

COMMITTEE REPORT
SENATE

5/13/76

5/26/76

Date

Mr. President:

The Committee on Finance has had CS HR 868 (F1)
~~special appropriation to the Office of the Governor~~
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 ^{HESS} CS for CS HR 868 and that
^{HESS} CS for CS HR 868 do pass
- (and) recommends it be referred to the _____
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

Bill Kay _____

James _____

Genie Chandler _____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

Bill Kay recommends: As is

Raymond recommends: vs Res

_____ recommends: _____

Bill Kay
Chairman

STATE OF ALASKA
THE LEGISLATURE

POUCH Y, STATE CAPITOL
JUNEAU, ALASKA 99811
465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

12 May 1976

SUBJECT: Proposed Senate CS for CS for House Bill 868
(Appropriation: Purchase of Anchorage Campus of AMU)

TO : Senator Frank Ferguson, Chairman
Senate Committee on Health, Education
and Social Services

FROM : Stuart C. Hall, Senior Legislative Counsel

While we agree that it is permissible for the legislature to impose conditions on appropriations of public funds, the effect of the amendments to House Bill 868, contained in the proposed SCS, would attempt to condition the purchase of the real property. Without further research we cannot say that that is legally permissible.

The federal patents under which the land was granted to the AMU corporation require that the land continue to be used for educational purposes; we understand that some of these conditions on some of the patents expire circa 1980 or 1982.

May we also call to your attention that under the land sale agreement between the University of Alaska and AMU in 1972 (per ch. 27, SLA 1972), AMU was obliged to dedicate in perpetuity the balance of its main Anchorage campus which it holds under the Nov. 28, 1958, U.S. Patent No. 1150278, including both land and existing and future buildings, "to non-profit education, health, recreation and conservation or related public purposes." The UofA was granted the right to enforce that dedication. Paragraph 4, Amended Memorandum of Understanding Between University of Alaska and Alaska Methodist University, March 11, 1972.

HOUSE JOURNAL

with Committee copy

"HOUSE FINANCE COMMITTEE REPORT
FOR
FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 868

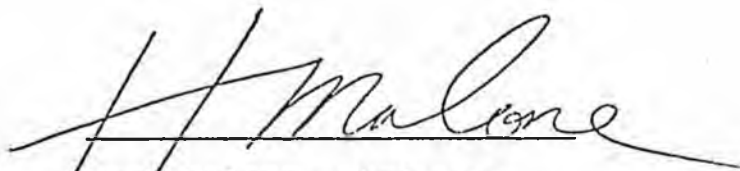
Committee Substitute for House Bill 868 (Finance) provides for a special appropriation to fund the down payment for the purchase of the Anchorage Campus of Alaska Methodist University (AMU).

It is the intent of this legislation that the Governor shall upon passage of CSHB 868 execute on behalf of the State a purchase agreement containing the following provisions:

1. The purchase of 265 acres of real property comprising the AMU Campus together with all improvements of this real property for the total price of \$15,500,000 with 27.5 acres adjacent to Providence Hospital being excluded from the purchase.
2. A payment by the State in the amount of \$1,900,000 to be made on or before July 15, 1976, to bring current any amount in default on U.S. Department of Housing and Urban Development indebtedness of AMU with the remaining portion of the down payment to be paid to AMU.
3. The balance of \$13,600,000 to be paid in six equal annual installments including interest at 7% per annum, the first payment due on or before July 15, 1977, with right of the State to pay the remaining balance at anytime within the period of this agreement.
4. A guarantee by AMU that the balance due for HUD or HEW bonds or notes or any other indebtedness against the AMU Campus be paid in full on or before July 15, 1982. This should include a provision for a minimum annual payment by AMU sufficient to amortize the outstanding indebtedness in six years with the last payment to be made on or before July 15, 1982. The State in order to secure this guarantee shall have the right to apply money from annual payments in an amount sufficient to remove all outstanding indebtedness before the final payment to AMU is made by the State.
5. The agreement shall not obligate the State in any way to make any payments but shall give AMU the right to repossession if the State defaults provided that any money paid by the State under this agreement may be recovered by the State should AMU repossess and sell, within twenty years of repossession, all or any portion of the campus.
6. The State shall have the right of immediate entry and exclusive use of the land and buildings on July 15, 1976, and upon final payment under the agreement the State shall receive delivery of a warranty deed conveying clear title to the land and buildings comprising the AMU Campus.

7. In the event AMU or any successor organization of AMU should choose to sell the 27.5 acres excluded from this purchase, the State shall have the right to purchase (or to refuse purchase) on the same terms and conditions under which all or any portion of the 27.5 acres are offered for sale.

In drafting the purchase agreement, the Governor may include any provision not in conflict with the intent of this legislation which he deems to be in the best interests of the State. The appropriation contained in CSHB 868 and the purchase it is meant to implement are not, however, intended in any way to be conditioned upon any other agreement or action of the legislature, the Administration, or other agency in regard to transfer AMU students, faculty, or programs.



Hugh Malone, Chairman
House Finance Committee"

STATE OF ALASKA
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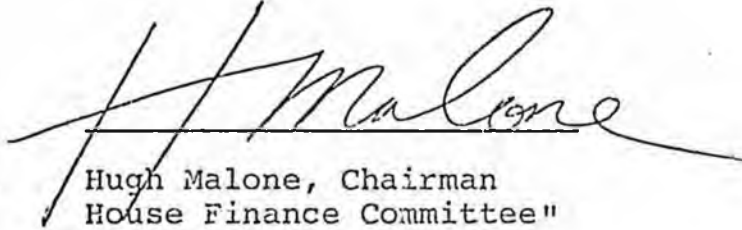
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Hugh Malone, Chairman
House Finance Committee"

Original sponsor: Health, Education
and Social Services Committee

Offered: 5/13/76
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

SENATE CS FOR CS FOR HOUSE BILL NO. 868

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Office of
7 the Governor; and providing for an effective date."

7

8

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

9

* Section 1. The sum of \$1,900,000 is appropriated from the general fund
10 to the Office of the Governor to fund the initial payments toward purchase of
11 the Anchorage campus of Alaska Methodist University.

12

* Sec. 2. The appropriation for the purchase of the Anchorage campus of
13 Alaska Methodist University contained in sec. 1 of this Act is conditioned
14 on the continued exclusive use of the campus for educational and cultural
15 purposes.

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* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

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Original sponsor: Health, Education
and Social Services Committee

Offered: 5/13/76
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

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SENATE CS FOR CS FOR HOUSE BILL NO. 868

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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Original sponsor: Health, Education
and Social Services Committee

Offered: 4/26/76
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

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CS FOR HOUSE BILL NO. 868(Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - SECOND SESSION

5

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For an Act entitled: "An Act making a special appropriation to the Office of
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Original sponsor: Health, Education
and Social Services Committee

Offered: 4/26/76
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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NINTH LEGISLATURE - SECOND SESSION

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Original sponsor: Health, Education
and Social Services Committee

Offered: 4/14/76
Referred: Finance

1 IN THE HOUSE

BY THE SELECT COMMITTEE
ON EDUCATION

2

CS FOR HOUSE BILL NO. 868

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Office of
7 the Governor; and providing for an effective date."

8

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

9

* Section 1. The sum of \$1,500,000 is appropriated from the general fund
10 to the Office of the Governor to fund the initial payments toward purchase of
11 the Anchorage campus of Alaska Methodist University.

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* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).

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Original sponsor: Health, Education
and Social Services Committee

Offered: 4/14/76
Referred: Finance

1 IN THE HOUSE

BY THE SELECT COMMITTEE
ON EDUCATION

2

CS FOR HOUSE BILL NO. 868

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

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NINTH LEGISLATURE - SECOND SESSION

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Introduced: 3/15/76
Referred: Select Committee on
Education and Finance

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 868

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Office of
7 the Governor; and providing for an effective date."

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

9 * Section 1. The sum of \$3,100,000 is appropriated from the general fund
10 to the Office of the Governor to fund contractual agreements for educational
11 services or options with the Board of Trustees of Alaska Methodist University

12 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).

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Introduced: 3/15/76
Referred: Select Committee on
Education and Finance

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 868

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4 NINTH LEGISLATURE - SECOND SESSION

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