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585

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 585
 Title Relating to the Relocation of the Capital
 Requested by Governor Date 6/3/81

II. FISCAL DETAIL

Agency Affected Office of the Governor
 Program Category Affected Executive Office
 BRU, Program, or Subprogram(s) Affected Capital Site Planning Commission

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		150.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	--	150.0	--			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	--	-0-	--			
PART TIME	--	-0-	--			
TEMPORARY	--	-0-	--			

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

Approximate costs for nine (9) man months for C.P.A., plus staff, travel and commodities cost.

IV. DATE June 4, 1981 PREPARED BY Rod Mourant
 AGENCY Office of the Governor
 PHONE 465-3500

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



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

SB 585
584

June 3, 1981

The Honorable Jalmar Kerttula
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting two bills on capital relocation. The bills are options. Either will suffice. One or the other should be enacted.

The first bill does not amend the FRANK Initiative. It provides rather for an impartial, nonpartisan update of the cost data developed by the New Capital Site Planning Commission by a panel of certified public accountants. The panel is required to correct any assumptions in the plan or in the statutes which substantial evidence shows are erroneous. It also requires the panel not to overstate or understate costs, but rather to make the most realistic estimates possible with the evidence available. The panel is to report its results in August 1982, and the director of elections will place the costs on the ballot for voter approval or disapproval at the November 1982 general election.

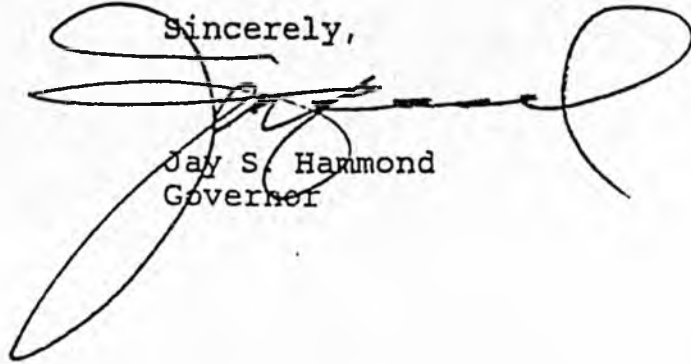
UNACCEPTABLE
retains
"bondable"
majority of
those voting

The second bill amends the FRANK Initiative rather than merely updating it. It provides for a revitalized New Capital Site Planning Commission to revise its previous work and to go forward with its planning in much the same manner as provided by the latest version of Senate Bill 86. As with the panel of certified public accountants, the commission is under a duty to correct the false assumptions, if any, which are shown to exist in its previous plan or in the statutes, and it is also under a duty not to overstate or understate costs.

Because this option amends the FRANK Initiative, the ballot question will include additional information on the cost of the relocation. But the basic question on costs remains the same under either option: all of the costs. That is what the voters want to vote on.

I urge prompt passage of one of these measures.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jay S. Hammond". The signature is written over the typed name and title.

Jay S. Hammond
Governor

*File advise
consultants*

Introduced: 6/3/81
Referred: State Affairs and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 585

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the relocation of the capital."

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

8 * Section 1. Within 15 days after the effective date of this Act, the
9 governor shall select a certified public accountant from Anchorage and a
10 certified public accountant from Fairbanks who together shall select a third
11 certified public accountant, subject to the approval of the governor, and
12 the three so selected shall jointly update the March 1978 report of the New
13 Capital Site Planning Commission with respect to the total costs of relocat-
14 ing the capital from Juneau to Willow. *3 CPAs - credible?
What criteria for selection?*

15 * Sec. 2. (a) In updating the report of the commission, the three cer-
16 tified public accountants shall

17 (1) consult with available members and former members of the com-
18 mission to familiarize themselves with the work of the commission;

19 (2) examine and revise any assumptions made by the commission or
20 contained in AS 44.06.230 which are shown by substantial evidence to be er-
21 roneous; and *MAINTAIN REDU. FOR COMM. OF 30,000?*

22 (3) use the average annual rate of growth in numbers of central
23 state positions and the average annual rate of inflation for construction
24 costs and for other costs for the preceding 10 years, taking into account
25 any unusual changes in the rates caused by special circumstances which are
26 not likely to be recurring. Meetings of the three certified public accoun-
27 tants are subject to AS 44.62.310 - 44.62.312.

28 (b) The three certified public accountants shall neither overstate nor
29 understate the costs, but rather shall make the most realistic estimates

COMMITTEE COPY

SB 585

[Handwritten signatures and scribbles]

offer let session
? why not in time
for let. review.

possible with the evidence available to them.

* Sec. 3. On August 16, 1982, the three certified public accountants shall make a public report of the total updated costs to be paid for relocating the capital from Juneau to Willow.

* Sec. 4. The director of elections, using the total cost of relocating the capital as updated under sec. 2 of this Act by the three certified public accountants, shall place the following proposition on the ballot at the November 1982 general election:

I approve the expenditure of \$ _____ (total costs) to create a new capital at Willow South to which a majority of the state's central employees will be relocated.

YES _____

NO _____

o/o
Majority
of those
voting

CONFLICT WITH?
Repeal FRANK?

why specify
"majority"
if want
to minimize
impact on June
Per 1974 initiative

+ cost of retaining cap. in June

585
Must Repeal
Frank to do this →

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12 the three so selected shall jointly update the March 1978 report of the New
13 Capital Site Planning Commission with respect to the total costs of relocat-
14 ing the capital from Juneau to Willow. *Not capable of getting a credible number*

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8 November 1982 general election:

9 I approve the expenditure of \$ _____ (total costs)
10 to create a new capital at Willow South to which a major-
11 ity of the state's central employees will be relocated.

12 YES _____

13 NO _____

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15 *Doesn't say it to rest*
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