

HB

400

HOUSE STATE AFFAIRS COMMITTEE

NEXT COMMITTEE: FINANCE

BILL: HB 400

CURRENT VERSION:

SCHEDULED: 2/10/88

SPONSOR: MENARD

PHONE NO: 2679

CONTACT FILE: \_\_\_\_\_

BILL SUBJECT: RELATING TO THE PROCUREMENT PREFERENCE FOR STATE AGRICULTURAL AND FISHERIES PRODUCTS

SPONSOR BACKUP: LETTERS ENCLOSED

AFFECTED AGENCIES:

<u>DEPARTMENT</u>	<u>CONTACT/PHONE</u>	<u>COMMENT</u>
ADMINISTRATION	PUSHPENDER DHILLON/2200	

FISCAL NOTES

<u>AGENCY</u>	<u>REQUESTED</u>	<u>DATED</u>	<u>FY 88 AMT</u>	<u>FY 89 AMT</u>
ADMINISTRATION	2/3/88	2/10/88	-0-	-0-

ACTION

<u>DATE</u>	<u>COMMENT</u>
2/10/88	PASSED FROM HOUSE STATE AFFAIRS COMMITTEE

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

*House State Affs:*

*Feb. 10-1988*

(7)

# HOUSE COMMITTEE REPORT

Date referred: 1/27/88

FURTHER REFERRALS: Finance

DATE: 2-10-88

The State Affairs Committee has considered HB 400

"An Act relating to the procurement preference for state agricultural and fisheries products."

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

[Signature]  
 \_\_\_\_\_  
 Chairman's signature

close factory of \$ goods out of state  
city & receive \$10. Buy the milk out  
of state -

IF receive state money -  
the go with 720 (1000)  
part.

# ALASKA STATE LEGISLATURE

## Curt Menard

351 W. Swanson Ave.  
Wasilla, Alaska 99687

Or  
P.O. Box V  
Juneau, Alaska 99811

373-CURT  
376-5315 Work  
376-5855 Home  
465-2679 Juneau



### BILL MANDATES 7% LOCAL PREFERENCE FOR AGRICULTURE/FISHERIES

I introduced HB400, "An act relating to the procurement preference for state agricultural and fisheries products."

Last year we passed Senate Bill 201 which required that when agricultural or fisheries products "are purchased using state money" they must be given a 7% preference if they are of like quality (AS 36.15.050-a and AS 36.15.050-b).

So why do we need new legislation?

Because it appears there is loophole in the law. Last year we saw the Anchorage School Board vote to go to Outside milk even though on a nearly half-million dollar contract the local firm using local Mat Maid milk bid over \$1,100 dollars over the bid from a local firm using Washington State milk!

Sen. Josephson sponsored SB201 last year and this year is sponsor of SB356, a companion bill to HB400. He and I lobbied the Anchorage School Board last year, as did other legislators, to honor the intent of the law.

Unfortunately, their legal staff said there was a loophole. They argued that although they received state money, they weren't actually using state money to purchase milk -- they were using state money to buy other things and using their own local funds to actually purchase the milk.

So, their lawyers told them, state law didn't specifically require local preference. What did the Board do? To save \$1,100 on a \$450,000 contract the Anchorage School Board voted to award the contract to Outside milk.

All my bill does is delete the word <using> and inserts: "by the state or by a municipality or school district that receives" state money.

I hope this change closes the loophole and spells it out to municipalities, state agencies and school boards that the Legislature is serious about supporting local products.

Of course this legislation has the potential to be a real shot in the arm for our dairy industry and for all competitive Alaskan agriculture and fisheries.

RECEIVED FEB 2 1988



# Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-9689

BOROUGH MANAGER

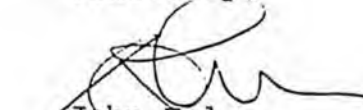
February 2, 1988

The Honorable Curtis Menard  
Alaska State Legislature  
P. O. Box V, Mail Stop: 3100  
Juneau, Alaska 99811

Dear Curt:

Thanks for your news release re. HB 400. We applaud  
and support your efforts.

Sincerely,

  
John Hale  
Borough Manager

er

CAD

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Administration  
 Title: See \* BRU: General Services & Supply  
 Sponsor: Menard, Larson and Phillips Components: Purchasing  
 Requestor: \_\_\_\_\_

\* An Act Relating to the Procurement Preference for State Agricultural and Fisheries Products

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This bill would have no effect on the Department of Administration as the law is already applicable to us. There would be an impact on school districts as they could be required to pay a premium of up to 7% on the agricultural products they purchase.

Prepared By: Robert J. Link, Director *Robert J. Link* Phone: 465-2250  
 Division: General Services & Supply Date: 02/05/88

Approved by Commissioner: John M. Andrews *JM Andrews* Date: 2/10/88  
 Agency: Department of Administration

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