

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

3/4/85

Date: 3-14-85

Mr. Speaker:

The Committee on FINANCE has had HR 50

"An Act relating to Alaska bidder preference."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HR 50 (FINANCE) same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Albert R. Cook

John [unclear]

Ben R. [unclear]

[unclear]

[unclear]

[unclear]

[unclear]

[unclear]

[unclear]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[unclear] no rec.

[unclear] no rec.

[unclear] no rec.

[unclear] (no rec.)

Albert R. Cook
CHAIRMAN

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB 50 (FIN)
 Title: An act relating to Alaska
bidders preference
 Sponsor: Grussendorf and Sund
 Requestor: House Finance Committee
 Date of Request: March 14, 1985

FISCAL DETAIL

Agency Affected: none
 Program Category Affected: none
 BRU, Program or Subprogram(s) Affected: none

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 SUPPLIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS		0				
800 MISCELLANEOUS		0				
TOTAL OPERATING		0				
CAPITAL		0				
REVENUE		0				

FUNDING: (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		0				
TOTAL		0				

POSITIONS:

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

ANALYSIS: Attach a separate page if necessary

Prepared By: Al Adams, Chair *APA* Phone: 465-3706
 Division: House Finance Committee Date: 3/14/85

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

Original sponsors: Grussendorf, Sund,
Szymanski and Pignalberi

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 50 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to Alaska bidder preference."

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

8 * Section 1. AS 37.05 is amended by adding a new section to read:

9 Sec. 37.05.225. PURPOSE. The legislature finds that there
10 exists in the state continuing high unemployment, underutilization of
11 resident construction and supply firms, and high costs unfavorable to
12 the welfare of Alaskans and to the economic health of the state. The
13 purpose of bidder preference for resident firms when the state acts as
14 a market participant is to encourage local industry, strengthen and
15 stabilize the economy, decrease unemployment, and strengthen the tax
16 and revenue base of the state.

17 * Sec. 2. AS 37.05.230(1)(A) is amended to read:

18 (A) a bid shall be awarded to an Alaska bidder if the
19 bid is not more than 10 [FIVE] percent higher than the lowest
20 nonresident bidder's; and

21 * Sec. 3. AS 37.05.315 is amended by adding a new subsection to read:

22 (e) If a contract for a project that is funded in whole or in
23 part by a state grant is competitively bid, the municipality may
24 comply with AS 37.05.230(1)(A).
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26
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AIECA

ALASKA
INDEPENDENT
ELECTRICAL
CONTRACTORS
ASSOCIATION

The Honorable Al Adams
Chairman, House Finance Committee
Pouch V
Juneau, Alaska 99811

Dear Chairman Adams,

21 February 1985

We write in support of HB 50, relating to Alaska Bidder's Preference.

Our organization represents the largest segment of the State's electrical contractors; the Independents. Most of us are long term Alaskans, who have been here winter after winter, surviving the crash after the pipeline completion and the like. We hire Alaskans, pay our Alaskan taxes, are licensed, bonded and insured in concert with State law.

In the past several years we have seen great quantities of "contractors" come up here from areas of dismal fiscal outlook, attempting to make a grab for some big construction money. Many do not bother to apply for registration, licensing or bonding, and numerous are the horror stories associated with their work.

Not only are they injuring Alaskans, both in the residential markets and in the commercial markets, but they are giving a bad name to a trade in which we take pride and try to support. We know of several parallels to the contractor difficulties noted above, involving suppliers doing business here from the states.

We support the increase in the Alaska Bidder Preference as a logical way to attempt to protect the people, companies and industries who are ALWAYS HERE, in bad winters, miserable breakups and poor economic climates.

We would be pleased to work with you during passage of this amendment; thank you in advance,



DON TANNER
President

Charter Members: ALL PHASE ELECTRIC. B & E ELECTRIC. DINGBATE ELECTRIC. FUCHS ELECTRIC. HUSKY ELECTRIC. INDEPENDENT ELECTRIC. RAINBOW ELECTRIC. RAVEN ELECTRIC. TANNER & SONS ELECTRIC. YELLOW ELECTRIC. LTD.



LEGISLATIVE
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RULLS COMMITTEE
LEGISLATIVE COUNCIL

DISTRICT 3
ELFIN COVE
PELICAN
PORT ALEXANDER
SITKA
TENAKEE

Alaska State Legislature



House of Representatives
SPEAKER OF THE HOUSE

ALASKA POLICE
COMMUNICATIONS
DEPARTMENT
P.O. Box 10304
(907) 465-3710

TO WHOM IT CONCERNS:

House Bill 50 would add a section to establish a legislative purpose that is based primarily on economic situations in Alaska. That is, continuous high unemployment and underutilization of resident construction and supply firms. I feel it is important to show that the State of Alaska has a genuine and legitimate purpose in having a bidders preference clause in Alaska statutes and that the Legislature is not just establishing a discriminatory practice.

Increasing the bidders preference allowance from 5 percent higher than the lowest nonresident bidder's to 10 percent should increase the participation by residents in contracts and projects throughout the state. This should in turn have some effect on the high unemployment rate and on local economies.

This bill also adds a provision that would allow municipalities the same opportunity as the state in awarding contracts and projects, that are partially or wholly funded with state funds, utilizing a bidder's preference. This provision should provide for more resident jobs and keep, at least a portion of, state funds flowing into local communities.

This will become increasingly more important as state revenues began declining and fewer projects become available for local areas. The bidder's preference could help ease the impact of reduced construction funds available to local areas.

Offered: 3/4/85
Referred: Finance

Original sponsors: Grussendorf, Sund,
Szymanski and Pignalberi

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 50 (State Affairs)
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4 FOURTEENTH LEGISLATURE - FIRST SESSION
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