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Official Business

# Alaska State Legislature

## Senate

### Office of the President

Pouch V  
State Capitol  
Juneau, Alaska 99811

#### MEMORANDUM

To: House Committee on Resources  
Rep. John Ringstad  
Rep. Dick Shultz  
Co-Chairmen

From: Senator Jay Kerttula  
Senate President

Date: May 10, 1984

Subject: Senate Bill 411: Justification

Senate Bill 411, relating to preferential use of Alaska Agricultural products is intended to encourage the purchase of said products when food service contracts are state financed.

The bill is structured after the Forest Products Preference statute (AS 36.15).

Alaskan agriculturists grow quality produce almost all of which is consumed in state. This bill primarily will serve as a reminder to bidders that the quality products they seek originate in Alaska.

No advantages are given to Alaska products or the producers as with the in-state employment statute. Products considered must be available, competitively priced and of like quality as produce originating out of state in order to qualify for use under this act.

Many institutions purchase agricultural products for food preparation, including schools, senior centers, Pioneer Homes and cafeterias, and concessions in state buildings and correctional facilities. It is intended this act would apply to food procurement for these institutions.

A survey of other state statutes relating to preferential purchase found 16 states have at least one provision for favorable consideration of an in-state produced commodity. Fifteen states have no such provisions.

JK/rjr/blm

# Alaska State Legislature

Advisory Council Members  
Senator Kerttula, Chairman  
Senator Bennett  
Senator Fahrenkamp  
Senator Vic Fischer



Pouch V  
State Capitol  
Juneau, Alaska 99811  
Phone: (907) 465-3114

## SENATE ADVISORY COUNCIL

### MEMORANDUM

TO: Richard Ramsey

FROM: Pete Jeans *PJ*  
Senior Advisor  
Senate Advisory Council

DATE: March 9, 1984

RE: In-State Preference Purchasing

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In response to your request earlier today, the following is a breakdown of responses we received to our letter sent to all the states September 23, 1983 regarding laws or regulations addressing "In-State Preference Purchasing" of agricultural goods produced within their state.

A total of 31 states responded. Of that total 15 stated that they do not have a law or regulation that mandates a preference for the purchase of in-state goods and services specifically relating to public purchasing of agricultural products. In-state purchasing is encouraged in a majority of these states. Those states responding were:

California	Illinois
Mississippi	Connecticut
Oklahoma	New Hampshire
Utah	Nevada
Nebraska	Virginia
Maryland	Illinois
Kentucky	Delaware
Georgia	

March 9, 1984

A total of 16 states responded that they did have statutory provisions that provide for in-state bidders preference for the purchase of goods and services made under state purchasing laws however, these states do not permit the sacrifice of price or quality in giving this preference. Here again, there is no regulations relating specifically to public purchasing of agricultural products. A number of these states also have regulations stating "preference shall be given to purchasing American made products and purchases from American based businesses whenever possible." Those states responding were:

New Mexico	North Dakota
Maine	New York
Minnesota	Hawaii
Florida	Arkansas
Missouri	Missouri
Colorado	Iowa
Ohio	Alabama
South Dakota	North Carolina

I have attached copies of these responses along with the regulations which have been cited. I hope this will be of use to you. If I can provide you with any additional information on this, please let me know.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

MAR 15 1984

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No. CS SB411  
Title: Preferential use of Alaskan agricultural products  
Sponsor: Kerttula  
Requestor: \_\_\_\_\_  
Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Natural Resources  
Program Category Affected: Agricultural Management  
BRU, Program or Subprogram(s) Affected: Agricultural Development

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL		-0-	-0-	-0-	-0-	-0-
REVENUE		-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Sharon Barton Phone: 465-2400  
Division: Commissioner's Office Date: 3-12-84  
*1/5 for mrt*  
Approved by Commissioner: James D. Arnold, Deputy Date: 3-12-84  
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

12/1/83

**Chapter 15. Forest Products Preference.**

**Section**

10. Use of local forest products required in projects financed by public money

**Section**

20. Insertion of clause in calls for bids and in contracts

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**Collateral references.** — 64 Am. Jur. §§ 2, 3, 7, 10, 18; 81A C.J.S., States, 2d, Public Works and Contracts, § 94. §§ 154, 158, 161.  
72 C.J.S. Supplement, Public Contracts,

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**Sec. 36.15.010. Use of local forest products required in projects financed by public money.** In a project financed by state money in which the use of timber, lumber, and manufactured lumber products is required, only timber, lumber, and manufactured lumber products originating in this state from local forests shall be used wherever practicable. (§ 14-3-1 ACLA 1949)

**Sec. 36.15.020. Insertion of clause in calls for bids and in contracts.** A clause containing the substance of AS 36.15.010 shall be inserted in all calls for bids and in all contracts awarded. (§ 14-3-2 ACLA 1949)

**Chapter 20. Purchases and Supplies.**

**Section**

10. Preference of producers or dealers in Alaska

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**Collateral references.** — 64 Am. Jur. §§ 2, 3, 7, 10, 18; 81A C.J.S., States, 2d, Public Works and Contracts, § 94. §§ 154, 158, 161.  
72 C.J.S. Supplement, Public Contracts,

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**Sec. 36.20.010. Preference of producers or dealers in Alaska.** In making purchases or awarding contracts for supplies, commodities or materials for an office or institution of this state preference shall be given, whenever practicable, to producers and dealers in the state, price and quality being equal. (§ 14-4-2 ACLA 1949)

**Cross references.** — As to preference for Alaska bidders under the Fiscal Procedures Act, see AS 37.05.230.