

**SB**

**220**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/11/00

REPORTED OUT OF  
SFC 4/13/00

FURTHER:

DATE TURNED  
IN TO OFFICE: 4/13/00

Finance Committee considered

SENATE BILL NO. 220

"An Act clarifying the requirements for limited liability companies and partnerships to qualify for the Alaska bidder's and disability preferences under the State Procurement Code; and providing for an effective date."

and recommends:

- be replaced with CS SB 220 (Fin)
- adopt previous C Forthcoming (CS)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:
- same title
  - new title
- House Bill:
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	X				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal

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

Department	Date	Zero	Fiscal
<i>All</i>	<i>11/30/99</i>	✓	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

REPORTED OUT OF  
SFC 4/13/00

No. 1  
Bill Version: SB 220  
(S) Publish Date: 1-24-00

Revision Date/Time (Note if Correction): \_\_\_\_\_  
Title: LLC/LLP's qualifying for Alaska Bidder Preference and Disability Preference  
Sponsor: Rules Committee  
Requestor: Governor

Department Affected: All  
BRU: Centralized Administrative Services  
Component: Purchasing

COMPONENT SERIAL NO. 60

Expenditures/Revenues: (Thousands of Dollars)  
Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2001	FY 2002	FY2003	FY 2004	FY 2005	FY 2006
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						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER (Specify Type)						
<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 2000) cost: \$ 0.0

**POSITIONS:**

FULL-TIME	N/A					
PART-TIME	N/A					
TEMPORARY	N/A					

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

This bill would amend AS 36.30.170(b) and (e) to establish qualifications for application of the Alaska Bidder and Disability preferences to Limited Liability Companies and Limited Liability Partnerships bidding on State contracts.

There is no fiscal impact.

Prepared by: Marsha Hubbard, Director  
Division: General Services

Phone: 465-5687  
Date: 11/29/99

Approved by Commissioner: Robert Poe Jr.  
Agency: Department of Administration

Date: 11/30/99

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January 21, 2000

SB 220

The Honorable Drue Pearce  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

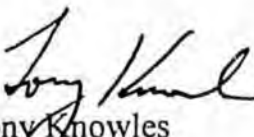
Dear President Pearce:

I am transmitting a bill clarifying the statutory requirements for limited liability companies and limited liability partnerships to qualify for the Alaska bidder's and disability preferences under the State Procurement Code.

Limited liability companies (LLCs) and limited liability partnerships (LLPs) were recently recognized in state law, well after the state procurement code established its Alaska bidder and disability preferences. Therefore, the procurement code preferences do not clearly prescribe qualification requirements for LLCs or LLPs.

By providing needed clarification and recognizing LLCs and LLPs under the state procurement code, this bill furthers the legislative objective of ensuring that Alaska businesses receive a preference while safeguarding application of the preferences to bonafide resident businesses.

Sincerely,

  
Tony Knowles  
Governor

SENATE FINANCE  
COMMITTEE  
Amendment Number: #1  
Bill Number: SB 220  
Sponsor: Torgerson Date: 3/31/00  
Logged In By: Jamie

A M E N D M E N T

OFFERED IN THE SENATE  
TO: SB 220

BY SENATOR TORGERSON

Page 2, line 5:  
Delete "directors"  
Insert "members"

Page 2, line 22:  
Delete "directors"  
Insert "members"

SENATE FINANCE  
COMMITTEE  
Amendment Number: #1-  
Bill Number: SB 220  
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AMENDMENT

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SENATE FINANCE COMMITTEE  
2000 COMMITTEE ACTION

<b>Bill Number</b>	JB 220
<b>Amendment</b>	#1
<b>Motion</b>	
<b><u>Motion by</u></b>	JP
<b><u>Objection</u></b>	
<b><u>Objection by</u></b>	
<b><u>Removed</u></b>	
<b><u>Second Objection by</u></b>	
<b><u>Committee Member</u></b>	<b><u>Vote</u></b>
Senator Dave Donley	
Senator Loren Leman	
Senator Al Adams	
Senator Gary Wilken	
Senator Peie Kelly	
Senator Lyda Green	
Senator Randy Phillips	
Co-Chair Sean Parnell	
Co-Chair John Torgerson	
<b><u>Tally</u></b>	
Yea	0
Nay	0
Absent	0
<b><u>MOTION</u></b>	16 887-

SENATE FINANCE  
COMMITTEE  
Amendment Number: #1  
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## Sponsor Statement for SB 220

"An act clarifying the requirements for limited liability companies and partnerships to qualify for the Alaska bidder's and disability preferences under the State Procurement Code; and providing for an effective date."

Passage of SB 220 is necessary to clarify the Alaska bidder and disability preferences sections of the State procurement statutes regarding limited liability partnerships and limited liability corporations.

Our Procurement Code became effective in 1988, before the inception of limited liability corporations and limited liability partnerships, which were allowed to organize in 1995 and 1997 respectively. Therefore, the procurement preference sections in statute make no reference to them.

This bill inserts language that specifically mentions these types of businesses in the preference sections of the Procurement Code. It also stipulates that all managing directors of the limited liability corporation or partnership must be residents of Alaska to qualify for the Alaska bidder's preference. In order to qualify for a disability preference, each of the managing directors of the limited liability corporation or partnership must also have a disability.

This clarification is necessary for us to grant preferences to bonafide Alaskan businesses, and it furthers the legislative objectives of the Procurement Code by ensuring that Alaskan businesses receive an advantage in state procurements.

SENATE FINANCE COMMITTEE

SIGN-IN

SB 220-PROCUREMENT PREFS:PARTNERSHP/LTD LIAB CO

NAME: Vern Jones Subject/Bill No: SB220  
Co./Dept./Title: Admin Chief Procurement Officer Phone: 465-5684  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
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NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

SENATE FINANCE COMMITTEE

SIGN-IN

SB 220-PROCUREMENT PREFS:PARTNERSHP/LTD LIAB CO

NAME: Y. J. Usher Subject/Bill No: SB 220  
Co./Dept./Title: DEED Phone: 465-5451  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: Vern Jones Subject/Bill No: SB 220  
Co./Dept./Title: Chief Procurement Officer, DEED Phone: 465-5684  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
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Do you wish to testify?  Yes  No  Respond To Questions