

SB

201



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

SENATE BILL 201

FILE CONTENTS

1. CS SB 201 (SA): AN ACT RELATING TO THE LOCAL AGRICULTURAL AND FISHERIES PRODUCT PREFERENCE; AND PROVIDING FOR AN EFFECTIVE DATE
2. POSITION PAPER, DEPARTMENT OF ADMINISTRATION
3. AS 36.30

FISCAL NOTE

- A. DEPARTMENT OF ADMINISTRATION. GENERAL SERVICE AND SUPPLY: -0-

Original sponsors: Josephson, Szymanski,
Fahrenkamp, et al.

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 201 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the local agricultural and fish-
7 eries product preference; and providing for an effec-
8 tive date."

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

10 * Section 1. AS 36.15.050 is amended to read:

11 Sec. 36.15.050. USE OF LOCAL AGRICULTURAL AND FISHERIES PRODUCTS
12 REQUIRED IN PURCHASES WITH STATE MONEY. (a) When agricultural prod-
13 ucts are purchased using state money, only agricultural products
14 harvested in this state shall be purchased whenever [COMPETITIVELY]
15 priced no more than seven percent above products harvested outside the
16 state, available, and of like quality compared with agricultural
17 products harvested outside the state.

18 (b) When fisheries products are purchased using state money,
19 only fisheries products harvested or processed within the jurisdiction
20 of the state shall be purchased whenever [COMPETITIVELY] priced no
21 more than seven percent above products harvested or processed outside
22 the jurisdiction of the state, available, and of like quality compared
23 with fisheries products harvested or processed outside the jurisdic-
24 tion of the state.

25 (c) In [AS USED IN] this section,

26 (1) "agricultural products" includes, but is not limited
27 to, dairy products, timber and lumber harvested in the state and
28 products manufactured in the state from timber and lumber that has
29 been harvested in the state;

1 (2) "state money" includes state reimbursement to municipi-
2 palities and school districts for school or related construction,
3 foundation funding for education, municipal assistance, revenue shar-
4 ing, and state funds for capital projects.

5 * Sec. 2. AS 36.15.050 is amended by adding new subsections to read:

6 (d) A solicitation for the purchase of agricultural or fisheries
7 products shall specify the requirement that products harvested in the
8 state shall be used where possible. If state money is used to pur-
9 chase agricultural or fisheries products harvested outside the state,
10 the officer responsible for the purchase shall certify in writing the
11 reasons that products harvested in the state were not purchased.

12 (e) If a contractor fails to comply with this section, the
13 purchasing agency shall withhold the state money until the contractor
14 complies. If a municipality or a school district fails to comply with
15 this section, the department responsible for disbursing the state
16 money to the municipality or school district shall withhold the money
17 until the municipality or school district complies.

18 (f) An interested party, as defined in AS 36.30.699, may seek
19 administrative or judicial review of the award of a contract in vio-
20 lation of this section.

21 (g) Compliance with this section is not required if an exception
22 to this section is mandated for participation in a federal program.

23 * Sec. 3. AS 36.30.336 is amended to read:

24 Sec. 36.30.336. APPLICATION. Notwithstanding other provisions
25 of this chapter, AS 36.30.322 - 36.30.338 apply to all procurements
26 subject to this chapter [AS 36.30], except as provided in AS 36.15.050
27 [AS 36.30.170(b) AND 36.30.322(b)].

28 * Sec. 4. Section 3 of this Act takes effect on the effective date of
29 sec. 2, ch. 106, SLA 1986.



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3. AS 36.30
4. PROPOSED HOUSE COMMITTEE SUBSTITUTE FOR SB 201

FISCAL NOTE

- A. DEPARTMENT OF ADMINISTRATION, GENERAL SERVICE AND SUPPLY: -0-

POSITION PAPER
SB 201



The bill provides that when State funds, including State grants to a municipality or school district, are used to purchase agricultural products, only products harvested in the state may be purchased when they are priced at no more than 7% more than other products and they are available and of like quality.

The bill also provides that when State funds, including State grants to a municipality or school district, are used to purchase fisheries products, only products harvested or processed within the jurisdiction of the state may be purchased when they are priced at no more than 7% more than other products and they are available and of like quality.

The bill requires that solicitations for agricultural or fisheries products contain the requirement that products harvested in Alaska will be used where possible and that the purchasing officer must certify, in writing, the reasons why Alaskan products were not purchased. If a contractor fails to comply with this section the purchaser may withhold funds until the contractor complies. An interested party may seek administrative or judicial review of a contract awarded in violation of this section.

The Department of Administration is unable to calculate the fiscal impact passage of this legislation would have upon municipalities. The requirement to include municipal grants would have an insignificant affect on the cost to the department administering the grant program. It is likely some of the smaller communities receiving municipal grants would have difficulty providing the administrative review required by Section 3(e). The department supports inclusion of municipal grants in legislation relating to the local agricultural and fisheries product preference.

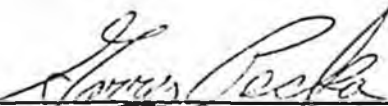
Procedures would be developed and put in place which provide a means for State agencies to monitor contracts for compliance.

The Department of Administration is neutral on this bill.



Robert J. Link, Director
Division of General Services & Supply

3/27/87
Date



Commissioner Garrey Peska
Department of Administration

3/27/87
Date

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE



Bill Version: CS SB 201 SA
Publish Date: 3-31

REQUEST _____

Revision Date: _____
Title: An Act related to local
agricultural and fisheries product
preference
Sponsor: Josephson et al.
Requestor: _____

Agency Affected: Department of Administration
BRU: General Services & Supply

Components: Purchasing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
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

It is not possible to determine the fiscal impact of reduced competition and potentially higher prices caused by this bill.

Prepared By: Robert J. Link *Robert J. Link* Phone: 465-2250
Division: General Services & Supply Date: March 26, 1987

Approved by Commissioner: Garrey Peska *Garrey Peska* Date: 3/27/87
Agency: Department of Administration

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