the manner provided in secs. 200 and
12 210 of this chapter. Whenever any proposed construction contract is
13 for a sum less than \$20,000, it shall be discretionary with the depart-
14 ment whether the contract shall be advertised and awarded in accordance
15 with secs. 200 and 210 of this chapter. In all events the department
16 shall request informal bids from as many contractors as can be re-
17 quested conveniently.

18 * Sec. 4. AS 19.30.191(b) is amended to read:

19 (b) Except as provided in AS 44.33.300, construction [CONSTRUC-
20 TION] of each project subject to the provisions of this section shall
21 be performed by contract awarded by competitive bidding, unless the
22 commissioner finds that, under the circumstances relating to the
23 project, some other method is in the public interest. Contracts for
24 the construction of each project shall be awarded only on the basis of
25 the lowest responsible bid submitted by a bidder meeting established
26 criteria of responsibility. No requirement or obligation may be
27 imposed upon a bidder as a condition precedent to the award of a
28 contract to a bidder unless the requirement or obligation is otherwise
29 lawful and specifically set out in the advertised specifications.

1 * Sec. 5. AS 35.15.010 is amended to read:

2 Sec. 35.15.010. CONSTRUCTION BY DEPARTMENT. Except as provided
3 in AS 44.33.300, it [IT] shall be the general policy of the department
4 to require the construction of all public works under bid contract.
5 However, when the estimated cost of a construction project is less
6 than \$20,000, or when it appears to be in the best interests of the
7 state, the department may perform the work, notwithstanding any other
8 provisions of law.

9 * Sec. 6. AS 35.15.030 is amended to read:

10 Sec. 35.15.030. ADVERTISEMENT, BIDS, CONTRACTS, AND INFORMAL
11 BIDS. When the estimated cost of any construction exceeds \$20,000,
12 the department shall, except as provided in sec. 10 of this chapter
13 and in AS 44.33.300, proceed to advertise, request bids, and award the
14 contract in the manner provided in secs. 40 and 50 of this chapter.
15 When any proposed construction contract is for a sum less than \$20,000,
16 it is discretionary with the department whether the contract is adver-
17 tised and awarded in accordance with secs. 40 and 50 of this chapter.
18 In all events the department shall request informal bids from as many
19 contractors as can be requested conveniently.

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26 where they are available and qualified. If 10 or fewer persons are
27 employed under the contract, then 90 per cent residents shall be
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29 public works projects, preference shall be given to residents. In an

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3 ference as provided in AS 44.33.290, followed by other residents of the
4 state.

5 * Sec. 8. AS 36.25.010(a) is amended to read:

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7 exceeding \$2,000 for the construction, alteration, or repair of a
8 public building or public work of the state or a political subdivision
9 of the state is awarded to a general or specialty contractor, the
10 contractor shall furnish to the state or a political subdivision of
11 the state the following bonds, which become binding upon the award of
12 the contract to that contractor:

13 (1) a performance bond with a corporate surety qualified to
14 do business in the state, or at least two individual sureties who
15 shall each justify in a sum equal to the amount of the bond; the
16 amount of the performance bond shall be equivalent to the amount of
17 the payment bond;

18 (2) a payment bond with a corporate surety qualified to do
19 business in the state, or at least two individual sureties who shall
20 each justify in a sum equal to the amount of the bond for the protection
21 of all persons who supply labor and material in the prosecution of the
22 work provided for in the contract; when the total amount payable by
23 the terms of the contract is not more than \$1,000,000, the payment
24 bond shall be in a sum of one-half the total amount payable by the
25 terms of the contract; when the total amount payable by the terms of
26 the contract is more than \$1,000,000 and not more than \$5,000,000, the
27 payment bond shall be in a sum of 40 per cent of the total amount
28 payable by the terms of the contract; when the total amount payable by
29 the terms of the contract is more than \$5,000,000, the payment bond

1 shall be in the sum of \$2,500,000.

2 * Sec. 9. AS 39.25.120 is amended by adding a new paragraph to read:

3 (9) the executive director of the Fisheries Economic Impact
4 Council.

5 * Sec. 10. AS 39.50.200(9) is amended by adding a new subparagraph to
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7 (LL) Fisheries Economic Impact Council (AS 44.33.250).
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12 created in the Department of Commerce and Economic Development the
13 Fisheries Economic Impact Council.

14 Sec. 44.33.255. PURPOSE OF COUNCIL. The council is created to
15 advise the governor of the probability of an area within the state
16 becoming economically impacted by a fisheries failure, of economic
17 measures which may be taken to alleviate the effects of the fisheries
18 failure, and of the advisability of designating an area as an area
19 economically impacted by a fisheries failure so that special emergency
20 measures may be implemented to alleviate the financial distress inherent
21 in a fisheries failure.

22 Sec. 44.33.260. MEMBERSHIP AND VACANCIES. The council consists
23 of the following five directors: the commissioner of the Department
24 of Commerce and Economic Development, the commissioner of the De-
25 partment of Fish and Game, and three other persons appointed by the
26 governor. The three directors appointed by the governor serve at his
27 pleasure for three-year terms; they must be residents of the state and
28 qualified voters at the time of appointment and shall comply with the
29 requirements of AS 39.50. Initial terms of the three appointed

1 directors are one, two, and three years, respectively. A director is
2 eligible for reappointment. A vacancy in a directorship occurring
3 other than by expiration of the term shall be filled in the same
4 manner as the original appointment for the unexpired term only.

5 Sec. 44.33.265. OFFICERS AND QUORUM. The commissioner of the
6 Department of Commerce and Economic Development shall be chairman of
7 the council. Three directors constitute a quorum.

8 Sec. 44.33.270. COMPENSATION AND EXPENSES. The directors of the
9 council serve without compensation but are entitled to travel expenses
10 and per diem as authorized by law.

11 Sec. 44.33.275. STAFF. Staff support for the council shall be
12 provided by the department. In addition, the council may in its dis-
13 cretion employ an executive director and other employees as required.
14 Employees of the council, other than the executive director, are in
15 the classified service under AS 39.25.

16 Sec. 44.33.280. POWERS OF COUNCIL. The council may
17 (1) adopt bylaws for the conduct of its business;
18 (2) maintain an office at any location;
19 (3) accept a grant or gift from a governmental unit or
20 person, firm, or corporation to carry out the provisions of this
21 chapter, make agreements with respect to a gift or grant, and do all
22 things necessary, useful, and desirable or convenient in connection
23 with procuring, accepting, or disposing of a gift or grant;
24 (4) recommend to the governor areas to be designated as an
25 area economically impacted by a fisheries failure;
26 (5) recommend to the governor means to alleviate the impact
27 of a fisheries failure in a designated area.

28 Sec. 44.33.285. ACTION BY GOVERNOR. The governor may, upon
29 recommendation of the council, designate by proclamation an area as an

1 area economically impacted by a fisheries failure. When an area is so
2 designated, the governor may recommend in his budget submission that
3 capital projects planned for the area be accelerated and that new
4 projects be funded for the area. The proclamation may provide that
5 waivers of capital projects requirements, as authorized in sec. 300 of
6 this chapter, become effective only to the extent set out in the
7 proclamation.

8 Sec. 44.33.290. EMPLOYMENT PREFERENCE. In the performance of
9 contracts awarded by the state in an area economically impacted by a
10 fisheries failure, residents of the area shall be employed where they
11 are available and qualified so that the economic effects of alleviating
12 the failure will be maximized. If resident labor is not available,
13 the contractor shall inform the Department of Labor of the number of
14 additional workers needed, the positions to be filled, and the efforts
15 made at recruitment in the area. If the Department of Labor is
16 satisfied that a good faith effort has been made by the contractor to
17 hire residents of the area, it may issue a certificate allowing other
18 hire for designated positions. A clause requiring these provisions
19 shall be part of each state contract awarded.

20 Sec. 44.33.295. CONTRACTORS' PREFERENCE. If the department
21 determines that there are contractors in an area designated as an area
22 economically impacted by a fisheries failure and who are qualified to
23 perform a contract, preference to the extent feasible shall be given
24 to those contractors under regulations adopted by the council.

25 Sec. 44.33.300. WAIVER OF CERTAIN PROVISIONS. When the governor
26 has by proclamation declared an area economically impacted by a fisheries
27 failure, the following provisions regarding public contracts may be
28 waived to the extent specified in the proclamation:

29 (1) the requirement of a contractor's bond as prescribed in

1 AS 36.25.010 may be waived if the contract amount does not exceed
2 \$100,000;

3 (2) the public bid requirements as contained in AS 19.10.170,
4 19.10.190, 19.30.191(b), and 35.15.010--35.15.030 may be waived if the
5 contract is to be performed by a contractor whose principal office is
6 in the designated area and the contract amount does not exceed \$100,000;

7 (3) the general policy to require all construction to be
8 under bid contract as contained in AS 35.15.010 may be waived if the
9 contract is to be performed by the state, another governmental entity,
10 or a nonprofit entity.

11 Sec. 44.33.305. REGULATIONS. The department, after consultation
12 with the Department of Labor, may adopt regulations to implement this
13 chapter.

14 Sec. 44.33.310. DEFINITIONS. In this chapter,

15 (1) "base period" means any 10 years after 1950, not neces-
16 sarily continuous, during which a fishery produced at economically
17 acceptable levels as determined by the Department of Fish and Game;

18 (2) "department" means the Department of Commerce and
19 Economic Development;

20 (3) "fisheries failure" means that the income to the
21 participants in a fishery dropped below 50 percent of the average
22 annual income for the base period for that fishery and the drop in
23 income is of such magnitude that the average family income of all
24 residents of the designated area as determined by the council is below
25 the Federal Social Security Administration Poverty Guideline, adjusted
26 by the council to reflect appropriate cost-of-living differentials.

27 * Sec. 2. AS 19.10.170 is amended to read:

28 Sec. 19.10.170. CONSTRUCTION BY DEPARTMENT. Except as provided
29 in AS 44.33.300, it [IT] shall be the general policy of the department

1 to require the construction of all highways under bid contract.
2 However, when the estimated cost of a construction project is less
3 than \$20,000 or when it appears to be in the best interests of the
4 state, the department may perform the work notwithstanding any other
5 provisions of law.

6 * Sec. 3. AS 19.10.190 is amended to read:

7 Sec. 19.10.190. ADVERTISEMENT, BIDS, CONTRACTS, AND INFORMAL
8 BIDS. Except as provided in AS 44.33.300, when [WHEN] the estimated
9 cost of any construction exceeds \$20,000, the department shall, except
10 as provided in sec. 170 of this chapter, proceed to advertise, request
11 bids, and award the contract in the manner provided in secs. 200 and
12 210 of this chapter. Whenever any proposed construction contract is
13 for a sum less than \$20,000, it shall be discretionary with the depart-
14 ment whether the contract shall be advertised and awarded in accordance
15 with secs. 200 and 210 of this chapter. In all events the department
16 shall request informal bids from as many contractors as can be re-
17 quested conveniently.

18 * Sec. 4. AS 19.30.191(b) is amended to read:

19 (b) Except as provided in AS 44.33.300, construction [CONSTRUC-
20 TION] of each project subject to the provisions of this section shall
21 be performed by contract awarded by competitive bidding, unless the
22 commissioner finds that, under the circumstances relating to the
23 project, some other method is in the public interest. Contracts for
24 the construction of each project shall be awarded only on the basis of
25 the lowest responsible bid submitted by a bidder meeting established
26 criteria of responsibility. No requirement or obligation may be
27 imposed upon a bidder as a condition precedent to the award of a
28 contract to a bidder unless the requirement or obligation is otherwise
29 lawful and specifically set out in the advertised specifications.

1 * Sec. 5. AS 35.15.010 is amended to read:

2 Sec. 35.15.010. CONSTRUCTION BY DEPARTMENT. Except as provided
3 in AS 44.33.300, it [IT] shall be the general policy of the department
4 to require the construction of all public works under bid contract.
5 However, when the estimated cost of a construction project is less
6 than \$20,000, or when it appears to be in the best interests of the
7 state, the department may perform the work, notwithstanding any other
8 provisions of law.

9 * Sec. 6. AS 35.15.030 is amended to read:

10 Sec. 35.15.030. ADVERTISEMENT, BIDS, CONTRACTS, AND INFORMAL
11 BIDS. When the estimated cost of any construction exceeds \$20,000,
12 the department shall, except as provided in sec. 10 of this chapter
13 and in AS 44.33.300, proceed to advertise, request bids, and award the
14 contract in the manner provided in secs. 40 and 50 of this chapter.
15 When any proposed construction contract is for a sum less than \$20,000,
16 it is discretionary with the department whether the contract is adver-
17 tised and awarded in accordance with secs. 40 and 50 of this chapter.
18 In all events the department shall request informal bids from as many
19 contractors as can be requested conveniently.

20 * Sec. 7. AS 36.10.010 is amended to read:

21 Sec. 36.10.010. EMPLOYMENT PREFERENCE. In the performance of
22 contracts let by the state or a political subdivision of the state for
23 construction, repair, preliminary surveys, engineering studies, con-
24 sulting, maintenance work or any other retention of services necessary
25 to complete any given project, 95 per cent residents shall be employed
26 where they are available and qualified. If 10 or fewer persons are
27 employed under the contract, then 90 per cent residents shall be
28 employed where they are available and qualified. In all cases of
29 public works projects, preference shall be given to residents. In an

1 area which has been designated as an area economically impacted by a
2 fisheries failure, residents of that area shall be given employment pre-
3 ference as provided in AS 44.33.290, followed by other residents of the
4 state.

5 * Sec. 8. AS 36.25.010(a) is amended to read:

6 (a) Except as provided in AS 44.33.300, before [BEFORE] a contract
7 exceeding \$2,000 for the construction, alteration, or repair of a
8 public building or public work of the state or a political subdivision
9 of the state is awarded to a general or specialty contractor, the
10 contractor shall furnish to the state or a political subdivision of
11 the state the following bonds, which become binding upon the award of
12 the contract to that contractor:

13 (1) a performance bond with a corporate surety qualified to
14 do business in the state, or at least two individual sureties who
15 shall each justify in a sum equal to the amount of the bond; the
16 amount of the performance bond shall be equivalent to the amount of
17 the payment bond;

18 (2) a payment bond with a corporate surety qualified to do
19 business in the state, or at least two individual sureties who shall
20 each justify in a sum equal to the amount of the bond for the protection
21 of all persons who supply labor and material in the prosecution of the
22 work provided for in the contract; when the total amount payable by
23 the terms of the contract is not more than \$1,000,000, the payment
24 bond shall be in a sum of one-half the total amount payable by the
25 terms of the contract; when the total amount payable by the terms of
26 the contract is more than \$1,000,000 and not more than \$5,000,000, the
27 payment bond shall be in a sum of 40 per cent of the total amount
28 payable by the terms of the contract; when the total amount payable by
29 the terms of the contract is more than \$5,000,000, the payment bond

1 shall be in the sum of \$2,500,000.

2 * Sec. 9. AS 39.25.120 is amended by adding a new paragraph to read:

3 (9) the executive director of the Fisheries Economic Impact
4 Council.

5 * Sec. 10. AS 39.50.200(9) is amended by adding a new subparagraph to
6 read:

7 (LL) Fisheries Economic Impact Council (AS 44.33.250).
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FEB 27 1976

HB 846

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill creating a five-member Fisheries Economic Impact Council. The council would be comprised of the commissioner of commerce and economic development, the commissioner of fish and game and three other persons appointed by the governor.

The bill establishes a council to advise the governor of probable fisheries failure and economic measures which may be taken to help alleviate the effects on the area hit by a fisheries failure. Upon a finding of a fisheries failure, the governor would be empowered to declare, by proclamation, an area economically impacted by a fisheries failure. The governor could then request in his budget submission to the legislature an accelerated program for capitol projects in the affected area.

The bill also provides that the awards of contracts in an affected area would be conditioned upon employment and contractor preferences for those residing in the affected area. A waiver of certain bond and competitive bid requirements for public works, highway and trail projects in an affected area is also provided to insure that contractors in the financially distressed area could compete for the work.

The bill provides a mechanism to constructively respond to the effects of a fisheries failure and hopefully reduce its harmful economic effects.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
 Second Session - Ninth Legislature

I. REQUEST

Bill No. CSHB846
 Title: Fisheries Economic Impact Council
 Requested by: _____ Date: 4/27/76
 Return Date Requested: ASAP
 Agency: Dept. of Revenue Program: Research

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

2% Contribution, July 1, 1976 assumed Effective Date

	FY 77	FY 78	FY 79	FY 80	FY 81
MINIFRAL LEASE BONUSES	-0-	-0-	-0-	-0-	-0-
LAND RENTS	122.8	124.0	124.0	-0-	-0-
MINERAL ROYALTIES	1052.8	6512.0	7064.4	-0-	-0-
	1175.6	6656.0	7188.4	-0-	-0-

Reaches \$15,000.0 Ceiling set by CSHB846 end of FY 1979 (June 30, 1979)
 Based on available information when 1975-1977 Revenue source book
 Published (January, 1976), expressed in 000's.

IV. ATTACHMENTS

V. DATE: April 27, 1976 PREPARED BY: Shirley D. King
 RESEARCH SECTION

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

April 28, 1976

The Honorable Hugh Malone
Chairman
House Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Re: CS for House Bill No. 846

Dear Mr. Malone:

Committee Substitute for House Bill No. 846, an Act creating the Fisheries Economic Impact Council was referred on April 23, 1976 by the House Resources Committee to the House Finance Committee.

The proposed legislation provides in part on Page 8 lines 24 through 28 that "A computed amount equivalent to not less than two per cent of the receipts paid the state from mineral lease bonuses and rentals for state land and royalties derived from minerals produced on state land but not to exceed \$15,000,000 may be appropriated by the legislature to the Alaska fishery impact fund."

For the consideration of the House Finance Committee, I am enclosing a copy of a Fiscal Note prepared by Shirley L. Woolf, Research Section, Department of Revenue advising of the computed amount at 2% of mineral lease bonuses, land rents and mineral royalties for the fiscal years 1977, 1978 and 1979, assuming an effective date of July 1, 1976 in order to reach the ceiling of \$15,000,000 set forth in the proposed legislation.

If you or any members of the House Finance Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Shirley L. Woolf, Department of Revenue, for further information.

Very truly yours,



R. D. Stevenson
Special Assistant

Enclosure

V. DATE: April 27, 1976 PREPARED BY: Shirley L. Woolf

RESEARCH SECTION

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

The Honorable Hugh Malone

-2-

April 28, 1976

cc: Shirley L. Woolf
Research Section
Department of Revenue

V. DATE: April 27, 1976 PREPARED BY: Shirley L. Woolf

RESEARCH SECTION

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
 Second Session - Ninth Legislature

HB 846

I. REQUEST
 Bill No. HB 846
 Title: An Act Creating the Fisheries Economic Impact Council
 Requested by: The Governor Date: February 27, 1976
 Return Date Requested: _____
 Agency: _____ Program: _____

II. FISCAL DETAIL
 Budget Request Unit(s) Affected: _____
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL		10				
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		10				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- A. Assumption: 1) That the Fisheries Economic Impact Council will be formed;
 2) That there will be a minimum of one annual meeting.
- B. The purpose of the proposed funding is to provide travel and per diem funds for the three non-public members of the Fisheries Economic Impact Council.

IV. ATTACHMENTS
 NONE

V. DATE: 2/26/76 PREPARED BY: Jim Edenso

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Jim Edenso
 Deputy Commissioner
 Dept. Com. & Econ. Dev.