

**SB**

**82**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/10/97

FURTHER: SFC 2-18-97

Date of 5-Day Notice: 2-13-97  
(in accordance with Uniform Rule 23)

DATE JRNED  
IN TO OFFICE: 2-18-97

Finance Committee considered SENATE BILL NO. 82

"An Act relating to the sale or other disposal of certain state property; and providing for an effective date."

and recommends:

be replaced with CS SB 82 ( FIN )

adopt previous CS (          )

attached amendment(s)

adopt Letter of Intent by                                  Committee

further referral to the                                  Committee

Senate Bill:  
 same title  
 new title  
House Bill:  
 same title  
 technical change  
 new: SCR#         

| SIGNING <u>DO</u> PASS | DP | OTHER RECOMMENDATIONS        | NR | DNP | AM |
|------------------------|----|------------------------------|----|-----|----|
|                        |    | <i>Al Coker</i>              | X  |     |    |
|                        |    | <i>Sean R. Paul</i>          | X  |     |    |
|                        |    | <i>Keith Wiley</i>           | X  |     |    |
|                        |    | <del><i>James Whym</i></del> | X  |     |    |
|                        |    | <i>J. [unclear]</i>          | X  |     |    |
| Co-Chair:              |    | Co-Chair: <i>[unclear]</i>   | X  |     |    |
| Co-Chair:              |    | Co-Chair: <i>[unclear]</i>   | X  |     |    |

**NEW FISCAL NOTE(S):**

Department                      Date    Zero    Fiscal

|              |                |                                     |  |
|--------------|----------------|-------------------------------------|--|
| <i>Admin</i> | <i>2-17-97</i> | <input checked="" type="checkbox"/> |  |
|              |                |                                     |  |
|              |                |                                     |  |
|              |                |                                     |  |
|              |                |                                     |  |

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date    Zero    Fiscal

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

**BILL NO. CS for SB 82(F.N)**

Revision Date: \_\_\_\_\_  
 Title: An act relating to the sale or other disposal of  
certain state property; and providing for an effective date.  
 Sponsor: Senator Taylor  
 Requestor: Senate Finance

Dept. Affected: Health and Social Services  
 BRU: Administrative Services  
 Component: Health Planning and Facilities Management  
 COMPONENT SERIAL NO. 2020  
 See also (SN#): \_\_\_\_\_

**Expenditures/Revenues:**

(Thousands of Dollars)

| OPERATING              | FY98       | FY99       | FY00       | FY01       | FY02       | FY03       |
|------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES      |            |            |            |            |            |            |
| TRAVEL                 |            |            |            |            |            |            |
| CONTRACTUAL            |            |            |            |            |            |            |
| SUPPLIES               |            |            |            |            |            |            |
| EQUIPMENT              |            |            |            |            |            |            |
| LAND & STRUCTURES      |            |            |            |            |            |            |
| GRANTS, CLAIMS         |            |            |            |            |            |            |
| MISCELLANEOUS          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                      |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|

|                         |  |  |  |  |  |  |
|-------------------------|--|--|--|--|--|--|
| CHANGES IN REVENUES ( ) |  |  |  |  |  |  |
|-------------------------|--|--|--|--|--|--|

**FUND SOURCE**

(Thousands of Dollars)

|                          |            |            |            |            |            |            |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts    |            |            |            |            |            |            |
| 1003 GF Match            |            |            |            |            |            |            |
| 1004 GF                  |            |            |            |            |            |            |
| 1005 GF/Program Receipts |            |            |            |            |            |            |
| 1037 GF/Mental Health    |            |            |            |            |            |            |
| Other (please specify)   |            |            |            |            |            |            |
| <b>TOTAL</b>             | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**POSITIONS:**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

Estimate of any current year (FY97) cost: \$0.0

**ANALYSIS:** (Attach a separate page if necessary)

This bill will have no fiscal impact on the Department of Health And Social Services.

Prepared by: Janet Clarke, Director  
 Division: Administrative Services  
 Approved by Commissioner: Karen Perdue, Commissioner  
 Agency: Department of Health & Social Services

Phone: 465-3082  
 Date: 02/24/97  
 Date: 2/25/97

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**FISCAL NOTE**

2-18-97

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. SB 82

Revision Date: \_\_\_\_\_  
Title: "An Act relating to the sale or other disposal of certain state property, and providing for an effective date."

Department Affected: Administration  
BRU: General Services

Component: Property Management

Sponsor: Taylor  
Requestor: (S) Finance

COMPONENT SERIAL NO. 61

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

| OPERATING EXPENDITURES        | FY 98      | FY 99      | FY 00      | FY 01      | FY 02      | FY 03      |
|-------------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES             |            |            |            |            |            |            |
| TRAVEL                        |            |            |            |            |            |            |
| CONTRACTUAL                   | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| SUPPLIES                      |            |            |            |            |            |            |
| EQUIPMENT                     |            |            |            |            |            |            |
| LAND & STRUCTURES             |            |            |            |            |            |            |
| GRANTS, CLAIMS                |            |            |            |            |            |            |
| MISCELLANEOUS                 |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b>        | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |
| <b>CAPITAL EXPENDITURES</b>   | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |
| <b>CHANGE IN REVENUES ( )</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**FUND SOURCE:** (Thousands of Dollars)

|                          |            |            |            |            |            |            |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts    |            |            |            |            |            |            |
| 1003 GF Match            |            |            |            |            |            |            |
| 1004 GF                  | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1005 GF/Program Receipts |            |            |            |            |            |            |
| 1037 GF/Mental Health    |            |            |            |            |            |            |
| OTHER * CIP receipts     |            |            |            |            |            |            |
| <b>TOTAL</b>             | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY 97) cost: \$ 0

**POSITIONS:**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary.)  
See attachment

Prepared by: Dugan Petty, Director  
Division: General Services

Phone: 465-2250  
Date: \_\_\_\_\_

Approved by Commissioner: Mark Boyer  
Agency: Department of Administration

Date: 2/17/97

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## **SB 82 Analysis**

This bill would require the department or an excessing agency to seek and obtain legislative approval, by law, prior to the sale or disposal (including a lease) of state facilities or property valued at \$1,000,000 or more.

Due to the limited number of transfers exceeding the \$1,000,000 threshold, fiscal impacts for the Property Management Program to comply with the law are minimal. Procedures would be established to submit and obtain legislative approval before property or facilities with a market value of \$1,000,000 or more could be sold or otherwise transferred. Administrative costs of drafting necessary legislation and providing supporting information would be minimal.

Obtaining legislative approval by law would require either the Property Management Program or excessing agency to draft and submit a bill to the legislature while maintaining the property after it has been declared excess. Interim maintenance and upkeep costs are not possible to forecast, but could result in fiscal impacts to an excessing agency during the time needed to obtain law authorizing the disposal. For example, necessary heating, utilities, maintenance and upkeep of a hatchery, armory, hangar or marine vessel could have significant impacts on an operating budget, especially if the property becomes surplus to state needs at the end of a legislative session, or during the interim.

Income generated from the disposal or lease of such property would not be available to the affected agencies during any delay caused by the approval process.

Donly More Am #1  
no obj. - adopted  
0-LS0479B

Donly More Am #2  
no obj. - adopted

Am #3 - adopted

Adams, more Am #4  
adopted - unam

SENATE BILL NO. 82

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY SENATOR TAYLOR

Introduced: 2/10/97  
Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the sale or other disposal of certain state property; and  
2 providing for an effective date."

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

4 \* Section 1. AS 44.68 is amended by adding a new section to article 2 to read:

5 Sec. 44.68.115. Approval of sale or other disposition of state property. (a)

6 Notwithstanding any other provision of law, a state agency may not sell or otherwise  
7 dispose of a state <sup>purchased</sup> facility or piece of equipment to a person other than another state <sup>Article</sup>  
8 agency if the individual facility or piece of equipment, when not aggregated with other  
9 facilities or pieces of equipment, has <sup>value of</sup> a value of \$1,000,000 or more unless the <sup>Am #1</sup>  
10 legislature approves by law the sale or other disposition.

11 (b) In this section,

12 (1) "facility or piece of equipment" includes, but is not limited to, a  
13 vessel of the Alaska marine highway system;

14 (2) "sell or otherwise dispose of" includes any form of transferring

1 property, including lease, exchange, or installment sale, whether or not the state agency  
2 receives compensation for the property;

3 (3) "state agency" means a department, institution, board, commission,  
4 division, authority, public corporation, or other administrative unit of the executive  
5 branch, including the University of Alaska, the Alaska Railroad Corporation, the  
6 Alaska Housing Finance Corporation, and the Alaska Aerospace Development  
7 Corporation, *and AIDEA.* Am# 2

8 \* Sec. 2. This Act does not apply to a sale or other disposition of a state facility or piece  
9 of equipment if the contract for the sale or other disposition is entered into before the effective  
10 date of this Act.

11 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

Moved by Torguson  
Adopted - UNAN  
0-LS0479\B.1  
Bannister =  
2/17/97

A M E N D M E N T

SENATE FINANCE  
COMMITTEE

Amendment Number: 3  
Bill Number: SB82  
Sponsor: Torguson Date: 2-18-97  
Logged In By: P. Sepulveda

OFFERED IN THE SENATE  
TO: SB 82

- 1 Page 1, line 14, following "transferring":
- 2       Insert "the ownership of"
  
- 3 Page 2, line 1:
- 4       Delete "lease, exchange, or installment sale"
- 5       Insert "lease-purchase agreements, leases with an option to purchase, exchanges, or
- 6       installment sales"