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FISCAL NOTE

No. L

Bill Version: CS SB 92 (FIN)

(S) Publish Date: 2/18/97

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

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)

|                        | FY 98 | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 |
|------------------------|-------|-------|-------|-------|-------|-------|
| OPERATING EXPENDITURES |       |       |       |       |       |       |
| PERSONAL SERVICES      |       |       |       |       |       |       |
| TRAVEL                 |       |       |       |       |       |       |
| CONTRACTUAL            | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| 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   | 0.0   | 0.0   | 0.0   |
| CHANGE IN REVENUES ( ) | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |

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     |     |     |     |     |     |     |
| TOTAL                    | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

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 *Dugan Petty*  
Division: General Services

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

Approved by Commissioner: Mark Boyer *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.

FISCAL NOTE

No. 2  
 Bill Version: CSB82(FIN)  
 (S) Publish Date: 3/1/97

STATE OF ALASKA  
 1997 LEGISLATIVE SESSION

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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Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Legislative Approval for State Property Disposals BRU: Administration and Support  
 Component: Commissioner's Office  
 Sponsor: Senator Taylor  
 Requestor: (S) RLS COMPONENT SERIAL NO. 110

**Expenditures/Revenues:** (Thousands of Dollars)

| OPERATING EXPENDITURES        | FY 98      | FY 99      | FY 00      | FY 01      | FY 02      | FY 03      |
|-------------------------------|------------|------------|------------|------------|------------|------------|
| 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> |
| <b>CAPITAL EXPENDITURES</b>   |            |            |            |            |            |            |
| <b>CHANGE IN REVENUES ( )</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                    |            |            |            |            |            |            |
| <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 (FY97) cost \$ 0.0

**POSITIONS:**

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

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

The Department of Revenue takes the position that SCSSB 82 was not intended to apply to transactions by the Alaska State Pension Investment Board ("ASPIB") or the Alaska Permanent Fund Corporation ("PFC"). Clearly, legislative veto of decisions by ASPIB and the PFC regarding equity investments in real property would run contrary to the Prudent Investor Rule in AS 37.13.120(a) and 37.10.071(c). Accordingly, the department anticipates that SCSSB 82 (RLS) will have no fiscal impact upon the Department of Revenue.

However, the bill appears to be worded broadly enough to subject investment decisions by ASPIB and the PFC to some type of undefined legislative approval process. Such a move would be unprecedented with regard to ASPIB and the PFC, would have a massive fiscal impact on ASPIB and the PFC and would be viewed by the market as very detrimental to ASPIB and the PFC's investments. Given the vague and overly broad wording of SCSSB 82 and based on advice from the Attorney General's Office, the department expresses serious concern regarding the bill's impact on ASPIB and PFC. The department requests specific clarification from the legislature that the bill does not apply to ASPIB and the PFC. In the event that the bill were to apply to ASPIB and the PFC, the department's fiscal note will need revision to reflect the massive - and perhaps unquantifiable - fiscal impact on ASPIB and the PFC.

Prepared by: Ross A. Kinney Phone: (907) 586-3587  
 Division: Commissioner's Office Date: March 11, 1997  
 Approved by Commissioner: Wilson L. Condon *Ross A. Kinney* Date: March 11, 1997  
 Agency: Revenue

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**FISCAL NOTE**

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CS for SB 82 (RULES)

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: 3/10/97  
 Date: 3/10/97

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# FISCAL NOTE

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

**BILL NO. CSSB82 (RLS)**

Revision Date: \_\_\_\_\_ Dept Affected: Natural Resources  
 Title: An Act relating to the sale or other disposal of BRU: Resource Development  
certain state property; and providing for an effective date Component: Land Development  
 Sponsor: Taylor  
 Requestor: Sen Calendar 3/11 Component Serial No. 431

| Expenditures/Revenues         |      | (Thousands of Dollars) |      |      |      |      |  |
|-------------------------------|------|------------------------|------|------|------|------|--|
| OPERATING EXPENDITURES        | FY98 | FY99                   | FY00 | FY01 | FY02 | FY03 |  |
| PERSONAL SERVICES             |      |                        |      |      |      |      |  |
| TRAVEL                        |      |                        |      |      |      |      |  |
| CONTRACTUAL                   |      |                        |      |      |      |      |  |
| SUPPLIES                      |      |                        |      |      |      |      |  |
| EQUIPMENT                     |      |                        |      |      |      |      |  |
| LAND & STRUCTURES             |      |                        |      |      |      |      |  |
| GRANTS, CLAIMS                |      |                        |      |      |      |      |  |
| MISCELLANEOUS                 |      |                        |      |      |      |      |  |
| <b>TOTAL OPERATING</b>        | 0.0  | 0.0                    | 0.0  | 0.0  | 0.0  | 0.0  |  |
| <b>CAPITAL EXPENDITURES</b>   | 0.0  | 0.0                    | 0.0  | 0.0  | 0.0  | 0.0  |  |
| <b>CHANGE IN REVENUES ( )</b> | 0.0  | 0.0                    | 0.0  | 0.0  | 0.0  | 0.0  |  |

| FUND SOURCE              |     | (Thousands of Dollars) |     |     |     |     |  |
|--------------------------|-----|------------------------|-----|-----|-----|-----|--|
| 1002 Federal Receipts    |     |                        |     |     |     |     |  |
| 1003 GF Match            |     |                        |     |     |     |     |  |
| 1004 GF                  |     |                        |     |     |     |     |  |
| 1005 GF/Program Receipts |     |                        |     |     |     |     |  |
| 1037 GF/Mental Health    |     |                        |     |     |     |     |  |
| Other                    |     |                        |     |     |     |     |  |
| <b>TOTAL</b>             | 0.0 | 0.0                    | 0.0 | 0.0 | 0.0 | 0.0 |  |

Estimate of any current year (FY97) cost: \$ None

| POSITIONS |  | FY98 | FY99 | FY00 | FY01 | FY02 | FY03 |
|-----------|--|------|------|------|------|------|------|
| FULL-TIME |  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| PART-TIME |  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
| TEMPORARY |  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |

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

**Assumptions:** That "property" in this bill's definitions means physical improvements or structures, not vacant real estate; also that the managing agency wanting to sell the improved property, not DNR, will be responsible for funding all costs of sale, including costs of obtaining the legislature's approval on the sale. That includes paying for updated appraisals if the bill's approval process delays the sale beyond the one-year appraisal deadline set by existing law (AS 38.05.840).

The Department of Natural Resources (DNR), Division of Land, under AS 38.05.035(a)(12) acts as the certifying agent of the State to select, accept and secure land title or any interest in land. In this capacity we accept title to lands and improvements on behalf of other agencies that do not have statutory authority to hold title in the name (continued)

Prepared by: Jane Angvik Phone: 269-8503  
 Division: Land Date: 11-Mar-97  
 Approved by Commissioner: [Signature] Date: 3-11-97  
 Agency: Natural Resources

of the State of Alaska. Most of DNR's "portfolio" is Statehood entitlement land that is unimproved property. However, DNR's Other State Land (OSL) program includes some improved lands, although the improvements are generally worth less than \$1 million. DNR has received some land from the federal government with improvements valued at over a million dollars, such as the Native school and facilities on Japonski Island, but the State did not purchase these sites. Thus the bill would not apply to them.

"Purchased" parcels of land with improvements worth one million dollars or more that were secured by DNR on behalf of the State are:

- (1) Wildwood Correctional facility - Dept. of Corrections
- (2) Seward Skill Training Center - Dept. of Education
- (3) Juneau Court Plaza Bldg. and land - Alaska Court System
- (4) Palmer Courthouse Bldg. and land - Alaska Court System
- (5) Anchorage Times Facility - Alaska Court System

If the bill passes, subsequent sale of these five facilities other than to a state agency would be subject to the new approval requirement. Moreover, if the bill had been in effect at the time, the acquisition and transfer of the three Alaska Court System properties would apparently have been subject to it, as the bill defines "state agencies" to include executive branch agencies only.

0-LS0479\P  
Bannister  
3/6/97

CS FOR SENATE BILL NO. 82( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTIETH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATOR TAYLOR

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 purchased facility or piece of equipment to a person other than  
8 another state agency if the individual facility or piece of equipment, when not  
9 aggregated with other facilities or pieces of equipment, has a current market value of  
10 \$1,000,000 or more unless the legislature approves by law the sale or other disposition.

11 (b) In this section,

12 (1) "another state agency" has the meaning given to "state agency" in  
13 this subsection, except that "another state agency" includes the University of Alaska,  
14 the Alaska Railroad Corporation, the Alaska Housing Finance Corporation, the Alaska

1 Aerospace Development Corporation, the Alaska Industrial Development and Export  
2 Authority, and the Alaska Mental Health Trust Authority;

3 (2) "facility or piece of equipment" includes, but is not limited to, a  
4 vessel of the Alaska marine highway system;

5 (3) "sell or otherwise dispose of" includes any form of transferring the  
6 ownership of property, including lease-purchase agreements, leases with an option to  
7 purchase, exchanges, or installment sales, whether or not the state agency receives  
8 compensation for the property;

9 (4) "state agency" means a department, institution, board, commission,  
10 division, authority, public corporation, or other administrative unit of the executive  
11 branch, but does not include the University of Alaska, the Alaska Railroad  
12 Corporation, the Alaska Housing Finance Corporation, the Alaska Aerospace  
13 Development Corporation, the Alaska Industrial Development and Export Authority,  
14 or the Alaska Mental Health Trust Authority.

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

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

# Alaska State Legislature

Chairman,  
Judiciary Committee

Member,  
Resources Committee  
Rules Committee  
Committee on Committees



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Juneau, Alaska 99801-1182  
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352 Front Street  
Ketchikan, Alaska 99901  
(907) 225-8088  
Fax: (907) 225-0713

*Senator Robin L. Taylor*

## MEMORANDUM

TO: Senator Tim Kelly, Chairman  
Senate Rules Committee

FROM: Senator Robin Taylor *RLT*

DATE: *3/4/97*  
~~2/27/97~~

RE: Hearing Request - SB 82

\*\*\*\*\*

Please consider this my formal request for a substantive hearing before the Senate Rules Committee on Senate Bill 82.

I am forwarding with this request a suggested committee substitute which would exempt AIDEA and the Mental Health Lands Trust from the provisions of this legislation.

I agree with the concerns expressed by AIDEA in the fiscal note from that authority and never intended for this bill to hamper their operations. Concerns have also been expressed by the Mental Health Lands Trust on potential ramifications in the future on that agency.

Issues raised at the Senate Finance Committee over the Four Dam Pool were addressed by the clarification that the Four Dam Pool is owned by AEA, and any disposal would be subject to the provisions of SB 82.

By exempting these two agencies I believe the intent of SB 82 can still be accomplished.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

0-LS0479\L  
Bannister  
3/4/97

**CS FOR SENATE BILL NO. 82( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTIETH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): SENATOR TAYLOR**

**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 purchased facility or piece of equipment to a person other than  
8 another state agency if the individual facility or piece of equipment, when not  
9 aggregated with other facilities or pieces of equipment, has a current market value of  
10 \$1,000,000 or more unless the legislature approves by law the sale or other disposition.

11 (b) In this section,

12 (1) "another state agency" has the meaning given to "state agency" in  
13 this subsection, except that "another state agency" includes the Alaska Industrial  
14 Development and Export Authority and the Alaska Mental Health Trust Authority;

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

3 (3) "sell or otherwise dispose of" includes any form of transferring the  
4 ownership of property, including lease-purchase agreements, leases with an option to  
5 purchase, exchanges, or installment sales, whether or not the state agency receives  
6 compensation for the property;

7 (4) "state agency" means a department, institution, board, commission,  
8 division, authority, public corporation, or other administrative unit of the executive  
9 branch, including the University of Alaska, the Alaska Railroad Corporation, the  
10 Alaska Housing Finance Corporation, and the Alaska Aerospace Development  
11 Corporation, but excluding the Alaska Industrial Development and Export Authority  
12 and the Alaska Mental Health Trust Authority.

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

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

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CSSB 82 (FIN)

Revision Date: \_\_\_\_\_ Dept. Affected: DOT&PF  
 Title: "Legis. Approval for State Property Disposals" BRU: Commissioner's Office  
 Component: Office of the Commissioner  
 Sponsor: Senator Robin Taylor  
 Requester: Senate Rules COMPONENT SERIAL NO. 530

**Expenditures/Revenues** (Thousands of Dollars)

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

**FUND SOURCE** (Thousands of Dollars)

|                          |    |    |    |    |    |    |
|--------------------------|----|----|----|----|----|----|
| 1002 Federal Receipts    |    |    |    |    |    |    |
| 1003 GF Match            |    |    |    |    |    |    |
| 1004 GF                  |    |    |    |    |    |    |
| 1005 GF/Program Receipts |    |    |    |    |    |    |
| 1006 GF/MHTIA            |    |    |    |    |    |    |
| Other                    |    |    |    |    |    |    |
| <b>TOTAL</b>             | ** | ** | ** | ** | ** | ** |

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

**POSITIONS**

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

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

\*\* The Department of Transportation and Public Facilities cannot forecast the potential cost of this legislation. It is possible, however, that delaying sale of property with value in excess of \$ 1 million pending action of the Legislature could jeopardize the viability of such a sale if the potential sale were to be time critical. Additional costs could also result from extended periods of upkeep and maintenance to facilities while awaiting legislative approval for sale of said property.

Prepared by: Sam Kito III Phone: 465-3900  
 Special Assistant  
 Division: Office of the Commissioner Date: 3/4/97  
 Approved by: *Joseph L. Perkins* Date: 3/4/97  
 Commissioner  
 Agency: Department of Transportation and Public Facilities

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# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CS SB82 (FIN)

Revision Date: \_\_\_\_\_ Department: Commerce and Economic Development  
 Title: An Act relating to the sale of certain state PRU: AIDEA  
properties Component: AIDEA  
 Sponsor: Senator Taylor  
 Requestor: Senate Finance COMPONENT SERIAL N 1234

| Expenditures/Revenues  | (Thousands of Dollars) |       |       |       |       |       |
|------------------------|------------------------|-------|-------|-------|-------|-------|
| OPERATING EXPENDITURES | FY 98                  | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 |
| PERSONAL SERVICES      |                        |       |       |       |       |       |
| TRAVEL                 |                        |       |       |       |       |       |
| CONTRACTUAL            |                        |       |       |       |       |       |
| SUPPLIES               |                        |       |       |       |       |       |
| EQUIPMENT              |                        |       |       |       |       |       |
| LAND & STRUCTURES      |                        |       |       |       |       |       |
| GRANTS, CLAIMS         |                        |       |       |       |       |       |
| MISCELLANEOUS          |                        |       |       |       |       |       |
| <b>TOTAL OPERATING</b> | **                     | **    | **    | **    | **    | **    |

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

|                    |    |    |    |    |    |    |
|--------------------|----|----|----|----|----|----|
| CHANGE IN REVENUES | ** | ** | ** | ** | ** | ** |
|--------------------|----|----|----|----|----|----|

| FUND SOURCE              | (Thousands of Dollars) |    |    |    |    |    |
|--------------------------|------------------------|----|----|----|----|----|
| 1002 Federal Receipts    |                        |    |    |    |    |    |
| 1003 GF Match            |                        |    |    |    |    |    |
| 1004 General Fund        |                        |    |    |    |    |    |
| 1005 GF/Program Receipts |                        |    |    |    |    |    |
| 1006 GF/MHTIA            |                        |    |    |    |    |    |
| Other                    |                        |    |    |    |    |    |
| <b>TOTAL</b>             | **                     | ** | ** | ** | ** | ** |

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

| POSITIONS | FY 98 | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 |
|-----------|-------|-------|-------|-------|-------|-------|
| FULL-TIME |       |       |       |       |       |       |
| PART-TIME |       |       |       |       |       |       |
| TEMPORARY |       |       |       |       |       |       |

ANALYSIS: (Attach a separate page if necessary)

\*\* Fiscal impact is undetermined. Please see attached pages.

Prepared by: D. Randy Simmons, Executive Director Phone: (907) 269-3000  
 Division: AIDEA Date: February 25, 1997  
 Approved by Commissi William L. Hensley Date: February 25, 1997  
 Agency: Commerce and Economic Development

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 Page 1 of 3

## FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CS SB82 (FIN)

ANALYSIS: (continued)

### DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT Fiscal Note Calculations for CS SB82 (FIN)

CS SB82 (FIN) will have an adverse effect on the Alaska Industrial Development and Export Authority's (AIDEA) Development Finance Program (own/operate). If the Bill becomes Law, it is likely that AIDEA's Development Finance Program will be utilized less (or not at all) by the private sector for projects that support resource development and economic diversification, as defined by AS 44.88. Under the Development Finance Program, typically AIDEA constructs or acquires facilities that promote infrastructure and resource development to support private sector investment. Through long term lease agreements, the private sector project participant repays AIDEA for its investment in the project, plus a return on AIDEA's investment.

Often, after AIDEA's entire investment has been repaid and AIDEA has earned an adequate return on the investment, the project participant has the option of acquiring the facilities as part of the financing agreement for a nominal charge or at Fair Market Value (depending on the nature of the project and the type of bond financing used). It is doubtful that AIDEA's Development Finance Program would be utilized for new projects if, after paying AIDEA's entire investment in the project and providing a return to AIDEA, the project participant cannot acquire the project without legislative approval.

Since AIDEA does not use General Fund (GF) money for its operations and/or programs, this bill will not directly affect the GF in terms of increasing or decreasing funds. If the bill becomes law, however, there will be indirect effects on the GF and the State as follows:

1. AIDEA development staff would be decreased if there is a reduction in projects constructed or acquired;
2. the legislation could adversely affect new sources of specific resource taxes and corporate income taxes paid to the State;
3. the legislation could reduce revenues that would otherwise be received from new Development Finance projects, correspondingly reducing the amount of the annual dividends paid to the State under AIDEA's statutory dividend program.

Therefore, a decrease in AIDEA contributions to the State can be expected from what would otherwise be contributed.

Below is a list of projects and programs which would likely be effected with the passage of CS SB82(FIN):

NEW PROJECTS (The Bill would likely preclude the development of the following proposed projects)

- \$6 million cargo facility at Anchorage International Airport (Participant: Alaska Airlines)
- \$6 million industrial marine facility (Participant: City of Craig; private sector users)
- Acquisition and investment in the Ketchikan Shipyard Facility (Participant: Alaska Marine Highway System; City and Borough of Ketchikan; private sector operator)

## FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CS SB82 (FIN)

ANALYSIS: (continued)

### DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT Fiscal Note Calculations for CS SB82 (FIN)

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· \$50 million investment in a new value-added seafood facility in Anchorage (Participant: Alaska Seafood Center)

#### EXISTING DEVELOPMENT PROJECTS AND ASSETS IN AIDEA'S CREDIT LOAN PORTFOLIO

- DELONG MOUNTAIN TRANSPORTATION SYSTEM (DMTS): Legislation would prevent the sale of equipment and other assets valued at over \$1 million at the DMTS, which supports the Red Dog Mine, without legislative approval. Some of the equipment is obsolete or unneeded. The funds generated from the sale could be used for other more beneficial assets.
- REVENUE FINANCE TRANSACTIONS: Transactions generally require collateral transferring project assets to the holders of bonds. Legislation appears to prevent such transfers without legislative approval. The Snettisham acquisition contemplates use of revenue financing that would require collateral transfers.
- LOAN PARTICIPATION PROGRAM: AIDEA often acquires facilities by means of foreclosure or by acquiring the assets by credit bid in bankruptcy or other proceedings; assets become part of AIDEA's OREO portfolio and are marketed for sale. As written, it is not clear in the Legislation whether AIDEA would be prevented from disposal of such assets without legislative approval. This would severely delay and hamper AIDEA's ability to recover value from defaulted loans and impact the private sector's ability to purchase property.
- POTENTIAL REDUCTIONS IN REVENUES TO THE GENERAL FUND: The Bill could adversely effect new sources of specific resources taxes and corporate income taxes paid to the State. Additionally, the Bill could reduce revenues that would otherwise be received from new Development Finance projects, correspondingly reducing the amount of the annual dividends paid to the State under AIDEA's statutory dividend program. Thus a decrease in AIDEA contributions to the State can be expected from what would otherwise be contributed.

As drafted, AIDEA is concerned about the negative effects the Bill would have on AIDEA, economic development and diversification, and loss of revenues to the State of Alaska.

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CSSB82 (FIN)

Revision Date: \_\_\_\_\_ Dept Affected: Natural Resources  
 Title: An Act relating to the sale or other disposal of BRU: Resource Development  
certain state property; and providing for an effective date Component: Land Development  
 Sponsor: Taylor  
 Requestor: S(RLS) Component Serial No. 431

Expenditures/Revenues (Thousands of Dollars)

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY97) cost: \$ None

POSITIONS

|           |     |     |     |     |     |     |
|-----------|-----|-----|-----|-----|-----|-----|
| FULL-TIME | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PART-TIME | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TEMPORARY | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

ANALYSIS: (Attach a separate page if necessary)

Assumptions: That "property" in this bill's definitions means physical improvements or structures, not vacant real estate; also that the managing agency wanting to sell the improved property, not DNR, will be responsible for funding all costs of sale, including costs of obtaining the legislature's approval on the sale. That includes paying for updated appraisals if the bill's approval process delays the sale beyond the one-year appraisal deadline set by existing law (AS 38.05.840).

The Department of Natural Resources (DNR), Division of Land, under AS 38.05.035(a)(12) acts as the certifying agent of the State to select, accept and secure land title or any interest in land. In this capacity we accept title to lands and improvements on behalf of other agencies that do not have statutory authority to hold title in the name (continued)

Prepared by: Jane Angvik *Jane Angvik for* Phone: 269-8503  
 Division: Land Date: 26-Feb-97  
 Approved by Commissioner: *[Signature]* Date: 2-26-97  
 Agency: Natural Resources

of the State of Alaska. Most of DNR's "portfolio" is Statehood entitlement land that is unimproved property. However, DNR's Other State Land (OSL) program includes some improved lands, although the improvements are generally worth less than \$1 million. DNR has received some land from the federal government with improvements valued at over a million dollars, such as the Native school and facilities on Japonski Island, but the State did not purchase these sites. Thus the bill would not apply to them.

"Purchased" parcels of land with improvements worth one million dollars or more that were secured by DNR on behalf of the State are:

- (1) Wildwood Correctional facility - Dept. of Corrections
- (2) Seward Skill Training Center - Dept. of Education
- (3) Juneau Court Plaza Bldg. and land - Alaska Court System
- (4) Palmer Courthouse Bldg. and land - Alaska Court System
- (5) Anchorage Times Facility - Alaska Court System

If the bill passes, subsequent sale of these five facilities other than to a state agency would be subject to the new approval requirement. Moreover, if the bill had been in effect at the time, the acquisition and transfer of the three Alaska Court System properties would apparently have been subject to it, as the bill defines "state agencies" to include executive branch agencies only.

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Legislative Approval for State Property Disposals BRU: Alaska Housing Finance Corporation  
 Component: Operations  
 Sponsor: Senator Taylor  
 Requestor: (S) FIN COMPONENT SERIAL NO. 110

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 98      | FY 99      | FY 00      | FY 01      | FY 02      | FY 03      |
|------------------------|------------|------------|------------|------------|------------|------------|
| 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   |            |            |            |            |            |            |
| CHANGE IN REVENUES ( ) |            |            |            |            |            |            |

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                    |            |            |            |            |            |            |
| <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 (FY97) cost \$ 0.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This legislation would require the Alaska Housing Finance Corporation to seek legislative approval by law for the sale or other disposition of facilities or property valued at \$1 million or more. Facilities and property disposed by the corporation as part of its normal operational functions are usually valued at less than \$1 million. These properties are usually REOs obtained through foreclosure, sale of public housing units, or parcels of property.

In circumstances where disposals exceeded \$1 million in value, this legislation would hinder AHFC's ability to make a timely transition. During the time the transaction was delayed, continued maintenance and operational costs would have to be borne by the corporation. At this time a potential cost for these activities can not be quantified since AHFC does not have any disposals of this magnitude anticipated.

Prepared by: John Bitney Phone: (907) 586-3587  
 Division: Alaska Housing Finance Corporation Date: February 26, 1997  
 Approved by Commissioner: Ross A. Kinney *Ross A. Kinney* Date: February 26, 1997  
 Agency: Revenue

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# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CS for SB 82(FIN)

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> | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |

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

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

**FUND SOURCE**

(Thousands of Dollars)

| FUND SOURCE              | FY98 | FY99 | FY00 | FY01 | FY02 | FY03 |
|--------------------------|------|------|------|------|------|------|
| 1002 Federal Receipts    |      |      |      |      |      |      |
| 1003 GF Match            |      |      |      |      |      |      |
| 1004 GF                  |      |      |      |      |      |      |
| 1005 GF Program Receipts |      |      |      |      |      |      |
| 1037 GF/Mental Health    |      |      |      |      |      |      |
| Other (please specify)   |      |      |      |      |      |      |
| <b>TOTAL</b>             | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |

**POSITIONS:**

| POSITIONS | FY98 | FY99 | FY00 | FY01 | FY02 | FY03 |
|-----------|------|------|------|------|------|------|
| 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

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

Approved by Commissioner: Karen Perdue, Commissioner  
 Agency: Department of Health & Social Services

Date: 2/25/97

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CSSB 82 (Fin)

Revision Date: \_\_\_\_\_

Department Affected: Administration

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

BRU: General Services

Sponsor: Taylor

Component: Property Management

Requestor: (S) Rules

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            | *     | *     | *     | *     | *     | *     |
| SUPPLIES               |       |       |       |       |       |       |
| EQUIPMENT              |       |       |       |       |       |       |
| LAND & STRUCTURES      |       |       |       |       |       |       |
| GRANTS, CLAIMS         |       |       |       |       |       |       |
| MISCELLANEOUS          |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> | *     | *     | *     | *     | *     | *     |

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

|                        |   |   |   |   |   |   |
|------------------------|---|---|---|---|---|---|
| CHANGE IN REVENUES ( ) | * | * | * | * | * | * |
|------------------------|---|---|---|---|---|---|

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

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

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

**POSITIONS:**

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

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Dugan Petty, Director  
Division: General Services

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

Approved by Commissioner: Mark Boyer  
Agency: Department of Administration

Date: 2/27/97

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## CSSB 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 of a state facility, if purchased with state funds or personal property valued at \$1,000,000 or more.

Due to the limited number of transfers of personal property exceeding the \$1,000,000 threshold, fiscal impacts for the Property Management Program to comply with the law are negligible. Procedures would be established to submit and obtain legislative approval before personal property or a state purchased facility 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 also be negligible.

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, hanger 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. Because of the unknown potential to agencies for extended maintenance costs, the fiscal impact is shown as an asterisk(\*).

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