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HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
CSSB 399 (SA)

Approving Certain State Leases

Received April 29, 1990
by the Rules Committee by Request of the
Governor

Heard May 2, 1990

Passed Out of Committee May 2, 1990
4 Do Pass
1 No Recommendation

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HOUSE COMMITTEE REPORT

(7)

Date Referred: April 29, 1990

FURTHER REFERRALS:

Date of Committee Action: _____

The STATE AFFAIRS Committee considered:

CSSB 399(SA)

CS SB NO. 399 (SA)

APPROVING CERTAIN STATE LEASES

"An Act relating to certain leases of the Department of Administration; and providing for an effective date."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
[] have attached amendment(s) [] a new title
[X] do pass
[] do not pass
[] no recommendation
[] individual recommendations
[] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [] fiscal impact _____ [] fiscal note(s) _____
[] zero fiscal note _____ *Sen* [X] zero fiscal note(s) 4/7/90, DOA
[] zero with analysis _____ [] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not
Pass
No Rec
Amend

	Do Not Pass	No Rec	Amend
<i>George Hanley</i>			
<i>Paul Finkelstein</i>			
<i>Ray Zawacki</i>			
<i>W. A. Boucher</i>			

W. A. Boucher

Chairman's Signature

Item 2

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 23, 1990

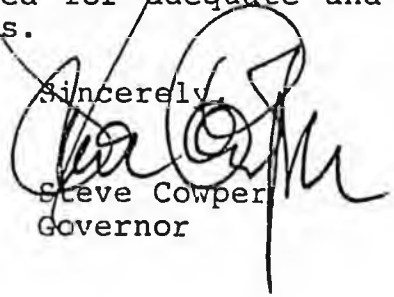
The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill approving certain leases of office space made by the Department of Administration. The approval is required by AS 36.30.080(c).

I have serious reservations about the validity of the provisions of AS 36.30.080(c) -- specifically, the provision that requires legislative approval of leases costing the state more than \$1,000,000 annually. That portion of the procurement code states that the approval must take the form of a general law rather than an appropriation. I agree that the legislature has the power to appropriate whatever amount it considers proper for the leasing of state office space. However, it violates the separation-of-powers doctrine for the legislature to retain a power of approval over individual leases. By doing this, the legislature could veto leasing decisions made by the Department of Administration. In effect, the legislature would be executing the law.

Out of respect for a coordinate branch of state government, I am introducing this bill so that the legislature is fully informed of all aspects of the leasing program. However, if appropriations are sufficient, I intend to direct the Department of Administration to execute the leases when they expire or when they are awarded. I hope that this bill will generate healthy discussion and constructive solutions to the state's need for adequate and economical office space for its agencies.

Sincerely,

Steve Cowper
Governor

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Departments of Administration, Education, Law, and Labor
 Title: An Act approving leases of office space by the DOA, and providing an effective date BRU: Leasing and Facilities
 Sponsor: Rules Committee Components: Leases
 Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
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)

There are no FY 90 costs associated with this Bill. The intent is to offer voluntary compliance with AS 36.30.080(c); there will be no fiscal impact.

See Attached

Prepared by: Robert J. Link *Robert J. Link* Phone: (907) 465-2250
 Division: General Services and Supply Date: 1/29/90
 Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 1/29/90
 Agency: Department of Administration

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

Changes in CS SB 399 (SA) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

ANALYSIS: (Continued)

In compliance with AS 36.30.080(c) which states in part ". . . If the Department [Administration] intends to enter into a lease . . . with an annual rent to the State anticipated to exceed \$1,000,000, the Department shall provide notice to the Legislature." ". . . notice must include . . . anticipated annual lease obligation amount . . . total construction, acquisition . . . other costs of the project."

The following leases are expiring and will require that formal bids be issued in FY 91 for replacement space:

<u>Lease No.</u>	<u>Department</u>	<u>Location</u>	<u>Annual Cost Anticipated</u>
1532	Law	Anchorage	To exceed \$1,000,000
1627	Education	Juneau	To exceed \$1,000,000
1445	Labor	Anchorage	To exceed \$1,000,000

The cost of each new lease may exceed \$1,000,000.

Anticipated cost of acquisition \$0.0
 Anticipated cost of construction \$0.0
 Anticipated other costs of projects \$0.0

No acquisition, construction, or other project costs are anticipated. These are strictly continuation of operating leases. The cost of operations will be borne by the lessors.

There are no additional costs associated with this bill. Agencies must be housed in appropriate space that will allow them to carry out their appointed missions as required by statute, regulation, or public policy.