

COMMITTEE REPORT

4/7/76

SENATE

Mr. President:

Date 4/7/76

The Committee on Finance has had CSHB 624 establishing revolving fund for public facility planning 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)
- ( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT CS FOR \_\_\_\_\_ 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:

<u>[Signature]</u>	recommends:	<u>NO REC</u>
<u>[Signature]</u>	recommends:	<u>no rec</u>
<u>[Signature]</u>	recommends:	<u>no rec</u>
_____	recommends:	
_____	recommends:	

[Signature] Chairman

A M E N D M E N T

Offered in the SENATE

By FINANCY

To: \_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

CS \_\_\_\_\_ HOUSE BILL NO. 624

AMENDMENT: Page 1 Line 12

After Department of Administration, Insert "Division of Budget and Management"

Page 1, Line 16

Delete: for which money from the fund has been spent.

Insert: (3) and money reimbursed to it from appropriations for any projects for which money from the fund has been spent.

Original sponsor: Rules Committee by request  
of the Governor

Offered: 3/11/76  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 624

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a revolving fund to provide for  
7 public facility planning; and providing for an effec-  
8 tive date."

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

10 \* Section 1. AS 35.10.135 is repealed and re-enacted to read:

11 Sec. 35.10.135. PUBLIC FACILITY PLANNING FUND. There is estab-  
12 lished within the Department of Administration <sup>DIV OF BUDGET & MANAGE</sup> a public facility plan-  
13 ning fund. The fund is a capital fund and consists of (1) money  
14 appropriated by the legislature, and (2) money reimbursed to it from  
15 the proceeds of the sales of general obligation bonds and revenue bonds  
16 issued for projects for which money from the fund has been spent. The  
17 fund is available for expenditure, on a reimbursable basis, only for  
18 the purposes of providing working capital for facility program planning  
19 and for facility procurement planning as specified in this chapter.  
20 All expenditures from the fund are subject to an independent audit  
21 which shall be made annually and reported to the governor and the  
22 legislature.

23 \* Sec. 2. Sec. 2, ch. 216, SLA 1975 is repealed.

24 \* Sec. 3. The fund balances remaining in the state operated schools  
25 advance planning revolving fund established in sec. 18, ch. 147, SLA 1974  
26 and in the Department of Public Works public facility procurement planning  
27 fund established in sec. 2, ch. 216, SLA 1975 and in the state capital im-  
28 provement advance planning fund established in sec. 1, ch. 57, SLA 1973 are  
29 transferred as of the effective date of the Act to the public facility plan-

1 ning fund established in sec. 1 of this Act.

2 \* Sec. 4. The fund balances remaining in the Department of Fish and Game  
3 advance planning fund as of the effective date of this Act are to be expended  
4 in accordance with the provisions set out in ch. 133, SLA 1974. Upon expendi-  
5 ture of the fund balance remaining in the fund created by sec. 2, ch. 133,  
6 SLA 1976, that fund is terminated.

7 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
8 070(c).

Original sponsor: Rules Committee by request  
of the Governor

Offered: 3/11/76  
Referred: Rules

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BY THE FINANCE COMMITTEE

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8 070(c).

Introduced: 1/19/76  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

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4 NINTH LEGISLATURE - SECOND SESSION

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18 purposes of providing working capital for facility program planning  
19 and for facility procurement planning as specified in this chapter.

20 \* Sec. 2. Sec. 2, ch. 216 SLA 1975 is repealed.

21 \* Sec. 3. On the effective date of this Act, any money remaining in a  
22 fund abolished under secs. 1 and 2 of this Act shall be transferred to the  
23 fund established under sec. 1 of this Act.

24 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
25 10.070(c).

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27  
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JAN 19 1976

HB 624

HB 624

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 to create a revolving fund to provide for public facility planning. A companion bill proposes an appropriation to place the initial money in this fund. The fund is to be used for advance planning for individual capital projects -- both those financed by legislative appropriation and those financed by bond issues. Money advanced to a bond-issue project will be reimbursed by the proceeds of the bond sale. This system should assure an efficient means of adequately preparing for public works projects.

Sincerely,

Jay S. Hammond  
Governor

HOUSE JOURNAL

CSHB 624 & HB 625

Finance CSHB 624 incorporates, with one exception, all construction planning funds for state projects in one revolving planning fund in the Department of Administration. Expenditures from the fund will be reimbursed on a project by project basis.

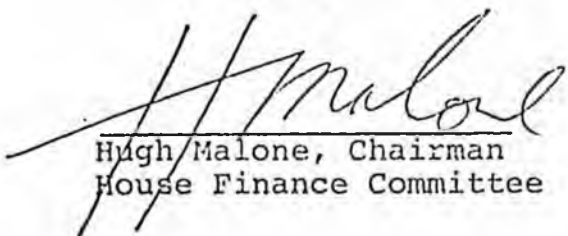
The exception above is the planning fund established in the 1974 general obligation bond issue for fisheries. This fund was established with bond proceeds, and the Committee believed that moving the fund balance into the new revolving fund might be a contradiction of the state pledge to the bondholders. However, this fund will be exhausted with the completion of the projects authorized in that bond issue and may not be renewed.

HB 625 provides an initial appropriation to the revolving planning fund in HB 624. The appropriation is based on the Governor's requested capital improvements program before the legislature (not including highway construction). The amount of appropriation is based on the percentage of construction costs for each type of project required to do planning.

According to testimony from the Department of Public Works, the advance planning fund will allow the state to put to bid virtually all bond projects authorized for the next two years, if the appropriation to the fund is adequate. This is in contrast to the history of capital expenditures so far in our state.

The total appropriation required will depend on the amounts and types of construction authorized by the legislature. Therefore, setting the final level of appropriation should be done when this is known, probably by conference committee.

Respectfully submitted,



Hugh Malone, Chairman  
House Finance Committee

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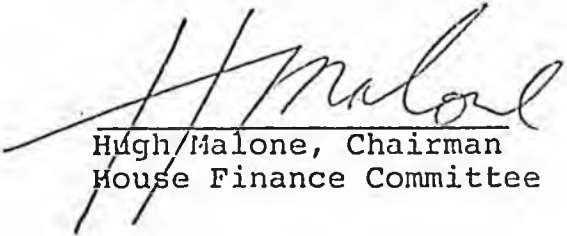
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