

HB

183

HFIN

FILE

FINANCE COMMITTEE REPORT

(11)

Date Referred: February 15, 1995

FURTHER REFERRALS:

Date of Committee Action: 2/22/95

The FINANCE Committee considered:

HB 183

HOUSE BILL NO. 183

FINANCING IMPROVEMENTS BY LEASE/PURCHASE

"An Act extending the requirements of preliminary evaluation, notice, and prior legislative approval of certain lease-purchase agreements to include proposed improvements to real property; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 183 (Fin) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) DOA

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
Richard Doherty	X			
Mark Hanley	✓			
Glen Mulder	✓			
Terry Martin	✓			
Vin Kohring	X			
Ben Grussendorf			X	
Mike Navarre	X			
Tom Brown	X			
Vito Kelly	X			
Gene Theriault	X			
Gene Theriault	X			

CHAIR'S SIGNATURE

Mark Hanley Richard Doherty

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. EB 183

Revision Date: _____
Title: "An Act extending the requirements of preliminary evaluation, notice, and prior legislative approval of certain..."
Sponsor: Hanley
Requestor: Hanley

Department Affected: Administration
BRU: General Services
Component: Purchasing
COMPONENT SERIAL NO. 60

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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FUND SOURCE: (Thousands of Dollars)

002 Federal Receipts						
003 GF Match						
004 GF						
005 GF/Program Receipts						
006 GF/MHTIA						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 95) cost: \$ -0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

There is no fiscal impact to the Division of General Services.

Prepared by: Vern Jones, Procurement Officer
Division: General Services

Phone: 465-2250
Date: _____

Approved by Commissioner: Mark Bovee
Agency: Department of Administration

Date: _____

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465 2029

Adopted

AMENDMENT
BY MARTIN

TO HOUSE BILL NO. 183

Page 1, line 1, after "An Act"

Insert "limiting the authority of the Alaska Housing Finance Corporation to use money or another asset of the corporation to acquire or construct a building for the corporation's use and occupancy;"

Page 1, following line 4:

Insert a new bill section to read:

"Section 1. AS 18.56.090 is amended by adding a new subsection to read;

"(d) Notwithstanding authority granted by AS 18.55 and this chapter, the corporation may not acquire or construct a building for the corporation's own use and occupancy unless the proposed acquisition or construction has been approved by the legislature by law."

Page 1, line 5:

Delete "* Section 1."

Insert "* Sec. 2."

Renumber the following bill sections accordingly.

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Imprimis /imprāyməs/. Lat. In the first place; first of all.

Imprison. To put in a prison; to put in a place of confinement. To confine a person, or restrain his liberty, in any way.

Imprisonment. The detention of a person contrary to his will. The act of putting or confining a person in prison. The restraint of a person's personal liberty; coercion exercised upon a person to prevent the free exercise of his powers of locomotion. It is not a necessary part of the definition that the confinement should be in a place usually appropriated to that purpose; it may be in a locality used only for the specific occasion; or it may take place without the actual application of any physical agencies of restraint (such as locks or bars), as by verbal compulsion and the display of available force. Every confinement of the person is an "imprisonment," whether it be in a prison, or in a private house, or even by forcibly detaining one in the public streets. Any unlawful exercise or show of force by which person is compelled to remain where he does not wish to be. *McKendree v. Christy*, 29 Ill.App.2d 866, 172 N.E.2d 380, 381. See also *Solitary confinement*.

False imprisonment. The unlawful arrest or detention of a person without warrant, or by an illegal warrant, or a warrant illegally executed, and either in a prison or a place used temporarily for that purpose, or by force and constraint without confinement. False imprisonment consists in the unlawful detention of the person of another, for any length of time, whereby he is deprived of his personal liberty. *Dupler v. Seubert*, 69 Wis.2d 626, 230 N.W.2d 626, 631. The unlawful detention of the occupant of an automobile may be accomplished by driving so rapidly that he cannot alight.

A person commits a misdemeanor if he knowingly restrains another unlawfully so as to interfere substantially with his liberty. Model Penal Code, § 212.3.

The tort of "false imprisonment" is the nonconsensual, intentional confinement of a person, without lawful privilege, for an appreciable length of time, however short. *City of Newport Beach v. Sasse*, 9 Cal.App.3d 803, 88 Cal.Rptr. 476, 480. Restatement, Second, Torts § 35.

See also *False arrest*; *False imprisonment*.

Impriati /impristay/. Adherents; followers. Those who side with or take the part of another, either in his defense or otherwise.

Improbable. Unlikely to be true, or to occur, not to be readily believed. *Johnson v. Tregle*, La.App., 8 So.2d 755, 758.

Improper. Not suitable; unfit; not suited to the character, time, and place. *Godbey v. Godbey*, 70 Ohio App. 455, 44 N.E.2d 810, 813. Not in accordance with fact, truth, or right procedure and not in accord with propriety, modesty, good taste, or good manners. *Landry v. Daley*, D.C.Ill., 280 F.Supp. 968, 970.

Improper cumulation of actions. In common law pleading, an attempt to join in one proceeding inconsis-

ent causes of action. *Toms v. Nugent*, La.App., 12 So.2d 713, 715. This is permitted under Rule of Civil Procedure 8(e)(2).

Improper feuds. In old English law, these were derivative feuds; as, for instance, those that were originally bartered and sold to the feudatory for a price, or were held upon base or less honorable services, or upon a rent in lieu of military service, or were themselves alienable, without mutual license, or descended indifferently to males or females.

Improper influence. Undue influence (*q.v.*).

Improperly obtained evidence. See *Illegally obtained evidence*.

Improper rector. In ecclesiastical law, commonly signifies a lay rector as opposed to a spiritual rector; just as improper tithes are tithes in the hands of a lay owner, as opposed to appropriate tithes, which are tithes in the hands of a spiritual owner.

Impropritation. In ecclesiastical law, the annexing an ecclesiastical benefice to the use of a lay person, whether individual or corporate, in the same way as *appropriation* is the annexing of any such benefice to the proper and perpetual use of some spiritual corporation, whether sole or aggregate, to enjoy forever.

Improve. To meliorate, make better, to increase the value or good qualities of, mend, repair, as to "improve" a street by grading, parking, curbing, paving, etc.

Improved land. Real estate whose value has been increased by landscaping and addition of sewers, roads, utilities, and the like.

Improved value. Appraisal term encompassing the total value of land and improvements rather than the separate values of each.

Improvement. A valuable addition made to property (usually real estate) or an amelioration in its condition, amounting to more than mere repairs or replacement, costing labor or capital, and intended to enhance its value, beauty or utility or to adapt it for new or further purposes. Generally has reference to buildings, but may also include any permanent structure or other development, such as a street, sidewalks, sewers, utilities, etc. An expenditure to extend the useful life of an asset or to improve its performance over that of the original asset. Such expenditures are capitalized as part of the asset's cost. Contrast with *Maintenance and Repair*. See also *Betterment*; *Internal improvements*; *Leasehold improvements*.

In the law of patents, an addition to, or modification of, a previous invention or discovery, intended or claimed to increase its utility or value. *Steiner Sales Co. v. Schwartz Sales Co.*, C.C.A.Utah, 98 F.2d 999, 1010. It includes two necessary ideas: the idea of a complete and practical operative art or instrument and the idea of some change in such art or instrument not affecting its essential character but enabling it to produce its appropriate results in a more perfect or economical manner.

Improvement bonds. See *Bond*.



Representative Mark Hanley

Alaska State Legislature

SPONSOR STATEMENT

House Bill No. 183

"Certificates of Participation: Part Trois"

HB 183 is intended to close yet another loophole found in the lease-purchase statute, AS 36.30.085.

As currently written, AS 36.30.085 requires legislative approval for *acquisition* by lease-purchase of real property. It does not, however, prevent issuance of certificates of participation (state debt) for *improvement* or *construction* of a state facility.

During the first session of the 18th Legislature, SB129 was passed to require notification to the Legislature before entering into lease-purchase agreements.

SB 247 became law during the second session of the 18th Legislature, and required legislative approval of all lease-purchase agreements.

Now it has come to my attention that an agency could issue certificates of participation for *construction* of real property. Although technically legal under 36.30.085, non-legislative entities obligating state funds remains contrary to legal intent, and the legislature's constitutional power of the purse.

This bill will hopefully close the final loophole.

Estimated Activities and Dates

- | | | |
|-----|---|-------------------|
| 1. | RFP distribution | Jan. 25, 1994 |
| 2. | Newspaper advertising begins | Jan. 25, 1994 |
| 3. | Preproposal Conference | Feb. 7, 1994 |
| 4. | Deadline for written questions | Feb. 11, 1994 |
| 5. | Deadline for submitting proposals | Mar. 1, 1994 |
| 6. | Evaluation process | Week of Mar. 1st |
| 7. | Oral presentations, if required | Week of Mar. 7th |
| 8. | Notice of Intent to Award issued
(subject to Board approval) | Week of Mar. 14th |
| 9. | Appeal period ends | Approx. Mar. 24th |
| 10. | Agreement signed (if no appeal) | April 1994 |
| 11. | Contractual Performance begins | April 1994 |

2.8 CONTRACTUAL AGREEMENTS:

The basic agreement between the parties shall be the AHFC Anchorage Office Consolidation Lease Agreement (the Agreement) OR the AHFC Anchorage Office Consolidation Purchase Agreement (the Agreement).

Unless stated otherwise herein, the basic and governing language of the contractual agreement resulting from this solicitation shall be comprised of the Agreement, this Request for Proposal, including all documents, any attachments and amendments, and the successful Offeror's signed proposal. In the event of a conflict between the documents, the Agreement shall govern.

Funding for the lease or purchase of office space is subject to annual appropriation by the Alaska Legislature. Therefore, the AHFC must reserve the right to terminate any lease or purchase agreement, subject to reasonable notice as provided in the terms of the Agreement.

AHFC will not be liable for costs incurred for proposal preparation or agreement preparation as a result of valid and legal termination of this RFP or termination of any contractual agreement resulting from award of the RFP.

2.9 TERMS OF AGREEMENTS:

If the Offeror's proposal is to offer space for lease:

The initial lease agreement period shall be for six (6) years, with the Corporation having the option to renew for up to two (2) additional two (2) year periods.

If the leased premises are located in a building "to be built": The lease agreement shall allow eighteen (18) months following Notice to Proceed to delivery of premises to AHFC, with AHFC having the option to renew for up to two (2) additional ninety (90) day periods.

AMENDMENT *Se*

OFFERED IN THE HOUSE
TO: HB 183

BY REPRESENTATIVE MARTIN

1 Page 1, line 1, after "An Act"

2 Insert "limiting the authority of the Alaska Housing Finance Corporation to use
3 money or another asset of the corporation to acquire, construct, improve, or repair a
4 building for the corporation's use and occupancy;"

5 Page 1, following line 4:

6 Insert a new bill section to read:

7 **"* Section 1.** AS 18.56.090 is amended by adding a new subsection to read:

8 "(d) Notwithstanding authority granted by AS 18.55 and this chapter, the
9 corporation may not acquire, construct, improve, or repair a building for the
10 corporation's own use and occupancy unless the proposed acquisition, construction,
11 improvement, or repair has been approved by the legislature by law. For purposes of
12 this subsection, an appropriation for the proposed acquisition, construction,
13 improvement, or repair does not constitute approval of the project."

14 Page 1, line 5:

15 Delete **"* Section 1."**

16 Insert **"* Sec. 2."**

17 Renumber the following bill sections accordingly.

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P. O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
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MEMORANDUM

TO: The Honorable Steve Frank, Co-Chair
The Honorable Drue Pearce, Co-Chair
Senate Finance Committee

FROM: Randy S. Welker *Randy*
Legislative Auditor

DATE: January 19, 1994

RE: Lease-Financing Legislation - SB 247

We have prepared the following to assist in your deliberations on the proposed amendments to statutes governing lease-financing acquisitions of real property by the State. This legislation is in response to our ongoing review and concern over lease-purchases of the Wildwood Correctional Center and the Court Plaza Building and the proposed purchase of the Anchorage Times Complex.

AS 36.30.080 permits the Department of Administration (DOA) to lease space for the use of the State. It also provides DOA, the legislature, and the judicial branch the authority to enter lease-purchase or lease-financing agreements for the acquisition of real property. AS 36.30.080(c), before SLA 1993 amendments became effective, required that for planned leases or lease-financing that exceed payments of \$1,000,000 annually or \$10,000,000 over the life of the lease or lease-financing notice must be provided to the legislature and a planned lease or lease-financing acquisition by the department must be approved by the legislature by law. Leases or lease-purchases less than \$1,000,000 annually or \$10,000,000 over the life of the lease did not require notice to, or approval by, the legislature.

After numerous failed attempts to obtain capital appropriations to acquire the leased Wildwood Correctional Center, in December 1992 the administration exercised its option under the lease, and acquired the facility under the authority of AS 36.30.080(c) by issuing Certificates of Participation (COP). However, the purchase price exceeded the dollar limitations requiring legislative approval imposed by statute. To circumvent legislative approval, the administration "split" the COP issue into two — each one falling below the \$10,000,000 ceiling, thereby not requiring approval. The deal was also structured so that the annual debt service requirements under each COP debt issue would be slightly below the \$1,000,000 limitation — again avoiding the need for legislative approval, and resulting in

the legislature having to consider annual appropriations for the next eight years until debt service of approximately \$13 million is paid. Non-appropriation — which is an option under this type of arrangement — would result in a detrimental impact to the State's general obligation credit rating.

A Division of Legislative Audit review of the Wildwood acquisition raised serious questions regarding the legality of the financing scheme employed to acquire the facility and the legality of the role of the Department of Natural Resources (DNR) in the process.

In the opinion of Legislative Counsel, the funds raised through the issuance of COPs are subject to legislative appropriation and were of a governmental and public purpose which under the Constitution requires legislative sanction before disbursement. Additionally, both Legislative Counsel and independent counsel engaged by the Legislative Budget and Audit Committee are of the opinion that DNR does not have the authority to issue debt to acquire real property.

Because of the purchase of the Wildwood facility in this manner, intentionally avoiding legislative approval — particularly at a time when the continuance of the facility itself was subject to intense legislative debate — legislation was adopted last session to specifically mandate legislative involvement in this debt issuance/property acquisition process.

Chapter 37, SLA 93 (SB 129) amended AS 36.30.080(c) requiring that "*if the department, legislative branch, or judicial branch intends to enter into or renew a lease-purchase or lease-financing agreement for real property . . .*" then "*. . . the department, legislative branch, or judicial branch shall provide notice to the legislature.*" The statute also requires that "*the department may not enter into or renew an agreement requiring notice under this subsection unless the project has been approved by the legislature.*" (Emphasis added.)

In the most recent attempt to utilize lease-purchase COP financing to purchase the Anchorage Times Complex, the Court System did provide notice to the legislature of its intentions, however, under the wording of the statute the Court System was not required to obtain legislative approval. SB 247 amends statute to require legislative approval **by law** for any real property acquisitions via lease-financing by the executive branch, the board of regents of the University of Alaska, the legislative council, and the supreme court.

Senate Bill 247 also amends AS 38.05.030 to specifically prohibit DNR from acquiring real property through the use of lease-purchase agreements or lease-financing agreements in which DNR is the lessor. We believe that there is clear authority under the statutory provisions of the Alaska Housing Finance Corporation to issue lease-backed revenue bonds in accordance with the Housing Project and Public Building Assistance Act (AS 18.55.010-.290) for the acquisition of public buildings. These statutes were previously Alaska State Housing Authority laws but were amended with the merger of ASHA with AHFC.

The Honorable Steve Frank
The Honorable Drue Pearce

-3-

January 19, 1994

We have also included language in this bill to clearly include the University. If the legislature agrees with us that the provisions of leasing should apply to the University, I also recommend that the legislature reconsider an exemption placed in statute last session which we have kept in this bill. Specifically, on page 7, lines 15 and 16, exempt University lease-purchase agreements secured by student fees or other university receipts from the legislative notification and approval requirements of the legislation.

Finally, the bill proposes the repeal of a temporary act, sec. 2, chapter 92, SLA 1986, which gives the court system the authority to enter into a lease-purchase agreement not to exceed \$29.9 million for construction of a court facility in Fairbanks.

We have enclosed a copy of AS 36.30.080 as it is currently written for reference. We have also included a copy of Chapter 92, SLA 86 and a sectional analysis.

Enclosures

Sec. 36.30.080. Leases. (a) The department shall lease space for the use of the state or an agency wherever it is necessary and feasible, subject to compliance with the requirements of this chapter. A lease may not provide for a period of occupancy greater than 40 years. An agency requiring office, warehouse, or other space shall lease the space through the department.

(b) The department, legislative branch, or judicial branch may enter into lease-purchase agreements, including lease-financing agreements. A lease-purchase agreement must provide that lease payments are subject to annual appropriation.

(c) If the department, legislative branch, or judicial branch intends to enter into or renew a lease of real property with an annual rent to the department, legislative branch, or judicial branch that is anticipated to exceed \$1,000,000, or with total lease payments to exceed \$10,000,000 for the full term of the lease, the department, legislative branch, or judicial branch shall provide notice to the legislature. If the department, legislative branch, or judicial branch intends to enter into or renew a lease-purchase or lease-finance agreement for real property, other than (1) an agreement related to the refinancing of an outstanding balance owing or (2) a lease-purchase or lease-financing agreement by the University of Alaska that is secured by student fees or university receipts as defined in AS 14.40.491, that has annual lease payments of less than \$1,000,000, and for which the total lease payments for the full term will not exceed \$10,000,000, the department, legislative branch, or judicial branch shall provide notice to the legislature. The notice must include the anticipated annual lease obligation amount, the anticipated total construction, acquisition, or other costs of the project, and the total lease payments for the full term of the lease, if the agreement is a lease other than a lease-purchase or lease-financing agreement and the total lease payments for the full term of the lease exceed \$10,000,000. The department may not enter into or renew an agreement requiring notice under this subsection unless the project has been approved by the legislature. An appropriation for the project constitutes approval of the project for purposes of this subsection. The department may not enter into an agreement under this subsection if the optional renewal period allowed under the agreement exceeds two years. In this subsection, "term" includes defined renewal options.

(d) When the department is evaluating proposals for a lease of space, the department shall consider, in addition to lease costs, the life cycle costs, function, indoor environment, public convenience, planning, design, appearance, and location of the proposed building.

(e) When the department is considering leasing space, the department should consider whether leasing is likely to be the least costly means to providing space. (§ 2 ch 106 SLA 1986; am § 1 ch 58 SLA 1990; am §§ 8, 9 ch 181 SLA 1990; am §§ 2, 3 ch 73 SLA 1992; am § 3 ch 37 SLA 1993)

AN ACT

Relating to a court facility in Fairbanks; and providing for an effective date.

* Section 1. The legislature finds that a need exists for a new court facility in Fairbanks and that the needed facility must be acquired in as economical manner as possible. In acquiring the necessary court facility the supreme court should

(1) investigate the feasibility of using state land in the Fairbanks area as a site for a court facility;

(2) investigate the feasibility of contracting with the Alaska State Housing Authority or with a local government utilizing municipal revenue bonds to provide the space necessary for a Fairbanks court facility; and

(3) coordinate space acquisition in Fairbanks with other state agencies.

* Sec. 2. The supreme court may enter into a lease-purchase agreement not to exceed a cost of \$29,900,000 for construction and all other related costs of a court facility in Fairbanks, it

(1) a private licensed day-care facility for the use of employees, jurors, witnesses and the public is included in the project, and the space is rented to the private licensed day-care provider at a market rate; and

(2) 15 percent of parking spaces for the court facility are reserved for the public.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.070(c).

SECTIONAL ANALYSIS OF SENATE BILL NO. 247

An Act relating to state leases and to state lease-purchase and lease-financing agreements, and repealing a legislative authorization previously given for acquisition of a facility through a lease-purchase agreement; and providing for an effective date.

- Section 1. Clarifies university statutes to show that leases, lease-purchases, and lease-financing of property by the university is subject to the provisions of procurement code being revised by this bill.
- Section 2. Clarifies the supreme court's statutes to show that leases, lease-purchases, and lease-financing of property by the court system is subject to the provisions of procurement code being revised by this bill.
- Section 3. Clarifies the legislative council's statutes to show that leases, lease-purchases, and lease-financing of property by the legislature is subject to the provisions of procurement code being revised by this bill.
- Section 4. Amends the section of the Procurement Code for the Legislature to specify that the procurement procedures adopted by the Council for the legislature must be consistent with the provisions being revised by this bill.
- Section 5. Amends the section of the Procurement Code for the court system to specify that the procurement procedures adopted by the court system must be consistent with the provisions being revised by this bill.
- Section 6. Amends the current provisions by deleting provisions dealing with lease-purchases and lease-financing. After discussion with legal counsel, we decided it would be preferable to have two distinct sections of the leasing statute; one dealing exclusively with leases, and the other dealing only with lease-purchases (section 7 of this bill).

The substantive change is on page 5, line 26 through page 6, line 3. This language now adds the provision of prior legislative approval by law for leases of the Board of Regents, the legislative council and the supreme court. It also provides that, for leases, an appropriation for the lease is approval for the purpose of this paragraph.

- Section 7.** This section adds a new section to the procurement code. It basically contains the lease-purchase and lease-financing language moved out of the previous section. In addition it provides that the department, Board of Regents, the legislative council, or the supreme court may only enter these agreements as the lessee. Like the leasing section above, this section adds the prior legislative approval by law requirement to lease-purchases and lease-financing by the Board of Regents, the legislative council and the supreme court.
- Section 8.** Makes a technical amendment to the procurement code to recognize the addition of the new section of the procurement code provided in Section 7 above.
- Section 9.** Makes a technical amendment to the procurement code to recognize the addition of the new section of the procurement code provided in Section 7 above.
- Section 10.** This section specifically prohibits the Department of Natural Resources from acquiring title to real property through lease financing in which the department is the lessor.
- Section 11.** Repeals the temporary act authorizing the court system to enter a lease-purchase agreement not to exceed \$29.9 million.
- Section 12.** Effective date clause.

Prepared by the Division of Legislative Audit on 1/19/94.

HCS CSSB 247(FIN) AM H

HOUSE CS FOR CS FOR SENATE BILL NO. 247(FIN) am H
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 5/5/94

Offered: 4/22/94

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE
BUDGET AND AUDIT COMMITTEE

A BILL
FOR AN ACT ENTITLED

"An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and, with certain exceptions, the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000 or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease; prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease; making subject to prior legislative approval lease-purchase agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts; authorizing these entities to enter into lease-purchase agreements only in the capacity of lessee under the proposed lease-purchase agreement; defining procedures that these entities must follow when considering whether or not to enter into lease-purchase agreements, setting limits on the duration of these agreements; and providing definitions for applicable terms; and providing for an effective date."

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

* Section 1. AS 14.40.040 is amended to read:

Sec. 14.40.040. GENERAL POWERS OF THE UNIVERSITY. There is created and established a corporation to be called the University of Alaska. It may in that name

(1) sue and be sued;
(2) receive and hold real and personal property;
(3) contract and be contracted with; a contract entered into by the University of Alaska for the

(A) rent or lease of premises for use and occupancy by the University of Alaska is subject to AS 36.30.080(c); however, notwithstanding the limitation imposed by AS 36.30.080(c)(2), the Board of Regents of the University of Alaska

(i) may enter into a lease with a term described in (ii) of this subparagraph if the rent under the lease will be paid solely from a grant or contract made by the federal government or an agency of the federal government, and the grant or contract contains a firm commitment of not more than two years, or if the rent payable under the lease will be paid solely from university receipts as that term is defined in AS 14.40.491; and

(ii) when authorized by (i) of this subparagraph, may enter into a lease with an initial term equal to the period of the firm commitment of the grant or contract, or with an initial term not to exceed two years when the rent is payable from university receipts; the lease may contain one or more optional renewal periods, but the total of all optional renewal periods may not exceed an additional five years;

(B) acquisition of property by a lease-purchase or lease-financing agreement for the benefit of the University of Alaska is subject to AS 36.30.085;

(4) adopt, use, and alter a corporate seal;
(5) borrow money, issue debt, or enter into long-term obligations [,] for the purchase of facilities, goods, or services; the obligations may secure, in whole or in part, debt issued by another party;
(6) do and have done all matters necessary for the purpose of any function set out in this chapter.

* Sec. 2. AS 22.05.025(a) is amended to read:

(a) The [SUBJECT TO AS 36.30.080, THE] supreme court has authority over

(1) all matters relating to the
(A) [PLANNING, DESIGN, CONSTRUCTION,]
maintenance, occupancy, [LEASING,] and operation of all court facilities;

(B) rent or lease of facilities for court system purposes, subject to AS 36.30.080(c); and

(C) acquisition of facilities for court system purposes by lease-purchase or lease-financing agreements, subject to AS 36.30.085; and

(2) the planning, design, and construction of court facilities but, in the exercise of its authority under this paragraph, the supreme court shall cooperate and coordinate with the Department of Transportation and Public Facilities so that court facility construction projects are carried out in accordance with the statutes and regulations applicable to state public works projects.

* Sec. 3. AS 24.20.060 is amended to read:

Sec. 24.20.060. POWERS. The legislative council has the power

- (1) to organize and adopt rules for the conduct of its business;
- (2) to hold public hearings, administer oaths, issue subpoenas, compel the attendance of witnesses and production of papers, books, accounts, documents, and testimony, and to have the deposition of witnesses taken in a manner prescribed by court rule or law for taking depositions in civil actions when consistent with the powers and duties assigned to the council by AS 24.20.010 - 24.20.140;
- (3) to call upon all state officials, agencies, and institutions to give full cooperation to the council and its executive director by collecting and furnishing information, conducting studies, and making recommendations;
- (4) in addition to providing the administrative services required for the operation of the legislative branch,
 - (A) to provide the technical staff assistance in research, reporting, drafting, and counseling requested by standing, interim, and special committees and spot research and drafting services for individual members in conformity with law and legislative rules;
 - (B) to conduct a continuing program for the revision and publication of the acts of the legislature;
 - (C) to execute a program for the oversight of the administration and construction of laws by state agencies and the courts through regulations, opinions, and rulings;
 - (D) to operate and maintain the state legislative reference library;
 - (E) to do all things necessary to carry out legislative directives and law, and the duties set out in the uniform rules of the legislature;
 - (F) to sue in the name of the legislature during the interim between sessions if authorized by majority vote of the full membership of the council;
- (5) to exercise control and direction over all legislative space, supplies, and equipment and permanent legislative help between legislative sessions; the exercise of control over legislative space is

subject to AS 36.30.080(c) if the exercise involves the rent or lease of facilities, and to AS 36.30.085 if the exercise involves the acquisition of facilities by lease-purchase or lease-financing agreement:

(6) to produce, publish, distribute, and to contract for the printing of reports, memoranda, and other materials it finds necessary to the accomplishment of its work;

(7) to take appropriate action for the preconvailing and post-session work of each legislative session including the employment one week in advance of each session of not more than 10 temporary legislative employees; the continuing employment of the temporary legislative employees is subject to legislative approval when the session convenes;

(8) to establish a legislative internship program on a cooperative basis with the University of Alaska that will provide for the assignment of interns to standing committees of each house of the legislature during regular sessions of the legislature; [,] and

(9) to establish reasonable fees for services and materials provided by the Legislative Affairs Agency to entities outside of the legislative branch of state government and charges for collecting the fees; all fees and charges collected under this paragraph shall be deposited into the general fund.

* Sec. 4. AS 36.30.020 is amended to read:

Sec. 36.30.020. LEGISLATURE. The Legislative Council shall adopt and publish procedures to govern the procurement of supplies, services, professional services, and construction by the legislative branch. The procedures must be based on the competitive principles consistent with this chapter and must be adapted to the special needs of the legislative branch as determined by the Legislative Council. The procedures must be consistent with the provisions of AS 36.30.080(c) - (e) and 36.30.085 [AS 36.30.080(b) - (e)].

* Sec. 5. AS 36.30.030 is amended to read:

Sec. 36.30.030. COURT SYSTEM. The administrative director of courts shall adopt and publish procedures to govern the procurement of supplies, services, professional services, and construction by the judicial branch. The procedures must be based on the competitive principles consistent with this chapter and must be adapted to the special needs of the judicial branch as determined by the administrative director of courts. The procedures must be consistent with the provisions of AS 36.30.080(c) - (e) and 36.30.085 [AS 36.30.080(b) - (c)].

* Sec. 6. AS 36.30.080(c) is amended to read:

(c) If the department, the Board of Regents of the University of Alaska, the legislative council [BRANCH], or the supreme court [JUDICIAL BRANCH] intends to enter into or renew a lease of real property with an

annual rent to the department, University of Alaska, legislative council [BRANCH], or supreme court [JUDICIAL BRANCH] that is anticipated to exceed \$500,000 [\$1,000,000], or with total lease payments that exceed \$2,500,000 [\$10,000,000] for the full term of the lease, including any renewal options that are defined in the lease, the department, the Board of Regents, the legislative council [BRANCH], or supreme court [JUDICIAL BRANCH] shall provide notice to the legislature. [IF THE DEPARTMENT, LEGISLATIVE BRANCH, OR JUDICIAL BRANCH INTENDS TO ENTER INTO OR RENEW A LEASE-PURCHASE OR LEASE-FINANCING AGREEMENT FOR REAL PROPERTY, OTHER THAN (1) AN AGREEMENT RELATED TO THE REFINANCING OF AN OUTSTANDING BALANCE OWING OR (2) A LEASE-PURCHASE OR LEASE-FINANCING AGREEMENT BY THE UNIVERSITY OF ALASKA THAT IS SECURED BY STUDENT FEES OR UNIVERSITY RECEIPTS AS DEFINED IN AS 14.40.491, THAT HAS ANNUAL LEASE PAYMENTS OF LESS THAN \$1,000,000, AND FOR WHICH THE TOTAL LEASE PAYMENTS FOR THE FULL TERM WILL NOT EXCEED \$10,000,000, THE DEPARTMENT, LEGISLATIVE BRANCH, OR JUDICIAL BRANCH SHALL PROVIDE NOTICE TO THE LEGISLATURE.] The notice must include the anticipated annual lease obligation amount [, THE ANTICIPATED TOTAL CONSTRUCTION, ACQUISITION, OR OTHER COSTS OF THE PROJECT,] and the total lease payments for the full term of the lease [, IF THE AGREEMENT IS A LEASE-PURCHASE OR LEASE-FINANCING AGREEMENT, OR IF THE AGREEMENT IS A LEASE OTHER THAN A LEASE-PURCHASE OR LEASE-FINANCING AGREEMENT AND THE TOTAL LEASE PAYMENTS FOR THE FULL TERM OF THE LEASE EXCEED \$10,000,000]. The department, the Board of Regents, the legislative council, and the supreme court may not enter into or renew a lease of real property

(1) [AN AGREEMENT] requiring notice under this subsection unless the proposed lease or renewal of a lease [PROJECT] has been approved by the legislature by law: an [. AN] appropriation for the rent payable during the initial period of the lease or the initial period of lease renewal [PROJECT] constitutes approval of the proposed lease or renewal of a lease [PROJECT] for purposes of this paragraph [SUBSECTION]:

(2) [. THE DEPARTMENT MAY NOT ENTER INTO AN AGREEMENT] under this subsection if the total of all optional renewal periods provided for in [PERIOD ALLOWED UNDER] the lease [AGREEMENT] exceeds the original term of the lease exclusive of the total period of all renewal options [TWO YEARS. IN THIS SUBSECTION, "TERM" INCLUDES DEFINED RENEWAL OPTIONS].

* Sec. 7. AS 36.30 is amended by adding a new section to read:

Sec. 36.30.085. LEASE-PURCHASE AGREEMENTS. (a) To perform its duties and statutory functions, the department, the Board of Regents of the University of Alaska, the legislative council, or the

supreme court may enter into lease-purchase agreements. The department, the Board of Regents, the legislative council, or the supreme court may enter into a lease-purchase agreement only if the department, the Board of Regents, the legislative council, or the supreme court is the lessee under the agreement.

(b) When evaluating proposals to acquire real property under a lease-purchase agreement, the department, the Board of Regents, the legislative council, or the supreme court shall consider

(1) in addition to lease costs, the life cycle costs, function, indoor environment, public convenience, planning, design, appearance, and location of the real property proposed for acquisition; and

(2) whether acquisition of the real property by lease-purchase agreement is likely to be the least costly means to provide the space.

(c) A lease-purchase agreement

(1) may not provide for a period of occupancy under the full term of the lease-purchase agreement that is greater than 40 years;

(2) must provide that lease payments made by the department, the Board of Regents, the legislative council, or the supreme court are subject to annual appropriation.

(d) If the department, Board of Regents, legislative council, or supreme court intends to enter into or renew a lease-purchase agreement for real property, the department, Board of Regents, legislative council, or supreme court shall provide notice to the legislature. The notice must include the

(1) anticipated total construction, acquisition, or other costs of the project;

(2) anticipated annual amount of the rental obligation; and

(3) total lease payments for the full term of the lease-purchase agreement.

(e) The department, the Board of Regents, the legislative council, or the supreme court may not enter into a lease-purchase agreement to acquire real property unless the agreement has been approved by the legislature by law.

(f) The provisions of (d) and (e) of this section do not apply to a lease-purchase agreement

(1) related to the refinancing of an outstanding balance owing on an existing lease-purchase agreement; or

(2) by the University of Alaska if the lease-purchase agreement is secured by student fees or university receipts as defined in AS 14.40.491.

(g) In this section,

- (1) "full term of the lease-purchase agreement" includes all renewal options that are defined within the lease-purchase agreement;
- (2) "lease-purchase agreement" includes a lease-financing agreement.

* Sec. 8. AS 36.30.850(b)(5) is amended to read:

(5) acquisitions or disposals of real property or interest in real property, except as provided in AS 36.30.080 and 36.30.085:

* Sec. 9. AS 36.30.850(c) is amended to read:

(c) Except for AS 36.30.085 and 36.30.700 - 36.30.790 [AS 36.30.700 - 36.30.790], this chapter does not apply to contracts between two or more agencies, the state and its political subdivisions, or the state and other governments.

* Sec. 10. AS 38.05.030 is amended by adding a new subsection to read:

(g) This chapter does not authorize the commissioner or any employee of the department to acquire title to real property through the use of lease-purchase agreements or lease-financing agreements in which the department is the lessor. For purposes of this section, "lease-purchase agreement" and "lease-financing agreement" have the meanings given those terms in AS 36.30.990.

* Sec. 11. AS 36.30.080(b) is repealed.

* Sec. 12. **APPLICABILITY TO ALASKA COURT SYSTEM AND DEPARTMENT OF NATURAL RESOURCES.** (a) Notwithstanding the amendments of AS 22.05.025(a) made by sec. 2 of this Act, AS 36.30.030 made by sec. 5 of this Act, and AS 36.30.080(c) made by sec. 6 of this Act, the addition of AS 36.30.085 made by sec. 7 of this Act, and the repeal of AS 36.30.080(b) made by sec. 11 of this Act, after the effective date of this section and until December 31, 1994, the Alaska Supreme Court may continue to enter into lease-purchase or lease-financing agreements for the judicial branch under the provisions of AS 22.05.025(a), AS 36.30.030, 36.30.080(b), and 36.30.080(c) as they read before their amendment or repeal by this Act.

(b) Notwithstanding the amendments of AS 36.30.080(c) made by sec. 6 of this Act, AS 36.30.850(b)(5) made by sec. 8 of this Act, and AS 36.30.850(c) made by sec. 9 of this Act, the addition of AS 36.30.085 made by sec. 7 of this Act and of AS 38.05.030(g) made by sec. 10 of this Act, and the repeal of AS 36.30.080(b) made by sec. 11 of this Act, after the effective date of this section and until December 31, 1994, the Department of Natural Resources may continue to enter into lease-purchase or lease-financing agreements under the provisions of AS 36.30.080(b), 36.30.080(c), 36.30.850(b)(5), 36.30.850(c), and AS 38.05 as they read before their amendment or repeal by this Act, but only if the Department of Natural Resources is the lessor of the property and the judicial branch is lessee.

* Sec. 13. This Act takes effect immediately under AS 01.10.070(c).

HCS CSSB 129(STA)

HOUSE CS FOR CS FOR SENATE BILL NO. 129(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 4/24/93

Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE
BUDGET AND AUDIT COMMITTEE

A BILL
FOR AN ACT ENTITLED

"An Act relating to state procurement; and providing for an effective date."

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

* Section 1. AS 36.30.010(a) is amended to read:

(a) The commissioner shall appoint to the partially exempt service the chief procurement officer of the state. The chief procurement officer must have at least five years of prior experience in public procurement, including large scale procurement of supplies, services, or professional services, and must be a person with demonstrated executive and organizational ability. The chief procurement officer may be removed by the commissioner only for cause. The term of office of the chief procurement officer is ~~six~~ [FOUR] years.

* Sec. 2. AS 36.30.010 is amended by adding new subsections to read:

(c) While a person performs the duties of the chief procurement officer under this chapter, the person may not be employed in or appointed to another position with the state.

(d) The annual salary of the chief procurement officer is range 23 of the salary schedule established in AS 39.27.011.

* Sec. 3. AS 36.30.080(c) is amended to read:

(c) If the department, legislative branch, or judicial branch intends to enter into or renew a lease of real property [OR LEASE-PURCHASE AGREEMENT, EXCEPT AN AGREEMENT RELATED TO A REFINANCING,] with an annual rent to the department, legislative branch, or judicial branch that is anticipated to exceed \$1,000,000, or with total lease payments that exceed \$10,000,000 for the full term of the lease, the department, legislative branch, or judicial branch shall provide notice

to the legislature. If the department, legislative branch, or judicial branch intends to enter into or renew a lease-purchase or lease-financing agreement for real property, other than (1) an agreement related to the refinancing of an outstanding balance owing or (2) a lease-purchase or lease-financing agreement by the University of Alaska that is secured by student fees or university receipts as defined in AS 14.40.491, that has annual lease payments of less than \$1,000,000, and for which the total lease payments for the full term will not exceed \$10,000,000, the department, legislative branch, or judicial branch shall provide notice to the legislature. The notice must include the anticipated annual lease obligation amount, the anticipated total construction, acquisition, or other costs of the project, and the total lease payments for the full term of the lease, if the agreement is a lease-purchase or lease-financing agreement, or if the agreement is a lease other than a lease-purchase or lease-financing agreement and [, IF] the total lease payments for the full term of the lease exceed \$10,000,000 [, THE TOTAL LEASE PAYMENTS FOR THE FULL TERM OF THE LEASE]. The department may not enter into or renew an agreement requiring notice under this subsection unless the project has been approved by the legislature [BY LAW]. An appropriation for the project constitutes [DOES NOT CONSTITUTE] approval of the project for purposes of this subsection. The department may not enter into an agreement under this subsection if the optional renewal period allowed under the agreement exceeds two years. In this subsection, "term" includes defined renewal options.

* Sec. 4. AS 36.30.300(a) is amended to read:

(a) A contract may be awarded for supplies, services, professional services, or construction without competitive sealed bidding, competitive sealed proposals, or other competition in accordance with regulations adopted by the commissioner. A contract may be awarded under this section only when the chief procurement officer or, for construction contracts or procurements for the state equipment fleet, the commissioner of transportation and public facilities determines in writing that there is only one source for the required procurement or construction. A sole source procurement may not be awarded if a reasonable alternative source exists. The written determination must include findings of fact that support by clear and convincing evidence the determination that only one source exists. Except for procurements of supplies, services, professional services, or construction that do not exceed the amount for small procurements under AS 36.30.320(a) or (b), as applicable [AS 36.30.320(a)], the authority to make the determination required by this subsection may not be delegated.

* Sec. 5. AS 36.30.305(a) is amended to read:

(a) A contract for supplies, services, professional services, or a

construction contract under \$100,000, may be awarded without competitive sealed bidding or competitive sealed proposals, in accordance with regulations adopted by the commissioner. A contract may be awarded under this section only when the chief procurement officer [COMMISSIONER], or, for construction contracts under \$100,000 or procurements for the state equipment fleet, the commissioner of transportation and public facilities, determines in writing that a situation exists that makes competitive sealed bidding or competitive sealed proposals impractical or contrary to the public interest. Procurements under this section shall be made with competition that is practicable under the circumstance. Except for procurements of supplies, services, professional services, or construction that do not exceed the amount for small procurements under AS 36.30.320(a) or (b), as applicable [AS 36.30.320(a)], the authority to make a determination required by this section may not be delegated.

* Sec. 6. AS 36.30.310 is amended to read:

Sec. 36.30.310. EMERGENCY PROCUREMENTS. Procurements may be made under emergency conditions as defined in regulations adopted by the commissioner when there exists a threat to public health, welfare, or safety, when a situation exists that makes a procurement through competitive sealed bidding or competitive sealed proposals impracticable or contrary to the public interest, or to protect public or private property. An emergency procurement need not be made through competitive sealed bidding or competitive sealed proposals but shall be made with competition that is practicable under the circumstances. A written determination by the chief procurement officer of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. The written determination must include findings of fact that support the determination. Except when there is insufficient time for the chief procurement officer to make the written determination required by this section, the chief procurement officer may not delegate the authority to make the determination.

* Sec. 7. AS 36.30 is amended by adding a new section to read:

Sec. 36.30.315. DETERMINATIONS BY CHIEF PROCUREMENT OFFICER; CRIMINAL PENALTY. (a) In a determination made by the chief procurement officer under AS 36.30.300 - 36.30.310, the chief procurement officer shall independently examine the material facts of the procurement and independently determine whether the procurement is eligible for the procurement method requested.

(b) If the chief procurement officer knowingly makes a false statement in a determination made by the chief procurement officer under AS 36.30.300 - 36.30.310, the chief procurement officer is guilty of a class A misdemeanor.

* Sec. 8. AS 36.30.370 is amended to read:

Sec. 36.30.370. TYPES OF CONTRACTS. Any [SUBJECT TO LIMITATIONS OF THIS SECTION, ANY] type of contract that will promote the best interests of the state may be used, except that the use of a cost-plus-a-percentage-of-cost contract is prohibited. [A COST-REIMBURSEMENT CONTRACT MAY BE USED ONLY WHEN A DETERMINATION IS MADE IN WRITING BY THE PROCUREMENT OFFICER THAT A COST-REIMBURSEMENT CONTRACT IS LIKELY TO BE LESS COSTLY TO THE STATE THAN ANY OTHER TYPE OR THAT IT IS IMPRACTICABLE TO OBTAIN THE SUPPLIES, SERVICES, PROFESSIONAL SERVICES, OR CONSTRUCTION REQUIRED EXCEPT UNDER A COST-REIMBURSEMENT CONTRACT.]

* Sec. 9. AS 36.30.610(c) is amended to read:

(c) The commissioner of administration or the commissioner of transportation and public facilities, as appropriate, shall, within 15 days from the date the appellant's comments on the protest report are due under AS 36.30.605(c) and (d) [AFTER RECEIPT OF AN APPEAL], notify the appellant of the acceptance or rejection of the appeal and, if rejected, the reasons for the rejection.

* Sec. 10. AS 36.30.850(b) is amended by adding new paragraphs to read:

(30) contracts that are to be performed in an area outside of the country and that require a knowledge of the customs, procedures, rules, or laws of the area;

(31) contracts that are between the Department of Law and attorneys who are not employed by the state and that are for the review or prosecution of possible violations of the criminal law of the state in situations where the attorney general concludes that an actual or potential conflict of interest makes it inappropriate for the Department of Law to review or prosecute the possible violations.

* Sec. 11. AS 36.30.150(b) is repealed.

* Sec. 12. LEASE EXTENSIONS AUTHORIZED. (a) Notwithstanding AS 36.30, the Department of Administration, the University of Alaska, the legislature, and the court system may extend for up to a maximum extension of five years a real property lease that is entered into under AS 36.30, including procedures and regulations adopted under AS 36.30.005(c) and 36.30.020 - 36.30.030, and that is in existence on the effective date of this section if a minimum cost savings of

(1) 10 percent can be achieved on the rent due under the lease;

or

(2) five percent can be achieved on the rent due under the lease and the lessor agrees to make modifications of the leased real property to bring the real property into compliance with the requirements of 42 U.S.C. 12101 - 12213 (Americans with Disabilities Act of 1990).

(b) The cost savings under (a) of this section shall be calculated on

the remaining term of the lease and any renewals, including extensions allowed under (a) of this section.

(c) The Department of Administration, the University of Alaska, the Alaska Court System, and the Legislative Affairs Agency shall submit a quarterly report to the Legislative Budget and Audit Committee detailing the leases extended and the cost savings achieved under (a) - (b) of this section. The first report is due July 1, 1994, and must cover the period from the effective date of this section through March 31, 1994. The subsequent reports shall be made October 1, 1994, January 2, 1995, and April 1, 1995.

* Sec. 13. TRANSITIONAL PROVISIONS. (a) With respect to the person holding the position of chief procurement officer on the effective date of this section, the six-year term of the chief procurement officer under AS 36.30.010(a), as amended by sec. 1 of this Act, shall include the time the person holds the position before the effective date of this section.

(b) AS 36.30.010(c) and (d), added by sec. 2 of this Act, apply to the chief procurement officer on and after the effective date of this section.

(c) AS 36.30.300(a), 36.30.305(a), 36.30.310, 36.30.370, amended by secs. 4 - 6 and 8 of this Act, and 36.30.850(b)(30) and (31), added by sec. 10 of this Act, apply to a procurement that begins on or after the effective date of this section.

(d) AS 36.30.315, enacted by sec. 7 of this Act, applies to a determination made on or after the effective date of this section.

(e) AS 36.30.610(c), amended by sec. 9 of this Act, applies to a protest report filed under AS 36.30.605 on or after the effective date of this section.

* Sec. 14. (a) Subsections 12(a) and (b) of this Act are repealed December 31, 1994.

(b) Subsection 12(c) of this Act is repealed April 1, 1995.

* Sec. 15. If sec. 12 of this Act takes effect after May 1, 1993, sec. 12 of this Act is retroactive to May 1, 1993.

* Sec. 16. Sections 12 and 15 of this Act take effect immediately under AS 01.10.070(c).

STANDING COMMITTEE REPORTS

SB 35

Forthcoming zero fiscal note for SENATE BILL NO. 35 "An Act providing immunity for the Alaska State Emergency Response Commission, the local emergency planning committees, the Hazardous Substance Spill Technology Review Council, and their members for official actions; and providing for an effective date", as referenced on page 2490, published today from Department of Environmental Conservation.

SB 247

The Finance Committee considered SENATE BILL NO. 247 "An Act relating to state leases and to state lease-purchase and lease-financing agreements, and repealing a legislative authorization previously given for acquisition of a facility through a lease-purchase agreement; and providing for an effective date" and recommended it be replaced with

CS FOR SENATE BILL NO. 247(FIN)

Letter of Intent forthcoming. Signing do pass: Senator Frank, Cochair, Senators Rieger, Jacko. Signing no recommendation:

Senator Kerttula.

Zero fiscal note for the bill and the committee substitute published today from Department of Administration.

SENATE BILL NO. 247 was referred to the Rules Committee.

HJR 36

The Health, Education and Social Services Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 36(HES) Urging the federal Department of Health and Human Services to repeal the "100-hour rule" relating to employment of certain persons receiving AFDC and to replace it with a regulation that will serve as an incentive for AFDC recipients to accept employment of more than 100 hours a month. Signing do pass: Senator Rieger, Chair, Senators Miller, Duncan, Ellis, Sharp, Salo, Leman.

Zero fiscal note for the resolution published today from Department of Health and Social Services.

CS FOR HOUSE JOINT RESOLUTION NO. 36(HES) was referred to the Judiciary Committee.

obtain or provide the service and has an appropriation that may be used for that purpose and if the agency that provides the service bills the agency administering the funds available for that service based on the actual cost to provide the service or a cost allocation method approved by the office of management and budget."

SB 247

The Finance Committee considered SENATE BILL NO. 247 "An Act relating to state leases and to state lease-purchase and lease-financing agreements, and repealing a legislative authorization previously given for acquisition of a facility through a lease-purchase agreement; and providing for an effective date" and recommended it be replaced with

CS FOR SENATE BILL NO. 247(2d FIN), entitled:

"An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000 or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease;

prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease; making subject to prior legislative approval lease-purchase agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts; authorizing these entities to enter into lease-purchase agreements only in the capacity of lessee under the proposed lease-purchase agreement; defining procedures that these entities must follow when considering whether or not to enter into lease-purchase agreements, and setting limits on the duration of these agreements; providing

definitions for applicable terms; and providing for an effective date."

SB 247

and further recommends the previous Finance Committee Letter of Intent offered on page 2581 be adopted.

Signing do pass: Senators Frank, Pearce, Cochairs, Senators Jacko, Kelly, Kerttula, Sharp.

Zero fiscal note for the second finance committee substitute published today from Department of Administration. Previous zero fiscal note applies to the second finance committee substitute.

SENATE BILL NO. 247 was referred to the Rules Committee.

SB 261

The Transportation Committee considered SENATE BILL NO. 261 "An Act relating to municipal sales and use taxes involving air carriers; and providing for an effective date" and recommended it be replaced with

CS FOR SENATE BILL NO. 261(TRA)

Signing do pass: Senator Sharp, Chair, Senators Kelly, Kerttula.

Signing no recommendation: Senator Phillips.

Zero fiscal note for the bill and the committee substitute published today from Department of Community and Regional Affairs.

SENATE BILL NO. 261 was referred to the Community and Regional Affairs Committee.

HB 59

The Resources Committee considered CS FOR HOUSE BILL NO.

59(MLV) "An Act making a special appropriation to the Department of Natural Resources for refunds to certain veterans who purchased state land and for reimbursement to the University of Alaska for the veterans' land discount applied to land transferred to the University of Alaska; and providing for an effective date." Signing do pass:

Senator Miller, Chair, Senators Pearce, Frank, Leman.

HB 59

INTRODUCTION AND REFERENCE OF SENATE BILLS

SB 282

SENATE BILL NO. 282 BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE, entitled:

"An Act relating to matching funds for state grants for public water supply, treatment, and distribution systems, public sewage collection, treatment, and discharge facilities, solid waste processing or disposal facilities, and programs or facilities for enhancing or protecting water quality; and providing for an effective date."

was read the first time and referred to the Community and Regional Affairs, State Affairs, Labor and Commerce and Finance Committees.

SECOND READING OF SENATE BILLS

SB 247

SENATE BILL NO. 247 "An Act relating to state leases and to state lease-purchase and lease-financing agreements, and repealing a legislative authorization previously given for acquisition of a facility through a lease-purchase agreement; and providing for an effective date" was read the second time.

Senator Pearce moved and asked unanimous consent that the 2d Finance Committee Substitute offered on page 2659 be adopted.

Senator Adams objected, then withdrew his objection. There being no further objections, CS FOR SENATE BILL NO. 247(2d FIN)
"An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000 or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease; prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease; making subject to prior legislative approval lease-purchase agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts; authorizing these entities to enter into

lease-purchase agreements only in the capacity of lessee under the proposed lease-purchase agreement; defining procedures that these entities must follow when considering whether or not to enter into lease-purchase agreements, and setting limits on the duration of these agreements; providing definitions for applicable terms; and providing for an effective date" was adopted.

CS FOR SENATE BILL NO. 247(2d FIN) was read the second time.

SB 247

Senator Taylor moved and asked unanimous consent that CS FOR SENATE BILL NO. 247(2d FIN) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

CS FOR SENATE BILL NO. 247(2d FIN) was read the third time.

Senator Pearce moved that the Finance Letter of Intent offered on page 2581 be adopted. Senator Ellis objected, then withdrew his objection. There being no further objections, the Senate Letter of Intent was adopted.

The question being: "Shall CS FOR SENATE BILL NO. 247 (2d FIN) "An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000 or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease;

prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease; making subject to prior legislative approval lease-purchase agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts; authorizing these entities to enter into lease-purchase agreements only in the capacity of lessee under the proposed lease-purchase agreement; defining procedures that these entities must follow when considering whether or not to

enter into lease-purchase agreements, and setting limits on the duration of these agreements; providing definitions for applicable terms; and providing for an effective date" pass the Senate?" The roll was taken with the following result:

SB 247

CSSB 247(2d FIN)

Third Reading - Final Passage

Effective Date

YEAS: 20 NAYS: 0 EXCUSED: 0 ABSENT: 0

Yeas: Adams, Donley, Duncan, Ellis, Frank, Halford, Jacko, Kelly, Kerttula, Leman, Lincoln, Little, Miller, Pearce, Phillips, Rieger, Salo, Sharp, Taylor, Zharoff

and so, CS FOR SENATE BILL NO. 247(2d FIN) passed the Senate with a Senate Letter of Intent.

Senator Taylor moved and asked unanimous consent that the vote on the passage of the bill be considered the vote on the effective date clause. Without objection, it was so ordered.

Senator Adams gave notice of reconsideration.

SECOND READING OF SENATE RESOLUTIONS

SJR 40

SENATE JOINT RESOLUTION NO. 40 Urging the Congress to amend the Oil Pollution Act of 1990 with respect to the financial responsibility requirements for offshore exploration and production facilities, was read the second time.

Senator Miller moved for the adoption of the Resources Committee Substitute offered on page 2656. Senator Lincoln objected, then withdrew her objection. There being no further objections, CS FOR SENATE JOINT RESOLUTION NO. 40(RES) was adopted.

CS FOR SENATE JOINT RESOLUTION NO. 40(RES) was read the second time.

Senator Taylor moved and asked unanimous consent that CS FOR SENATE JOINT RESOLUTION NO. 40(RES) be considered engrossed, advanced to third reading and placed on final passage.

Without objection, it was so ordered.

The question to be reconsidered: "Shall CS FOR SENATE JOINT RESOLUTION NO. 40(RES) Urging the Congress to amend the Oil Pollution Act of 1990 with respect to the financial responsibility requirements for offshore exploration and production facilities, pass the Senate?" The roll was taken with the following result:

CSSJR 40(RES)

Third Reading - On Reconsideration

YEAS: 20 NAYS: 0 EXCUSED: 0 ABSENT: 0

Yeas: Adams, Donley, Duncan, Ellis, Frank, Halford, Jacko, Kelly, Kerttula, Leman, Lincoln, Little, Miller, Pearce, Phillips, Rieger, Salo, Sharp, Taylor, Zharoff

and so, CS FOR SENATE JOINT RESOLUTION NO. 40(RES) passed the Senate on reconsideration.

CS FOR SENATE JOINT RESOLUTION NO. 40(RES) was referred to the Secretary for engrossment.

SB 247

Senator Adams requested that the reconsideration on CS FOR SENATE BILL NO. 247(2d FIN) be taken up.

SENATE BILLS IN THIRD READING

SB 247

CS FOR SENATE BILL NO. 247(2d FIN) was before the Senate on reconsideration.

The question to be reconsidered: "Shall CS FOR SENATE BILL NO. 247(2d FIN) "An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000 or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease; prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease; making subject to prior legislative approval lease-purchase agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts;

authorizing these entities to enter into lease-purchase agreements only in the capacity of lessee under the proposed lease-purchase agreement; defining procedures that these entities must follow when considering whether or not to enter into lease-purchase agreements, and setting limits on the duration of these agreements; providing definitions for applicable terms; and providing for an effective date" pass the Senate?" The roll was taken with the following result:

CSSB 247(2D FIN)

Third Reading - On Reconsideration

Effective Date

YEAS: 17 NAYS: 3 EXCUSED: 0 ABSENT: 0

Yeas: Doniey, Frank, Halford, Jacko, Kelly, Kerttula, Leman, Lincoln, Little, Miller, Pearce, Phillips, Rieger, Salo, Sharp, Taylor, Zharoff

Nays: Adams, Duncan, Ellis

Zharoff changed from "Nay" to "Yea".

SB 247

and so, CS FOR SENATE BILL NO. 247(2d FIN) passed the Senate on reconsideration.

Senator Taylor moved and asked unanimous consent that the vote on the passage of the bill be considered the vote on the effective date clause. Without objection, it was so ordered.

CS FOR SENATE BILL NO. 247(2d FIN) was referred to the Secretary for engrossment.

construction of a highway project; and allowing state leases and materials sales for reconstruction and maintenance of state highways and construction or maintenance of airports."

SB 210

and recommends it be replaced with:

HOUSE CS FOR CS FOR SENATE BILL NO. 210(FIN)

(same title)

The report was signed by Representatives Larson and MacLean, Co-chairs, with the following individual recommendations:

Do pass (8): Larson, Hanley, Martin, Parnell, Navarre, Brown, Therriault, Foster

No recommendation (2): MacLean, Grussendorf

The following fiscal notes apply to HCS CSSB 210(FIN):

Senate fiscal note, Dept. of Natural Resources, 2/15/94

Senate zero fiscal note, Dept. of Transportation & Public Facilities, 2/7/94

CSSB 210(FIN) am was referred to the Rules Committee for placement on the calendar.

SB 247

The Finance Committee has considered:

CS FOR SENATE BILL NO. 247(2d FIN)

"An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000 or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease;

prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease; making subject to prior legislative approval lease-purchase agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing

SB 247

lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts;

authorizing these entities to enter into lease-purchase agreements only in the capacity of lessee under the proposed lease-purchase agreement; defining procedures that these entities must follow when considering whether or not to enter into lease-purchase agreements, and setting limits on the duration of these agreements;

providing definitions for applicable terms; and providing for an effective date."

and recommends it be replaced with the following committee substitute, with a new title pending authorization by HCR 36:

HOUSE CS FOR CS FOR SENATE BILL NO. 247(FIN)

"An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and, with certain exceptions, the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000 or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease; prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease;

making subject to prior legislative approval lease-purchase agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts; authorizing these entities to enter into lease-purchase agreements only in the capacity of lessee under the proposed lease-purchase agreement; defining procedures that these entities must follow when considering whether or not to enter into lease-purchase agreements, setting limits on the duration of these agreements; providing definitions for applicable terms; and repealing a legislative authorization previously given for acquisition of a facility through a lease-purchase agreement; and providing for an effective date."

The report was signed by Representatives Larson and MacLean, Co-chairs, with the following individual recommendations:

SB 247

Do pass (6): Larson, Hanley, Martin, Parnell, Grussendorf, MacLean

No recommendation (3): Brown, Hoffman, Navarre
Amend (2): Therriault, Foster
The following fiscal notes apply to HCS CSSB 247(FIN):

Senate zero fiscal note, Legislative Affairs Agency, 1/24/94
Senate zero fiscal note, Dept. of Administration, 2/2/94
SB 247 was referred to the Rules Committee for placement on the calendar.

SB 251

The Finance Committee has considered:

CS FOR SENATE BILL NO. 251(FIN) am

"An Act relating to the commercial fishing revolving loan fund and the fisheries enhancement revolving loan fund; and providing for an effective date."

and recommends it be replaced with:

HOUSE CS FOR CS FOR SENATE BILL NO. 251(FIN)

(same title)

The report was signed by Representatives Larson and MacLean, Co-chairs, with the following individual recommendations:

Do pass (2): MacLean, Grussendorf

No recommendation (7): Larson, Hanley, Martin, Parnell, Navarre, Brown, Therriault

The following fiscal note applies to HCS CSSB 251(FIN):

Senate zero fiscal note, Dept. of Commerce & Economic Development, 2/18/94

SB 251

CSSB 251(FIN) am was referred to the Rules Committee for placement on the calendar.

SB 252

The Judiciary Committee has considered:

HOUSE CS FOR CS FOR SENATE BILL NO. 252(JUD)

"An Act prohibiting the possession of child pornography."
and recommends it be replaced with:

HOUSE CS FOR CS FOR SENATE BILL NO. 252(JUD)

(same title)

ADJOURNMENT

Representative Navarre moved and asked unanimous consent that the House adjourn sine die.

Objection was heard.

Representative Navarre moved and asked unanimous consent to withdraw the motion. There being no objection, it was so ordered.

SECOND READING OF HOUSE BILLS

(continued)

HB 548

The question being: "Shall HB 548 pass the House?" The roll was taken with the following result:

HB 548

HB 548

Third Reading

Final Passage

YEAS: 39 NAYS: 1 EXCUSED: 0 ABSENT: 0

Yeas: Barnes, Brice, Brown, Bunde, Carney, Davidson, Davies, B.Davis, G.Davis, Finkelstein, Foster, Green, Grussendorf, Hanley, Hoffman, Hudson, James, Kott, Larson, Mackie, Martin, Menard, Moses, Mulder, Navarre, Nicholia, Nordlund, Olberg, Parnell, Phillips, Porter, Sanders, Sitton, Therriault, Toohey, Ulmer, Vezey, Williams, Willis

Nays: MacLean

And so, HB 548 passed the House and was referred to the Chief Clerk for engrossment.

SECOND READING OF SENATE BILLS

SB 247

The following was read the second time:

CS FOR SENATE BILL NO. 247(2d FIN)

"An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000 or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease;

prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease; making subject to prior legislative approval lease-purchase agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing
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lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts;

authorizing these entities to enter into lease-purchase agreements only in the capacity of lessee under the proposed lease-purchase agreement; defining procedures that these entities must follow when considering whether or not to enter into lease-purchase agreements, and setting limits on the duration of these agreements;

providing definitions for applicable terms; and providing for an effective date."

with the: Journal Page

FIN RPT HCS(FIN) NEW TITLE 6DP 3NR 2AM	3664
...TITLE CHANGE PENDING AUTHORIZATION	3664
...BY HCR 36	3664
-PREVIOUS SENATE ZERO FN (LAA) 1/24/94	3666
-PREVIOUS SENATE ZERO FN (ADM) 2/2/94	3666

Representative Phillips moved and asked unanimous consent that CSSB 247(2D FIN) be held in second reading until the May 5, 1994, calendar.

There being no objection, it was so ordered.

SB 275

The following was read the second time:

CS FOR SENATE BILL NO. 275(JUD)

"An Act relating to the disposal of real property by the Department of Transportation and Public Facilities."

with the: Journal Page

TRA RPT 5DP	3908
-2 PREVIOUS SEN ZERO FNS (DOT,DNR) 2/11	3909
JUD REFERRAL WAIVED	3943

SB 275

Representative Phillips moved and asked unanimous consent that CSSB 275(JUD) be considered engrossed, advanced to third reading

HOUSE CONCURRENT RESOLUTION NO. 36

Suspending Uniform Rules 24(c), 35, 41(b), and 42(e) of the Alaska State Legislature concerning Senate Bill No. 247, relating to state leases and to state lease-purchase and lease-financing agreements.

Representative Phillips moved and asked unanimous consent that HCR 36 be held in second reading until the May 5, 1994, calendar. There being no objection, it was so ordered.

HJR 65

The following was read the second time:

HOUSE JOINT RESOLUTION NO. 65

Proposing amendments to the Constitution of the State of Alaska relating to the budget reserve fund.

HJR 65

with the: Journal Page

FIN RPT 2DP 7NR 1AM

3747

-FISCAL NOTE (GOV) 4/27/94

3748

There being no objection, it was so ordered.

Representative Phillips moved and asked unanimous consent that HCS CSSB 342(STA) be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

HCS CSSB 342(STA) was read the third time.

SB 342

The question being: "Shall HCS CSSB 342(STA) pass the House?"
The roll was taken with the following result:

HCS CSSB 342(STA)

Third Reading

Final Passage

YEAS: 37 NAYS: 1 EXCUSED: 0 ABSENT: 2

Yeas: Barnes, Brice, Brown, Bunde, Carney, Davies, B.Davis, G.Davis, Finkelstein, Foster, Green, Grussendorf, Hanley, Hoffman, Hudson, James, Kott, Larson, Mackie, MacLean, Martin, Menard, Mulder, Navarre, Nicholia, Nordlund, Olberg, Parnell, Phillips, Porter, Sanders, Sitton, Toohey, Ulmer, Vezey, Williams, Willis

Nays: Theriault

Absent: Davidson, Moses

And so, HCS CSSB 342(STA) passed the House.

Representative Phillips moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered.

HCS CSSB 342(STA) was referred to the Chief Clerk for engrossment.

SB 247

The following, which had been read the second time and held in second reading until today's calendar (page 3995), was again before the House:

CS FOR SENATE BILL NO. 247(2D FIN)

"An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000

SB 247

or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease;

prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease; making subject to prior legislative approval lease-purchase agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts;

authorizing these entities to enter into lease-purchase agreements only in the capacity of lessee under the proposed lease-purchase agreement; defining procedures that these entities must follow when considering whether or not to enter into lease-purchase agreements, and setting limits on the duration of these agreements;

providing definitions for applicable terms; and providing for an effective date."

Representative Phillips moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

HOUSE CS FOR CS FOR SENATE BILL NO. 247(FIN)

"An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and, with certain exceptions, the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000 or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease; prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease;

making subject to prior legislative approval lease-purchase agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts; authorizing these entities to enter into lease-purchase agreements only in the capacity of lessee under the

proposed lease-purchase agreement; defining procedures that these
SE 247

entities must follow when considering whether or not to enter into
lease-purchase agreements, setting limits on the duration of these
agreements; providing definitions for applicable terms; and
repealing a legislative authorization previously given for
acquisition of a facility through a lease-purchase agreement; and
providing for an effective date."

There being no objection, it was so ordered.

Amendment No. 1 was offered by Representative Brice:

Page 2, line 5, after " agreements; " (title amendment):

Insert " and "

Page 2, lines 6 - 7 (title amendment):

Delete " and repealing a legislative authorization previously
given for acquisition of a facility through a lease-purchase
agreement; "

Page 9, line 9:

Delete "and sec. 2, ch. 92, SLA 1986, are"

Insert "is"

Representative Brice moved and asked unanimous consent that
Amendment No. 1 be adopted.

Objection was heard.

The question being: "Shall Amendment No. 1 be adopted?" The roll
was taken with the following result:

HCS CSSB 247(FIN)

Second Reading

Amendment No. 1

YEAS: 36 NAYS: 2 EXCUSED: 0 ABSENT: 2

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Yeas: Barnes, Brice, Brown, Bunde, Carney, Davies, B.Davis,
G.Davis, Finkelstein, Foster, Green, Grussendorf, Hoffman, Hudson,
James, Kott, Larson, Mackie, MacLean, Martin, Menard, Mulder,
Navarre, Nicholia, Nordlund, Parnell, Phillips, Porter, Sanders, Sitton,
Therriault, Toohey, Ulmer, Vezey, Williams, Willis

Nays: Hanley, Olberg

Absent: Davidson, Moses

And so, Amendment No. 1 was adopted and the new title appears below:

HOUSE CS FOR CS FOR SENATE BILL NO. 247(FIN) am H

"An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and, with certain exceptions, the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000 or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease; prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease;

making subject to prior legislative approval lease-purchase agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts; authorizing these entities to enter into lease-purchase agreements only in the capacity of lessee under the proposed lease-purchase agreement; defining procedures that these entities must follow when considering whether or not to enter into lease-purchase agreements, setting limits on the duration of these agreements; and providing definitions for applicable terms; and providing for an effective date."

Representative Phillips moved and asked unanimous consent that HCS CSSB 247(FIN) am H be considered eng ossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

SB 247

HCS CSSB 247(FIN) am H was read the third time.

The question being: "Shall HCS CSSB 247(FIN) am H pass the House?" The roll was taken with the following result:

HCS CSSB 247(FIN) am H

Third Reading

Final Passage

YEAS: 39 NAYS: 0 EXCUSED: 0 ABSENT: 1

Yeas: Barnes, Brice, Brown, Bunde, Carney, Davidson, Davies, B.Davis, G.Davis, Finkelstein, Foster, Green, Grussendorf, Hanley, Hoffman, Hudson, James, Kott, Larson, Mackie, MacLean, Martin, Menard, Mulder, Navarre, Nicholia, Nordlund, Olberg, Parnell, Phillips, Porter, Sanders, Sitton, Therriault, Toohey, Ulmer, Vezey, Williams, Willis

Absent: Moses

And so, HCS CSSB 247(FIN) am H passed the House.

Representative Phillips moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered.

HCS CSSB 247(FIN) am H was referred to the Chief Clerk for engrossment.

SECOND READING OF HOUSE RESOLUTIONS

HCR 36

The following, which had been read the second time and held until today's calendar (page 3998) was again before the House:

HOUSE CONCURRENT RESOLUTION NO. 36

Suspending Uniform Rules 24(c), 35, 41(b), and 42(e) of the Alaska State Legislature concerning Senate Bill No. 247, relating to state leases and to state lease-purchase and lease-financing agreements.

HCR 36

Amendment No. 1 was offered by Representative Navarre:

Page 2, line 6, after "agreements;":

Insert "and"

Page 2, line 6, after "term;":

Delete "and repealing a legislative authorization previously given for acquisition of a facility through a lease-purchase agreement;" Representative Navarre moved and asked unanimous consent that Amendment No. 1 be adopted. There being no objection, it was so ordered.

The question being: "Shall HCR 36 am pass the House?" The roll was taken with the following result:

HCR 36 am
Second Reading
Final Passage

YEAS: 38 NAYS: 0 EXCUSED: 0 ABSENT: 2

Yeas: Barnes, Brice, Brown, Bunde, Carney, Davidson, Davies, B.Davis, G.Davis, Finkelstein, Foster, Green, Grussendorf, Hanley, Hoffman, Hudson, James, Kott, Larson, Mackie, MacLean, Martin, Menard, Navarre, Nicholia, Nordlund, Olberg, Parnell, Phillips, Porter, Sanders, Sitton, Therriault, Toohey, Ulmer, Vezey, Williams, Willis
Absent: Moses, Mulder

And so, HCR 36 am passed the House and was referred to the Chief Clerk for engrossment.

LEGISLATIVE CITATIONS

Representative Phillips moved and asked unanimous consent that the House approve the citations on the calendar. There being no objection, the following citations were approved and sent to enrolling:

Honoring - Usibelli Coal Mine, Fifty Great Years in Alaska

By Representatives Phillips, Barnes, Brice, Bunde, Carney, Davies, B.Davis, G.Davis, Foster, Green, Grussendorf, Hanley, Hudson, James, Kott, Mackie, Menard, Mulder, Navarre, Nicholia, Nordlund, Olberg, Parnell, Porter, Sanders, Sitton, Therriault, Toohey, Ulmer, Vezey, Willis

Honoring - Hobo Jim, Alaska Balladeer

By Representatives Phillips, Barnes, Brice, Bunde, B.Davis, G.Davis, Carney, Foster, Grussendorf, James, Kott, Mackie, MacLean, Menard, Mulder, Navarre, Nicholia, Nordlund, Sanders, Toohey, Ulmer, Willis

Honoring - Dean Schlehofer and Eric Emmons

By Representatives Mulder, Barnes, B.Davis, G.Davis, Foster, James, Kott, Mackie, Menard, Navarre, Nicholia, Phillips, Toohey, Ulmer, Willis

Honoring - Chugiak High School Mustangs, 1994 4-A State Volleyball Champions

By Representatives Willis, Carney, Kott, Bunde, B.Davis, Green, Hanley, Hoffman, James, Mackie, Menard, Mulder, Navarre, Nicholia, Parnell, Sanders, Toohey, Ulmer; Senators Halford, Phillips

Honoring - Capital City High School Science Fair Winners

By Representatives Ulmer, Hudson, Brice, Bunde, Davies, B.Davis, Green, Hoffman, James, Mackie, MacLean, Menard, Navarre, Nicholia, Parnell, Toohey, Ulmer, Willis; Senator Duncan

Honoring - Representative Curt Menard

HOUSE CS FOR CS FOR SENATE BILL NO. 101(FIN)

"An Act relating to interim assistance under the adult public assistance program; requiring the Department of Health and Social Services to consult with the Department of Education in order to develop an application process and disability determination system to implement the adult public assistance program."

SB 132

A message dated May 9, 1994, was read stating the Senate has concurred in the House amendment to CSSB 132(RES) am, thus adopting:

HOUSE CS FOR CS FOR SENATE BILL NO. 132(RES)

"An Act relating to loans for the purchase of individual fishery quota shares; and providing for an effective date."

SB 215

A message dated May 9, 1994, was read stating the Senate has concurred in the House amendment to CSSB 215(FIN) am(efd fld), thus adopting:

HOUSE CS FOR CS FOR SENATE BILL NO. 215(FIN) am H

"An Act relating to oil and hazardous substances; redesignating the oil and hazardous substance release response fund and relating to it; repealing the Citizens' Oversight Council on Oil and Other Hazardous Substances and the authority in law by which marine highway vessels may be designed and constructed to aid in oil and hazardous substance spill cleanup in state marine water using money in the oil and hazardous substance release response fund and repealing the authority of the Department of Environmental Conservation to levy and collect fees for review of certain submissions related to oil; altering requirements applicable to liens for recovery of state expenditures related to oil or hazardous

SB 215

substances; terminating the nickel-per-barrel oil conservation surcharge; levying and collecting two new oil surcharges; and providing for the suspension and reimposition of one of the new surcharges."

âComment: #ã

**The presence of Representatives Menard, Hoffman and Davidson was noted.

SB 247

A message dated May 9, 1994, was read stating the Senate has concurred in the House amendment to:

CS FOR SENATE BILL NO. 247(2d FIN)

"An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000 or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease;

prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease; making subject to prior legislative approval lease-purchase agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts;

authorizing these entities to enter into lease-purchase agreements only in the capacity of lessee under the proposed lease-purchase agreement; defining procedures that these entities must follow when considering whether or not to enter into lease-purchase agreements, and setting limits on the duration of these agreements;

providing definitions for applicable terms; and providing for an effective date."

thus adopting:

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HOUSE CS FOR CS FOR SENATE BILL NO. 247(FIN) am H

"An Act making subject to prior legislative approval contracts entered into or renewed by the executive branch of state government, the legislative council, the Alaska Court System, and, with certain exceptions, the University of Alaska for the lease of real property if the lease has an annual rent payable that is anticipated to exceed \$500,000 or has total payments that exceed \$2,500,000 for the term of the lease, including any renewal options that are defined in the lease; prohibiting these entities from entering into or renewing a lease of real property if any or all renewal periods in the lease exceed the original term of the lease;

making subject to prior legislative approval lease-purchase

agreements that may be entered into by these entities to acquire real property, other than lease-purchase agreements to refinance outstanding balances on existing lease-purchase agreements and lease-purchase agreements secured by University of Alaska student fees and university receipts; authorizing these entities to enter into lease-purchase agreements only in the capacity of lessee under the proposed lease-purchase agreement; defining procedures that these entities must follow when considering whether or not to enter into lease-purchase agreements, setting limits on the duration of these agreements; and providing definitions for applicable terms; and providing for an effective date."

âComment: #ã

A message dated May 9, 1994, was read stating the Senate has passed the following and it is transmitted for consideration:

FIRST READING AND REFERENCE
OF SENATE RESOLUTIONS

SCR 25

SENATE CONCURRENT RESOLUTION NO. 25 by the Senate Rules
Committee:

Suspending Uniform Rules 24(c), 35, 41(b), and 42(e) of the Alaska State Legislature concerning House Bill No. 249, relating to electrical and mechanical administrators.

was read the first time and is on today's calendar.