

LEG. FINANCE - BILLS 1977 - 1978 796

HB 728 cont., thru HB 735

Let's explain the facts:

ATKA - Village received a total of 9 days dental service with a single dentist from 1974 through 1978 and even at that the dentist waited for his equipment to arrive and in one case decided to talk about good dental health to the children instead because he had no equipment.

FALSE PASS - Received 9 days of dental care from 1974 through 1978. The 1974 trip was aborted due to weather and another attempt was made in March of the following year.

KING COVE - From 1974 through 1978 the average days of service for dental treatment was 10 days a year for a population of over 270 people. 7 evenings were devoted to night emergency treatment of adult teeth in 1974 and the dentist was told by his superiors the program emphasis was for children's teeth, not adults. Even with this increased number of days of service the reports read (rampant cares) decay out of control, and once again the late arrival of equipment needed to treat patients.

BELKOFSKI - Children were transported to King Cove when the dentist was there for emergency care. No opportunity was available for adults or out of school youth beyond grade 8 to have dental assistance.

NIKOLSKI - From 1974 through 1978, 5' days of service was delivered to children. A planned trip for November of 1976 was attempted again the next year in May.

NELSON LAGOON - 1974 to 1978, 9 days of service. An aborted trip in November was attempted again 6 months later.

SAND POINT - 1974 to 1978, almost 20 days a year of dental service was available except for the days equipment was late in coming and the time spent trying to find a place to have a clinic. The dental staff had to clean out an old building in order to set up at all, and the portable equipment arrived 3 days later leaving 4 of the 9 days for treatment. Community response was reported as very poor. Obviously little pre-planning was done to involve the communtiy.

UNALASKA - Public Health reports a population of 104-252. The dentists say 500 year around. An average of 11 days service per year since 1974 with the usual late arrival of equipment reported by the dentists. A flouride program in the water system seems to be helping here.

A private practitioner in May of 1976 delivered emergency care for a 7 day period. The previous October, over 100 adults requested emergency treatment.

ST. PAUL - Reported population, 419. Although this community had more days care per year than all the other villages from 1974 to 1977, reports were of rampant dental disease, high sugar consumption and little or no community dental plan. Lack of coordination with school; 30 children reported as not showing for check ups in one period.

ST. GEORGE - Average of 6.4 days a year since 1974 of dental care by a dentist for a community of 154 people. Emphasis on children's teeth.

We cannot over emphasis our intention in our request for support of this program of dental care for the Aleutian/Pribilof people. We do not have as a goal the embarrassment of PHS, Indian Health Service of private practitioners. We appreciate all past efforts to check dental disease in our islands. The records clearly show that the present system is not working satisfactorily and a new approach is needed. We ask only that the new approach be given the support it deserves. The worst that can happen is the communities will get a little more dental care and the mobile unit can be used by any agency wantint to use it for delivery of service to our area.

The best that can happen is that we will have discovered and tested a new funtional, less expensive way to bring dental health care to bush Alaska and other areas will be using the money they now waste on poor programs to duplicate this method of service.

South Central District Dental Society

P.O. BOX 4-5000 3-487
ANCHORAGE, ALASKA-99503 99501

March 17, 1978

Representative Alvin Osterback
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

RE: HB 728 - mobile dental clinic

Dear Representative Osterback:

The South Central District Dental Society is deeply concerned that state funds be spent for services to specific, designated, select geographic groups. This would set a precedent of legislating public tax monies to provide health care for a group limited by race and geographical location.

It appears that the Aleut-Pribilof Corporation did not assess rural area resources already available to meet the area's dental needs. Furthermore, it seems no cost effective studies were performed, nor did the Aleut-Pribilof Corp. and the Indian Health Service coordinate in planning the project referred to in the bill.

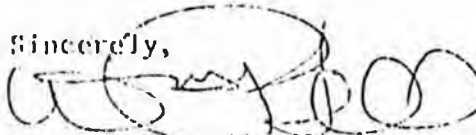
The proposal of \$200,000.00 appropriates \$100,000.00 for transportation and \$100,000.00 for equipment. We are concerned that no appropriations were made for manpower evaluation and licensing - or continuation of the project in successive years.

If, however, the funds are allocated, fixed facilities and equipment should be used in preference to a mobile unit. This would allow more equipment in more areas for the same dollar amount. As many as 20 communities could be served with permanent equipment.

Federal and state funds are currently being used in cost effective programs which provide services for the dentally needy, further, the continuity of licensed voluntary manpower is available within the state. Services may be provided through a multiplicity of funding sources such as: Indian Health Service, private insurance, Medicaid, General Relief Medical, and native health corporations.

In view of the above information, it seems apparent, that, in the interest of all Alaskans, the proposed legislation be further investigated. Please contact our lobbyist, Mr. Henry Pratt, for any additional information and assistance.

Sincerely,



William P. PeH, D.D.S., President
South Central District Dental Society

cc: Senator Ferguson Representative Parr
 Senator Hackney Representative Cooper
 Senator Sackett Mr. Henry Pratt

William P. Fell, DDS

Page Two

The system we anticipate with this unit has proven itself over and over again as cost effective. We don't need to study the study anymore. The State of California found it so cost effective even Ronald Reagan made the support of the mobile dental units a part of the regular State budget every year to solve the dental problems of farm workers and their children.

We do not know where Dr. Fell gets his figures on cost of the unit and delivery of service. The correct figures are attached.

So far as continuation of the project over the years, we as a district have applied for self management of dental health care funds allotted to our district and have a long time commitment from the dental school to stick with us over the years ahead. We will not be returning every year for additional funding as some people have suggested.

Most of our communities lack even basic housing at this time for families. To suggest fixed facilities be built by the State for dental care is really uninformed. Does the good doctor know what it costs the State for a 900 sq. ft. building for schools in the bush? He is talking about millions, not thousands for his plan.

What does the doctor mean when he says "The continuity of licensed voluntary manpower is available within the State." Is he suggesting his organization will volunteer dental services? If so, we accept and will make the mobile dental unit available to them for that purpose.

As our program develops we will need all the help we can get and hope we will be able to count on Dr. Fell and his association for consulting and direct service.

Yours Sincerely,

ALEUTIAN/PRIBILOF ISLANDS ASSOCIATION, INC.

Patrick Pletnikoff
Executive Director

PP:alp

REVIEW OF COST OF MOBILE UNIT

The unit will be a 26 ft. specially designed motor home with 3 complete and independent dental work stations, each with its own tools, chair and support equipment.

Estimated cost of this equipment installed is as follows:

| | |
|--|------------------|
| 3 dental units, complete with lights and plumbing @ \$9,250 | \$ 27,750 |
| X-ray support unit | 9,450 |
| Hand instruments x 3 @ \$1,250 | 3,750 |
| Lab support equipment | 2,000 |
| Complete instrumentation and supply for specialty services | 4,000 |
| Step van for x-ray lab unit and supplies | 7,500 |
| Cabinet work and refinishing mobile unit | 16,000 |
| Basic mobile unit | 26,000 |
| Supplies | 6,000 |
| Move to dental school from plant in Michigan | 1,500 |
| Transport to 1st station in Alaska | 3,500 |
| Insurance | 2,150 |
| Operating cost - one year maintenance | 900 |
| Staffing: per diem, air fare transportation of staff and housing | 34,000 |
| Licensing and legal assistance | 10,000 |
| Replacement of professional staff teaching salaries to University of California | 32,000 |
| Barge movement of unit | 3,500 |
| Contingencies | <u>10,000</u> |
| | <u>\$200,000</u> |

SPECIAL NOTE

On the strength of various legislators' commitments to this project and our own faith in the legislature, the University of California has begun work on the dental bus already, so it will be completed in time to be operational this summer. Their students picked up the shell bus in Michigan and drove it back to school on their Easter Vacation.

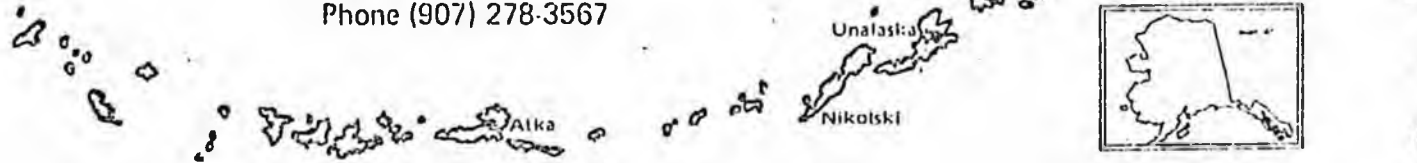
We are told they have over 80 volunteers wanting to serve Alaska. It would be an embarrassment to have this Bill fail.

St. Paul

St. George

Aleutian/Pribilof Islands Association, Inc.

430 "C" Street, Suite 303
Anchorage, Alaska 99501
Phone (907) 278-3567



The Aleutian/Pribilof Islands Association, Inc., has developed in cooperation with the University of California Dental School a plan to meet the dental needs of the people of the Aleutian/Pribilof Islands over the next three (3) years.

The Mobile Dental Program of the University of California Dental School under the direction of Dr. Marriam Stark has gained world wide recognition and respect for the quality and the magnitude of the work performed by an all Volunteer Group of dedicated graduate dentists and dental hygienists supervised by staff specialists from the University of California.

Since its first mobile program serving the need of migrant laborers children in the San Jacquin Valley California in 1971, the program has recruited volunteers from many other major dental schools throughout the country and has conducted successful programs in Israel, Jordan, Czechoslovakia and South America. A survey of this year's graduates indicates a high interest in serving a volunteer period in Alaska bringing dental care to the Native population of the Aleutian/Pribilof Chain as well as others who may be in the area in need of care.

Dr. Stark, Director and Dr. Solberg his associate and other professionals have met and weighed the merits of need and have committed themselves to this project starting this summer.

They were careful to point out that their commitment was for an extended period of time. Once the program starts it will go on for years to come.

Considerations:

1. Alaska has no dental school.
2. Funds are not available now nor will adequate funding be available in the near future in amounts sufficient to meet the dire needs of the isolated areas of Alaska.

3. The quality of the program staffed by supervised volunteers is of unusually high quality. In fact Park Avenue Dentistry is no better than the service delivered by this program.
4. A thorough program of prophylaxis - flouride treatment and Dental Health Care for the whole village population is a part of the package.
5. Dental Care instruction and treatment procedures will be taught to the community health aides in the villages.
6. Negotiations for a follow up periodontist (child dental specialist) are currently underway.
7. It is possible through this same program and its Association with the prosthetic program now working off campus on Reservations in New Mexico to have a team from that unit doing restorative follow up, plates and partials - following the chemical operation of the Mobile Unit.
8. Transportation of Volunteers and a per diem payment is all the funding necessary for remuneration.
9. Only the teaching staff will be compensated for the salary they would lose while away from the University Dental School.
10. Much of the supplies and some of the equipment needed for a successful program will be donated to the program.
11. Several hundred thousand dollars in dental care and for many a life time of pain and suffering will be avoided through this program.
12. The State of Alaska is fortunate to have this Volunteer opportunity.
13. This is a one time cost for the Mobile Unit, Operational costs can be born by the local areas in need after the first year.

Introduced: 3/2/78
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY OSTERBACK

2 HOUSE BILL NO. 728

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Health and Social Services for acquisition of a
8 mobile dental clinic to serve residents of rural
9 Alaska; and providing for an effective date."

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

11 * Section 1. The sum of \$200,000 is appropriated from the general fund to
12 the Department of Health and Social Services for the acquisition and equip-
13 ping of a mobile dental clinic for use by nonprofit corporations in providing
14 dental services to residents of rural areas of the state.

15 * Sec. 2. The unexpended and unobligated portion of this appropriation
16 lapses into the general fund June 30, 1979.

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST HB 729
 Bill/Resolution No.
 Title An Act relating to small business purchasing and contracting
 Requested by Senator Hohman Date 4/7/78

II. FISCAL DETAIL
 Agency Affected Department of Administration
 Program Category Affected General Government
 Budget Request Unit(s) Affected Purchasing

EXPENDITURES (Thousands of Dollars)

| | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 |
|--------------------------|-------|-------|-------------|-------------|-------------|-------------|
| 100 PERSONAL SERVICES | | | 50.0 | 54.0 | 58.3 | 63.0 |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | 5.8 | 6.3 | 6.8 | 7.3 |
| 400 COMMODITIES | | | .6 | .6 | .7 | .7 |
| 500 EQUIPMENT | | | 2.3 | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | | 58.7 | 60.9 | 65.8 | 71.0 |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------|--|--|------|------|------|------|
| GENERAL FUND | | | 58.7 | 60.9 | 65.8 | 71.0 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify) | | | | | | |

POSITIONS

| | | | | | | |
|-----------|--|--|---|---|---|---|
| FULL TIME | | | 2 | 2 | 2 | 2 |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assume bill would require two persons to handle recordkeeping tasks and related correspondence. Inflation at 8% annually.

Cost in 78 Dollars

| | |
|---------------------------------------|-----------------------|
| 100 Administrative Officer I Range 17 | \$27,740 |
| Clerk Typist III Range 08 | \$15,135 |
| | \$42,875 |
| 300 Phone, Space and Typewriter | 5,000 |
| 400 Office Supplies | 500 |
| 500 One-time Office Equipment | 2,000 |
| TOTAL | \$50,375 (78 dollars) |

IV. DATE 4/13/78 PREPARED BY R. Clark/R. Bradley
 AGENCY Department of Administration
 PHONE 465-2293/2250

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Rep. McKinnon

33-001 Governor's Office-Keith Specking
Administration/R. Bradley
Senator Hohman

HB 729

Introduced: 2/6/78
Referred: Commerce and Finance

BY MCKINNON, BRADLEY AND
MEEKINS

1 IN THE HOUSE

2 HOUSE BILL NO. 729

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to small business assistance; and pro-
7 viding for an effective date."

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

9 * Section 1. STATEMENT OF POLICY. The most important element of the
10 American economic system of private enterprise is free and vigorous competi-
11 tion. In order to promote that competition, small business concerns must be
12 encouraged, and it is the declared policy of the state to insure that a fair
13 proportion of the total contracts or subcontracts for supplies, materials,
14 equipment and contractual services for the state be awarded to small business
15 concerns.

16 * Sec. 2. AS 37 is amended by adding a new chapter to read:

17 CHAPTER 6. SMALL BUSINESS ASSISTANCE.

18 Sec. 37.06.010. POWERS OF THE DEPARTMENT. The Department of
19 Administration shall

20 (1) inventory the productive facilities of small business
21 concerns in the state;

22 (2) determine the concerns, firms, persons, corporations,
23 partnerships, cooperatives, or other business enterprises which are to
24 be designated "small business concerns" under this chapter; the depart-
25 ment shall designate individual concerns as "small business concerns" in
26 accordance with the definition contained in sec. 100(2) of this chapter;

27 (3) obtain information concerning the methods and practices
28 of prime contractors in awarding subcontracts, and take action to en-
29 courage the award of subcontracts by prime contractors to small business

1 concerns at prices and on conditions and terms which are fair and equi-
2 table;

3 (4) require reports from state agencies authorized to pur-
4 chase supplies, materials, equipment or contractual services disclosing
5 the award of contracts and subcontracts, and the proportion of these
6 purchases that are awarded to small business concerns;

7 (5) make quarterly recommendations throughout the fiscal year
8 to state agencies authorized to purchase supplies, materials, equipment
9 or contractual services, based upon the reports required in (4) of this
10 section, concerning the desirable amount of small business purchases to
11 achieve adequate participation by small business concerns in the public
12 contracts of the state;

13 (6) adopt regulations necessary to carry out the purposes of
14 this chapter.

15 Sec. 37.06.020. SMALL BUSINESS CONTRACTS. (a) The Department of
16 Administration or an agency authorized to purchase supplies, materials,
17 equipment or contractual services may purchase or direct a person or
18 activity receiving state financing to purchase supplies, materials,
19 equipment or contractual services from small business concerns whenever
20 there is a reasonable expectation that bids will be obtained from at
21 least two small business concerns capable of furnishing the desired
22 property or service at a fair and reasonable price. The advertisement
23 for bids on a contract or purchase under this chapter shall indicate
24 that only bids from small business concerns will be considered.

25 Sec. 37.06.030. WITHDRAWAL OF SMALL BUSINESS PURCHASE. (a) If
26 the total number of small business concerns responding to the advertise-
27 ment for bids on a small business purchase and considered capable of
28 meeting the specifications and terms of the advertisement is less than
29 two, or if the Department of Administration or an agency authorized to

1 purchase determines that acceptance of the most favorable bid will
2 result in the payment of an unreasonable price, the bids shall be re-
3 jected and the advertisement for bids withdrawn.

4 (b) After withdrawal of an advertisement for a small business pur-
5 chase, the advertisement for bids shall be reissued without a small
6 business designation, and it shall contain the same or rewritten terms
7 or specifications included within the withdrawn advertisement for bids.

8 Sec. 37.06.040. REPORTS. The Department of Administration shall
9 submit a report to the governor, the president of the senate, the
10 speaker of the house of representatives, and the chairmen of the senate
11 and house commerce committees. The report shall be submitted no later
12 than 15 days after the convening of each regular legislative session.
13 The report shall advise the governor, the speaker, the president, and
14 the designated chairmen concerning the administration and effect of this
15 chapter.

16 Sec. 37.06.100. DEFINITIONS. In this chapter,

17 (1) "agency" or "agencies" means a department, officer, in-
18 stitution, board, commission, bureau, division, or other administrative
19 unit forming the state government and includes the Alaska Pioneers' Home
20 and the University of Alaska, but does not include the legislature or
21 the judiciary;

22 (2) "small business concern" means any business entity or-
23 ganized for profit doing business in the state and complying with the
24 requirements under ch. 10 of this title which is independently owned and
25 operated and has

26 (A) fewer than 100 employees; or

27 (B) less than \$1,000,000 in gross receipts a year.

28 Sec. 37.06.110. SHORT TITLE. This chapter may be cited as the
29 Small Business Assistance Act.

* Sec. 3. This Act takes effect on July 1, 1979.

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Original sponsors: McKinnon, Bradley
and Meekins

Offered: 4/7/78
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 729

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to small business assistance; and pro-
7 viding for an effective date."

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

9 * Section 1. STATEMENT OF POLICY. The most important element of the
10 American economic system of private enterprise is free and vigorous competi-
11 tion. In order to promote that competition, small business concerns must be
12 encouraged, and it is the declared policy of the state to insure that a fair
13 proportion of the total contracts or subcontracts for supplies, materials,
14 equipment and contractual services for the state be awarded to small business
15 concerns.

16 * Sec. 2. AS 37 is amended by adding a new chapter to read:

17 CHAPTER 6. SMALL BUSINESS ASSISTANCE.

18 Sec. 37.06.010. POWERS OF THE DEPARTMENT. The Department of
19 Administration shall

20 (1) inventory the productive facilities of small business
21 concerns in the state;

22 (2) determine the concerns, firms, persons, corporations,
23 partnerships, cooperatives, or other business enterprises which are to
24 be designated "small business concerns" under this chapter; the depart-
25 ment shall designate individual concerns as "small business concerns" in
26 accordance with the definition contained in sec. 100(2) of this chapter;

27 (3) require reports from state agencies authorized to pur-
28 chase supplies, materials, equipment or contractual services disclosing
29 the award of contracts and subcontracts, and the proportion of these

1 purchases that are awarded to small business concerns;

2 (4) make quarterly recommendations throughout the fiscal year
3 to state agencies authorized to purchase supplies, materials, equipment
4 or contractual services, based upon the reports required in (4) of this
5 section, concerning the desirable amount of small business purchases to
6 achieve adequate participation by small business concerns in the public
7 contracts of the state;

8 (5) adopt regulations necessary to carry out the purposes of
9 this chapter.

10 Sec. 37.06.020. SMALL BUSINESS CONTRACTS. (a) The Department of
11 Administration or an agency authorized to purchase supplies, materials,
12 equipment or contractual services may purchase or direct a person or
13 activity receiving state financing to purchase supplies, materials,
14 equipment or contractual services from small business concerns whenever
15 there is a reasonable expectation that bids will be obtained from at
16 least two small business concerns capable of furnishing the desired
17 property or service at a fair and reasonable price. The advertisement
18 for bids on a contract or purchase under this chapter shall indicate
19 that only bids from small business concerns will be considered.

20 Sec. 37.06.030. WITHDRAWAL OF SMALL BUSINESS PURCHASE. (a) If
21 the total number of small business concerns responding to the advertise-
22 ment for bids on a small business purchase and considered capable of
23 meeting the specifications and terms of the advertisement is less than
24 two, or if the Department of Administration or an agency authorized to
25 purchase determines that acceptance of the most favorable bid will
26 result in the payment of an unreasonable price, the bids shall be re-
27 jected and the advertisement for bids withdrawn.

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5 speaker of the house of representatives, and the chairmen of the senate
6 and house commerce committees. The report shall be submitted no later
7 than 15 days after the convening of each regular legislative session.
8 The report shall advise the governor, the speaker, the president, and
9 the designated chairmen concerning the administration and effect of this
10 chapter.

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24 Small Business Assistance Act.

25 * Sec. 3. This Act takes effect on July 1, 1979.

COMMITTEE REPORT

HOUSE

4/7/78

FURTHER: _____

Date: _____

Mr. Speaker:

The Committee on Finance has had HB 729

"An Act relating to small business assistance; eff. date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

recommends it do pass recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for _____

and _____ new title same title

AND attaches a Letter of Intent New Fiscal Note

reports it back without recommendation

and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chairman

COMMITTEE REPORT

HOUSE

2/6/78

FURTHER: FINANCE

Date: 4/7/78

Mr. Speaker:

The Committee on COMMERCE has had HB 729
"An Act relating to small business assistance; eff. date."

under consideration and (a majority of the committee) (~~the committee~~
~~reports it back as follows~~)

- () recommends it do pass () recommends it do not pass
() recommends it do pass with attached amendment(s)
 recommends it be replaced with CS for HB 729
and that it do pass () new title same title
() AND attaches a Letter of Intent () New Fiscal Note
() reports it back without recommendation
() and recommends it be referred to the _____ Committee

MEMBERS SIGNING TO PASS

C. Bradley - Do Pass
Charles Allen - Do Pass
Joe McKinnon - Do Pass

OTHER RECOMMENDATIONS:

C. H. [unclear] - No Rec
[unclear] - No Rec
Joe [unclear] - No Rec

Joe McKinnon
Chairman

4745
Baldwin

Original sponsors: McKinnon, Bradley
and Meekins

Offered: 4/7/78
Referred: Finance

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BY THE COMMERCE COMMITTEE

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27 jected and the advertisement for bids withdrawn.

28 (b) After withdrawal of an advertisement for a small business pur-
29 chase, the advertisement for bids shall be reissued without a small

1 business designation, and it shall contain the same or rewritten terms
2 or specifications included within the withdrawn advertisement for bids.

3 Sec. 37.06.040. REPORTS. The Department of Administration shall
4 submit a report to the governor, the president of the senate, the
5 speaker of the house of representatives, and the chairmen of the senate
6 and house commerce committees. The report shall be submitted no later
7 than 15 days after the convening of each regular legislative session.
8 The report shall advise the governor, the speaker, the president, and
9 the designated chairmen concerning the administration and effect of this
10 chapter.

11 Sec. 37.06.100. DEFINITIONS. In this chapter,

12 (1) "agency" or "agencies" means a department, officer, in-
13 stitution, board, commission, bureau, division, or other administrative
14 unit forming the state government and includes the Alaska Pioneers' Home
15 and the University of Alaska, but does not include the legislature or
16 the judiciary;

17 (2) "small business concern" means any business entity or-
18 ganized for profit doing business in the state and complying with the
19 requirements under ch. 10 of this title which is independently owned and
20 operated and has

21 (A) fewer than 10 employees; or

22 (B) less than \$300,000 in gross receipts a year.

23 Sec. 37.06.110. SHORT TITLE. This chapter may be cited as the
24 Small Business Assistance Act.

25 * Sec. 3. This Act takes effect on July 1, 1979.
26
27
28
29

Introduced: 2/6/78
Referred: Commerce and Finance

4745
Baldwin

BY MCKINNON, BRADLEY AND
MEEKINS

1 IN THE HOUSE

2 HOUSE BILL NO. 729

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to small business assistance; and pro-
7 viding for an effective date."

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

9 * Section 1. STATEMENT OF POLICY. The most important element of the
10 American economic system of private enterprise is free and vigorous competi-
11 tion. In order to promote that competition, small business concerns must be
12 encouraged, and it is the declared policy of the state to insure that a fair
13 proportion of the total contracts or subcontracts for supplies, materials,
14 equipment and contractual services for the state be awarded to small business
15 concerns.

16 * Sec. 2. AS 37 is amended by adding a new chapter to read:

17 CHAPTER 6. SMALL BUSINESS ASSISTANCE.

18 Sec. 37.06.010. POWERS OF THE DEPARTMENT. The Department of
19 Administration shall

20 (1) inventory the productive facilities of small business
21 concerns in the state;

22 (2) determine the concerns, firms, persons, corporations,
23 partnerships, cooperatives, or other business enterprises which are to
24 be designated "small business concerns" under this chapter; the depart-
25 ment shall designate individual concerns as "small business concerns" in
26 accordance with the definition contained in sec. 100(2) of this chapter;

27 (3) obtain information concerning the methods and practices
28 of prime contractors in awarding subcontracts, and take action to en-
29 courage the award of subcontracts by prime contractors to small business

COMMITTEE COPY

1 concerns at prices and on conditions and terms which are fair and equi-
2 table;

3 (4) require reports from state agencies authorized to pur-
4 chase supplies, materials, equipment or contractual services disclosing
5 the award of contracts and subcontracts, and the proportion of these
6 purchases that are awarded to small business concerns;

7 (5) make quarterly recommendations throughout the fiscal year
8 to state agencies authorized to purchase supplies, materials, equipment
9 or contractual services, based upon the reports required in (4) of this
10 section, concerning the desirable amount of small business purchases to
11 achieve adequate participation by small business concerns in the public
12 contracts of the state;

13 (6) adopt regulations necessary to carry out the purposes of
14 this chapter.

15 Sec. 37.06.020. SMALL BUSINESS CONTRACTS. (a) The Department of
16 Administration or an agency authorized to purchase supplies, materials,
17 equipment or contractual services may purchase or direct a person or
18 activity receiving state financing to purchase supplies, materials,
19 equipment or contractual services from small business concerns whenever
20 there is a reasonable expectation that bids will be obtained from at
21 least two small business concerns capable of furnishing the desired
22 property or service at a fair and reasonable price. The advertisement
23 for bids on a contract or purchase under this chapter shall indicate
24 that only bids from small business concerns will be considered.

25 Sec. 37.06.030. WITHDRAWAL OF SMALL BUSINESS PURCHASE. (a) If
26 the total number of small business concerns responding to the advertise-
27 ment for bids on a small business purchase and considered capable of
28 meeting the specifications and terms of the advertisement is less than
29 two, or if the Department of Administration or an agency authorized to

1 purchase determines that acceptance of the most favorable bid will
2 result in the payment of an unreasonable price, the bids shall be re-
3 jected and the advertisement for bids withdrawn.

4 (b) After withdrawal of an advertisement for a small business pur-
5 chase, the advertisement for bids shall be reissued without a small
6 business designation, and it shall contain the same or rewritten terms
7 or specifications included within the withdrawn advertisement for bids.

8 Sec. 37.06.040. REPORTS. The Department of Administration shall
9 submit a report to the governor, the president of the senate, the
10 speaker of the house of representatives, and the chairmen of the senate
11 and house commerce committees. The report shall be submitted no later
12 than 15 days after the convening of each regular legislative session.
13 The report shall advise the governor, the speaker, the president, and
14 the designated chairmen concerning the administration and effect of this
15 chapter.

16 Sec. 37.06.100. DEFINITIONS. In this chapter,

17 (1) "agency" or "agencies" means a department, officer, in-
18 stitution, board, commission, bureau, division, or other administrative
19 unit forming the state government and includes the Alaska Pioneers' Home
20 and the University of Alaska, but does not include the legislature or
21 the judiciary;

22 (2) "small business concern" means any business entity or-
23 ganized for profit doing business in the state and complying with the
24 requirements under ch. 10 of this title which is independently owned and
25 operated and has

26 (A) fewer than 100 employees; or

27 (B) less than \$1,000,000 in gross receipts a year.

28 Sec. 37.06.110. SHORT TITLE. This chapter may be cited as the
29 Small Business Assistance Act.

1 * Sec. 3. This Act takes effect on July 1, 1979.
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ALASKA STATE LEGISLATURE

TENTH Legislature SECOND Session

HOUSE BILL NO. 729
By MALINSON, BRADLEY AND MEEKINS

"An Act relating to small business assistance; and providing for an effective date."

small business assistance

Introduced in the House 2-5-75, 19.....

HISTORY IN THE HOUSE

1978
Feb. 6

Read first time and referred to Committee on Commerce and Finance

Reported back with recommendation that

Read second time and

Read third time and

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reconsideration

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reconsideration

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:

Failed to concur in Senate amendment; asked Sen. to recede

Senate receded from amendment

Senate failed to recede from amendment

FCC appointed by House

FCC appointed by Senate

FCC adopted

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

2/23/90
Date

Introduced: 2/6/78
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY SNIDER

2 HOUSE BILL NO. 731

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Department
7 of Transportation and Public Facilities for constructing
8 a dock on Woody Island; and providing for an effective
9 date."

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

11 * Section 1. The sum of \$500,000 is appropriated from the general fund to
12 the Department of Transportation and Public Facilities, central regional
13 division, for the purpose of funding the construction of a dock on Woody
14 Island located northeast of the City of Kodiak.

15 * Sec. 2. This Act takes effect July 1, 1978.

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Original sponsor: Snider

Offered: 5/3/78
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 731

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Department of Transportation and Public Facilities for constructing or repairing a dock or the excavation of a harbor at Woody Island; and providing for an effective date."

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

12

* Section 1. The sum of \$500,000 is appropriated from the general fund to the Department of Transportation and Public Facilities, central regional division, for the purpose of funding the construction or repair of a dock or the excavation of a harbor at Woody Island located northeast of the City of Kodiak.

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* Sec. 2. This Act takes effect July 1, 1978.

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RESPONSE AND INFORMATION

IN SUPPORT OF

HOUSE BILL NO. 731
Introduced 2/6, '83

For: Rep. Merle Snider

Prepared by: JoAnn Holmes
Administrative Assistant
for
LEISNOL, INC.

Date: April 14, 1978

Introduction:

Woody Island is a 2 by 4 mile island located approximately 2 miles across the water from the city of Kodiak. The history of the island is extremely interesting and varied. The first horses brought to Alaska were raised there. The first crop of oats raised in Alaska was planted there. At one time the population of the island was larger than that of the city of Kodiak. During the California gold rush, ice was chipped from the lake by up to 200 workers for shipment to California (see "From Koniag to King Crab" by Yule Chaffin p.89). The population has risen and fell many times since the 1800's. Presently there are a few families that live there and more moving back all the time. At this time no industry exists on the island and all the families must commute to their jobs daily on the main island of Kodiak. These families must face the danger of losing their transportation to the weather because there are no moorage facilities for small crafts.

The majority of the people live on the west side of the island in dwellings abandoned by the Federal Aviation Administration (FAA).

The Inhabitants:

When the FAA left the island in 1974 the houses were abandoned for 2 years. The FAA only continued to maintain one large office building and a few smaller support buildings in the complex. The houses deteriorated and the grounds over-grew with weeds and bushes. Many of the houses were completely stripped of their interiors. In 1976 a special use permit was issued to Leisnoi, Inc., an Alaska Native Claims Settlement Act village corporation; which selected a small portion of land on the island, for the use of the abandoned buildings. The complex consists of 2 triplexes, 6 houses, 2 garages, a warehouse, a recreation hall and a school all of which were in serious need of repair. The village corporation has since completely rehabilitated the dilapidated buildings and is in the process of cleaning

up the grounds and restoring it to its original beauty. To encourage people to return to living on the island, they have rented the structures to families at a reduced rate. Many families have inquired about property and renting the homes available but are discouraged because of the lack of mooring facilities.

The Baptist Mission still exists on the west side of the island near the old FAA dock. The church uses their facilities as a summer camp for children of all ages and as a retreat for adults. The Baptist Mission also raises cattle on their property.

There are several other property owners that use the island seasonally and for recreational purposes.

The Natural Harbor:

In 1942 the FAA did a survey of the old "flume" area right in front of the opening of the lake to determine the feasibility of dredging the area to put a small boat harbor in the lake. Construction of the harbor may have been delayed because of the outbreak of World War II. A submarine net was subsequently stretched across the channel between Kodiak and Woody Island in 1944. Also, the C.B.'s (Navy) filled in an area of the lake on the right side to keep it from running over the edge of the road. Originally the lake was deep enough for boats to go in and across it. When the earthquake and tidal wave hit the area in 1964 the thin wall which held the water in the lake broke and a large portion of the water drained out. What exists now is a small lagoon with a stream that connects the lagoon to the sea- a natural harbor. Small craft can be brought into the lagoon but only at extremely high tides.

Benefits of a Small Boat Moorage Facility:

There are many ways in which a small harbor on Woody Island would benefit a large number of people in the Kodiak and Woody Island area. It will provide access to the island for housing and industrial development, and open up an area for recreational use. At present the existing dock faces open water, is unprotected

and is not set up to moor small craft. The tides between Bear Island and Woody Island are too swift and unpredictable to leave a boat more than a few hours. When the winds come up, small craft are in danger of being beaten against the dock until they roll over or sink or the lines give-way and the skiff goes out to sea. Running lines have been set out by several people, but the beaches are such that only a small area is suitable for that purpose and the number of boats that can be tied up is limited to about six.

The existing housing on the east side of the island can house approximately 17 families. There are eight families presently renting residences in the complex and more to come after the first of May when all renovations are completed. On the west side of the island there are at least three families who are either there seasonally or all year round. There is a great demand for housing in Kodiak because of the rate of population growth. This has led to high costs and unavailability of housing for many families. With a place for mooring small craft daily commuting to jobs in Kodiak will be possible and will decrease the chances of losing boats to the weather.

Recreational use of the island will be greatly enhanced by the building of a boat moorage. There are several lakes, clam beaches and trails on the island. There are trout and grayling in these lakes and many rabbits to hunt. Along the network of trails many historic sites are to be seen. The sawmill used to cut up trees to make sawdust so the American Russian Ice Company could store large quantities of ice to be shipped to California in the middle 1800's. There are also many remnants of the homes (barabara) built and used by the native people prior to the time the Russians came to Alaska. There is also the site where William E. Pavloff, Lt. Governor of Alaska under Prince Matsoutoff had his family's estate. The great-grandson of William E. Pavloff still lives on that site today. All of

these historic and beautiful sites on the island are not easily accessible because there are no facilities for leaving boats anywhere. The recreational use of the island is extremely limited due to the lack of adequate facilities.

There are also possibilities for economic stimulation and development on the island. Historically, the first horses brought to Alaska were brought to Woody Island by the Russians who also raised oats there for feed. Cattle are presently being raised there by the Baptist Mission. Skiff and furniture building are another type of business that could be started because of the availability of the natural resources required (i.e. drift wood and spruce trees). Another area of consideration is the development of tourism. Tourism in the Kodiak area is an almost untapped industry. Tours of historic and pre-historic sites, clam digging and fishing expeditions, boat tours and hiking trips could be developed for tourists who come to Kodiak. There are presently no tours of this nature in Kodiak for tourists. These types of developments will provide jobs for a number of people which would stimulate the economy of the Woody Island community. Consequently, Woody Island could become a more viable and productive community.

In conclusion, Woody Island would again become a thriving, self-supporting community, could provide jobs, and could be of extreme importance historically and aesthetically. Before any of this can begin to be accomplished the need of a safe and practical transportation link, a small boat moorage facility, must be met.

COMMITTEE REPORT

5/3/78

HOUSE

FURTHER: _____

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 731
"An Act making a special appropriation to the Dept. of Transportation and
Public Facilities for constructing a dock on Woody Island; eff. date."
under consideration and (a majority of the committee) (the committee
reports it back as follows)

- recommends it do pass recommends it do not pass
 recommends it do pass with attached amendment(s)
 recommends it be replaced with CS for _____
and _____ new title same title
 AND attaches a Letter of Intent New Fiscal Note
 reports it back without recommendation
 and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

COMMITTEE REPORT

HOUSE

2/6/78

FURTHER: FINANCE

Date: April 14, 1978

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 731
"An Act making a special appropriation to the Department of Transportation
& Public Facilities for constructing a dock on Woody Island; eff. date."
under consideration and (^{3 members} a majority of the committee) (~~the committee~~
~~reports it back as follows~~)

recommends it do pass () recommends it do not pass

() recommends it do pass with attached amendment(s)

recommends it be replaced with CS for HB-731

and that it do pass new title () same title

() AND attaches a Letter of Intent () New Fiscal Note

() reports it back without recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

[Signature]
[Signature]
[Signature]

OTHER RECOMMENDATIONS:

[Signature] - No Rec

[Signature] - No rec.

[Signature]
Chairman

4788
Rosenstein

Original sponsor: Snider

Offered: 5/3/78
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 731

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for con-
8 structing or repairing a dock or the excavation of a
9 harbor at Woody Island; and providing for an effective
10 date."

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

12 * Section 1. The sum of \$500,000 is appropriated from the general fund to
13 the Department of Transportation and Public Facilities, central regional
14 division, for the purpose of funding the construction or repair of a dock or
15 the excavation of a harbor at Woody Island located northeast of the City of
16 Kodiak.

17 * Sec. 2. This Act takes effect July 1, 1978.
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Introduced: 2/6/78
Referred: State Affairs and
Finance

4788
Rosenstein

1 IN THE HOUSE

BY SNIDER

2 HOUSE BILL NO. 731

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

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14 Island located northeast of the City of Kodiak.

15 * Sec. 2. This Act takes effect July 1, 1978.
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ALASKA STATE LEGISLATURE

TENTH... Legislature SECOND... Session

HOUSE ... BILL NO. 731....

By SNIDER.....

"An Act making a special appropriation to the Department of Transportation and Public Facilities for constructing a dock on Woody Island; and providing for an effective date."

Dock on Woody Island

Introduced in the House 2-6-1978

HISTORY IN THE HOUSE

1978

Feb. 5

Read first time and referred to Committee on

State Affairs and Finance
Reported back with recommendation that

Read second time and

Read third time and

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reconsideration

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reconsideration

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:

Failed to concur in Senate amendment; asked Sen. to recede

Senate receded from amendment

Senate failed to recede from amendment

FCC appointed by House

FCC appointed by Senate

FCC adopted

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

2/23/90
Date

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

May 1, 1978

The Honorable Steve Cowper
Chairman
House Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

Re: CS for House Bill No. 732

Dear Mr. Cowper:

Committee Substitute for House Bill No. 732, an Act relating to manufacturers and dealers of goods in Alaska, was referred on April 21, 1978 by the House Commerce Committee to the House Finance Committee.

For the consideration of the House Finance Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Gary L. Jenkins, Director, Audit Division, Department of Revenue concerning Section 7 of the proposed legislation.

Very truly yours,



R. D. Stevenson
Special Assistant

Enclosure

cc: John Messenger
Deputy Commissioner
Department of Revenue

Gary L. Jenkins, Director
Audit Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee Substitute for House Bill No. 732
 Title An Act relating to manufacturers and dealers of goods in Alaska
 Requested by House Finance Committee Date 5/1/78

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 Budget Request Unit(s) Affected Audit Division

EXPENDITURES (Thousands of Dollars)

| | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 |
|--------------------------|-------|--------------|--------------|--------------|--------------|--------------|
| 100 PERSONAL SERVICES | | 97.3 | 97.3 | 97.3 | 97.3 | 97.3 |
| 200 TRAVEL | | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| 300 CONTRACTUAL | | 23.2 | 23.2 | 23.2 | 23.2 | 23.2 |
| 400 COMMODITIES | | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| 500 EQUIPMENT | | 4.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | 131.5 | 128.5 | 128.5 | 128.5 | 128.5 |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------|--|-------|-------|-------|-------|-------|
| GENERAL FUND | | 131.5 | 128.5 | 128.5 | 128.5 | 128.5 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify) | | | | | | |
| | | | | | | |


POSITIONS

| | | | | | | |
|-----------|--|---|---|---|---|---|
| FULL TIME | | 5 | 5 | 5 | 5 | 5 |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 5/1/78.

IV. DATE May 1, 1978

PREPARED BY 
 AGENCY AUDIT DIVISION
 PHONE 465-2320

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE
of ALASKA

MEMORANDUM

10. R. D. Stevenson
Special Assistant
Department of Revenue

DATE May 1, 1978

FILE NO.

TELEPHONE NO.

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT CS for House Bill No. 732

The committee amendment to House Bill No. 732 did not have any appreciable effect on Section 7 of the bill, which provides for an income tax credit or deduction for a taxpayer who purchases goods made by an Alaska manufacturer.

I would like to point out a very critical provision in this bill which the Legislature should be aware of as they consider it. It should be noted that this credit is not limited to individuals but would also be available to corporations which purchased Alaska manufactured goods.

Secondly, it should be noted that there is no dollar limitation on the amount of the credit or deduction which might be taken other than for unmarried taxpayers or married taxpayers filing joint returns, thus individuals filing either joint returns, head of household, or as a surviving spouse, and corporations, would have an unlimited credit or deduction.

It does not make any logical sense in this situation to allow an option of a credit or a deduction since they are both computed in basically the same manner. The taxpayer will always be taking the credit since the deduction would bring a far less reduction in taxes. Generally, it takes a \$16.67 deduction to have the same tax effect as \$1.00 of tax credit. Thus, in every instance the taxpayer will be taking a credit and not a deduction.

In my original memorandum on this bill I stated it would be impossible to determine what the cost might be to set up the necessary administrative staff to accomplish provisions of this section. We still do not have any information available to us regarding how many Alaska manufacturers may exist in the state; however, I have prepared a Fiscal Note which represents at least the minimal staffing which would have to be set up to accomplish the minimum controls required by this provision.

The loss of revenue to the State Treasury remains a complete unknown; however, it has the potential for being extremely substantial, i.e. many millions of dollars since, as noted above,

R. D. Stevenson

May 1, 1978

Page 2

there is no limit placed on the amount of the credit which may be taken on most returns other than it being 10 percent of the cost of the goods.

Finally, it should also be noted there is no provision in the bill for prorating the credit or deduction for individuals filing part-year resident returns or for corporations apportioning their income to Alaska.

Original sponsors: Dankworth, Beirne,
Hayes, et al

Offered: 4/21/78
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 732

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to manufacturers and dealers of goods
7 in Alaska."

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

9 *Section 1. AS 36.20.010 is repealed and re-enacted to read:

10 Sec. 36.20.010. PREFERENCE OF MANUFACTURERS OR DEALERS IN ALASKA.

11 In making purchases or awarding contracts for supplies, commodities, or
12 materials for an agency of the state, preference shall be given, when-
13 ever practicable, to an

14 (1) Alaska dealer if price and quality are equal;

15 (2) Alaska manufacturer of supplies, commodities, or
16 materials when the price offered by the manufacturer is not more than 25
17 per cent higher than the lowest price offered by an out-of-state manu-
18 facturer if the quality is equal.

19 * Sec. 2. AS 36.95.010 is amended by adding new paragraphs to read:

20 (8) "Alaska dealer" means a person engaged in a business
21 activity in the state by which he buys and sells products or materials
22 without substantially altering their condition; a person may be a dealer
23 as to one product or material and a manufacturer as to another product
24 or material;

25 (9) "Alaska manufacturer" means a person engaged in a busi-
26 ness activity in the state by which he, through labor, art, or skill,
27 transforms raw or partially finished materials into some kind of article
28 of trade, whose majority interest is beneficially owned by residents of
29 the state, and a majority of whose owners are residents of the state;

1 "Alaska manufacturer" does not include a person whose sole activity is
2 assembling component or ready-made parts into an article of trade.

3 * Sec. 3. AS 37.05.230(1) is repealed and re-enacted to read:

4 (1) a contract for construction and repairs, or a purchase
5 of and contract for supplies, materials, equipment, and contractual
6 services must be based on competitive bids; an award shall be made
7 to the lowest responsible bidder after advertising for bids, except
8 that

9 (A) a bid shall be awarded to an Alaska bidder if his
10 bid is not more than 25 per cent higher than the lowest nonresident
11 bidder's and the Alaska bidder is an Alaska manufacturer of the
12 supplies, material, or equipment to be purchased;

13 (B) a bid shall be awarded to an Alaska bidder if his
14 bid is not more than 15 per cent higher than the lowest nonresident
15 bidder's;

16 (C) competitive bids need not be required

17 (i) for contractual services where no competition
18 exists;

19 (ii) for sales involving fair trade items;

20 (iii) when, in the judgment of the purchasing agent,
21 food, clothing, or medical supplies, or materials for use in
22 laboratory and experimental studies may be purchased otherwise
23 to the best advantage of the state;

24 (iv) where rates are fixed by law or ordinance;

25 (v) for items traded in on like items; or

26 (vi) for professional services;

27 * Sec. 4. AS 37.05.230(5) is amended to read:

28 (5) an "Alaska bidder," for the purpose of bid awards under
29 (1)(A) and (B) [(1)(B)] of this section, is a person who

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(A) holds a current Alaska business license,

(B) submits a bid for goods or services under the name as appearing on his current Alaska business license,

(C) has maintained a place of business within the state for a period of six months immediately preceding the date of his bid.

* Sec. 5. AS 37.05.240 is amended to read:

Sec. 37.05.240. AWARD OF CONTRACTS AND PURCHASES. A contract or purchase made by or under the supervision of the department for which competitive bids are required shall be awarded to the lowest responsible bidder, except as provided in sec. 230(1)(A) and (B) of this chapter, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids. Bids may be rejected, and a bid shall be rejected if it contains a material alteration or erasure which is not initialed by the signer of the bid. The department may reject the bid of a bidder who is in arrears on taxes due the state or who failed to perform on a previous contract with the state. Where competitive bids are required and where all bids are rejected, new bids shall be called for as in the first instance. Before the awarding of a contract for a building or the making of repairs upon a building, the department shall see that the bids conform with plans and specifications approved by the Department of Transportation and Public Facilities [PUBLIC WORKS]. All bids with the names of the bidders and the amounts of the bids, together with all documents pertaining to the award of a contract, shall be made a part of a file or record and retained by the department for three years, unless reproduced by microfilming and these files or records are open to public inspection at all reasonable times. An aggrieved bidder may within five days after an award of contract appeal to the department for hearing, with notice

1 to interested parties, for redetermination and final award in accordance
2 with law.

3 * Sec. 6. AS 37.05.320 is amended by adding a new paragraph to read:

4 (5) "Alaska manufacturer" means a person engaged in a busi-
5 ness activity in the state by which he, through labor, art, or skill,
6 transforms raw or partially finished materials into some kind of article
7 of trade, whose majority interest is beneficially owned by residents of
8 the state, and a majority of whose owners are residents of the state;
9 "Alaska manufacturer" does not include a person whose sole activity is
10 assembling component or ready-made parts into an article of trade.

11 * Sec. 7. AS 43.20 is amended by adding a new section to read:

12 Sec. 43.20.037. ALASKA-MANUFACTURED GOODS DEDUCTION AND CREDIT.

13 (a) A taxpayer may elect to

14 (1) take as a tax credit an amount equal to 10 per cent, but
15 not more than \$250 for unmarried taxpayers, and five per cent, but not
16 more than \$125 for married taxpayers filing separate returns, of expen-
17 ditures on goods made by an Alaska manufacturer; or

18 (2) deduct from his taxable income an amount equal to 10 per
19 cent (five per cent for married taxpayers filing separate returns) of
20 expenditures during the taxable year on goods made by an Alaska manufac-
21 turer.

22 (b) In this section "Alaska manufacturer" means a person engaged
23 in a business activity in the state by which he, through labor, art, or
24 skill, transforms raw or partially finished materials into some kind of
25 article of trade, whose majority interest is beneficially owned by
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(c) The commissioner of revenue, in cooperation with the commissioner of commerce and economic development, shall promulgate regulations to provide taxpayers claiming a deduction or credit under this section with a means to document the amount of their purchases of goods made by Alaska manufacturers.

Original sponsors: Dankworth, Beirne,
Hayes, et al

Offered: 4/21/78
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 732

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to manufacturers and dealers of goods
in Alaska."

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(c) The commissioner of revenue, in cooperation with the commissioner of commerce and economic development, shall promulgate regulations to provide taxpayers claiming a deduction or credit under this section with a means to document the amount of their purchases of goods made by Alaska manufacturers.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. House Bill 732
 Title "An act relating to the producers of goods in Alaska"
 Requested by Dankworth et al. Date 2-6-78

II. FISCAL DETAIL
 Agency Affected Department of Administration
 Program Category Affected General Government
 Budget Request Unit(s) Affected Leasing & Facilities

EXPENDITURES (Thousands of Dollars)

| | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | 100.3 | 105.3 | 110.6 | 116.1 |
| 200 TRAVEL | | | 20.0 | 10.0 | 10.0 | 10.0 |
| 300 CONTRACTUAL | | | 50.0 | 20.0 | 20.0 | 20.0 |
| 400 COMMODITIES | | | 5.0 | 2.0 | 2.0 | 2.0 |
| 500 EQUIPMENT | | | 5.0 | .5 | .5 | .5 |
| 600 LAND & STRUCTURES | | | 0 | 0 | 0 | 0 |
| 700 GRANTS, CLAIMS, ETC. | | | 0 | 0 | 0 | 0 |
| TOTAL | | | 180.3 | 137.8 | 143.1 | 148.6 |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------|--|--|-------|-------|-------|-------|
| GENERAL FUND | | | 180.3 | 137.8 | 143.1 | 148.6 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify) | | | | | | |

POSITIONS

| | | | | | | |
|-----------|--|--|---|---|---|---|
| FULL TIME | | | 4 | 4 | 4 | 4 |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- (100) 2 P.A. II positions to investigate bidders and goods to determine if they are to receive preference on bids.
 - (100) 1 P.A. I - As expeditor will confirm Alaskan produced goods are received by agencies.
 - (100) 1 Clerk Typist I - Give clerical support to above positions.
 - (200) Travel to vendor locations and inspection trips to receiving points.
 - (300) D.P. Support - Alaska vendor's lists.
- Heaviest impact will be administering program i.e. determining producer/goods are eligible for preference and that final product received is not a substitute. Agency budgets will have to reflect higher costs of goods (not projected here) normally this estimated as same % as preference.

IV. DATE 2/15/78 PREPARED BY Richard C Bradley
 AGENCY ADMIN - G.S. & S.
 PHONE 465-2250 *OK RCT*
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Rep: Dankworth
 Governor's Office (Keith Specking)
 Dept. of Administration - Richard C. Bradley

HB 732

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 732
 Title An Act relating to the producers of goods in Alaska
 Requested by House Commerce & Finance Committees Date 2/28/78

HB
732

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ Fiscal Services _____
 Budget Request Unit(s) Affected _____ Audit Division _____

EXPENDITURES (Thousands of Dollars) NONE

| | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | | | | | |

FUNDING (Thousands of Dollars) NONE

| | | | | | | |
|-----------------|--|--|--|--|--|--|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify) | | | | | | |

POSITIONS NONE

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

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See memorandum dated 2/28/78 to R. D. Stevenson.

IV. DATE February 28, 1978 PREPARED BY *Jan Clark*
 AGENCY Audit Division
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: February 28, 1978

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: House Bill No. 732

As requested, I have reviewed House Bill No. 732. This memorandum relates only to Section 7 of the bill which would provide for an income tax deduction or credit. In attempting to determine the cost of administering such a provision so that there would be any reasonable assurance the credit or deduction claimed was correct, an extremely large organization would have to be created to set up the needed specific controls for identifying goods that were actually produced in Alaska by qualified producers. The cost of such an organization would be so extremely high that no attempt has been made to project the cost.

Further, since there is absolutely no way of knowing the volume of sales of qualified Alaska produced goods which might be sold in Alaska, it is impossible to estimate what the loss of revenue would be which would result from this provision.

If this deduction or credit becomes law, we will have no choice but to accept whatever deduction or credit is claimed by a taxpayer up to the limits which are stated in the law.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee Substitute for House Bill No. 732
 Title An Act relating to manufacturers and dealers of goods in Alaska
 Requested by House Finance Committee Date 5/1/78

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Fiscal Services
 Budget Request Unit(s) Affected Audit Division

CSHB 732

EXPENDITURES (Thousands of Dollars)

| | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 |
|--------------------------|-------|--------------|--------------|--------------|--------------|--------------|
| 100 PERSONAL SERVICES | | 97.3 | 97.3 | 97.3 | 97.3 | 97.3 |
| 200 TRAVEL | | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| 300 CONTRACTUAL | | 23.2 | 23.2 | 23.2 | 23.2 | 23.2 |
| 400 COMMODITIES | | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| 500 EQUIPMENT | | 4.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | 131.5 | 128.5 | 128.5 | 128.5 | 128.5 |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------|--|-------|-------|-------|-------|-------|
| GENERAL FUND | | 131.5 | 128.5 | 128.5 | 128.5 | 128.5 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify) | | | | | | |
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POSITIONS

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|-----------|--|---|---|---|---|---|
| FULL TIME | | 5 | 5 | 5 | 5 | 5 |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 5/1/78.

IV. DATE May 1, 1978

PREPARED BY [Signature]
 AGENCY AUDIT DIVISION
 PHONE 465-2320

Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: May 1, 1978

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: CS for House Bill No. 732

The committee amendment to House Bill No. 732 did not have any appreciable effect on Section 7 of the bill, which provides for an income tax credit or deduction for a taxpayer who purchases goods made by an Alaska manufacturer.

I would like to point out a very critical provision in this bill which the Legislature should be aware of as they consider it. It should be noted that this credit is not limited to individuals but would also be available to corporations which purchased Alaska manufactured goods.

Secondly, it should be noted that there is no dollar limitation on the amount of the credit or deduction which might be taken other than for unmarried taxpayers or married taxpayers filing joint returns, thus individuals filing either joint returns, head of household, or as a surviving spouse, and corporations, would have an unlimited credit or deduction.

It does not make any logical sense in this situation to allow an option of a credit or a deduction since they are both computed in basically the same manner. The taxpayer will always be taking the credit since the deduction would bring a far less reduction in taxes. Generally, it takes a \$16.67 deduction to have the same tax effect as \$1.00 of tax credit. Thus, in every instance the taxpayer will be taking a credit and not a deduction.

In my original memorandum on this bill I stated it would be impossible to determine what the cost might be to set up the necessary administrative staff to accomplish provisions of this section. We still do not have any information available to us regarding how many Alaska manufacturers may exist in the state; however, I have prepared a Fiscal Note which represents at least the minimal staffing which would have to be set up to accomplish the minimum controls required by this provision.

The loss of revenue to the State Treasury remains a complete unknown; however, it has the potential for being extremely substantial, i.e. many millions of dollars since, as noted above,

there is no limit placed on the amount of the credit which may be taken on most returns other than it being 10 percent of the cost of the goods.

Finally, it should also be noted there is no provision in the bill for prorating the credit or deduction for individuals filing part-year resident returns or for corporations apportioning their income to Alaska.

COMMITTEE REPORT
HOUSE

FURTHER: _____

4/21/78

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 732
"An Act relating to the producers of goods in Alaska."

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____
and _____ new title same title
- AND attaches a Letter of Intent New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chairman

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

2/6/78

Date: April 20, 1978

Mr. Speaker:

The Committee on COMMERCE has had HB 732
"An Act relating to the producers of goods in Alaska."

under consideration and (a majority of the committee) (the committee reports it back as follows)

() recommends it do pass () recommends it do not pass

() recommends it do pass with attached amendment(s)

recommends it be replaced with CS for HB 732

and _____ new title () same title

() AND attaches a Letter of Intent () New Fiscal Note

reports it back without recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

Charles H. P. Do Pass

Joe L. Hayes Do Pass

OTHER RECOMMENDATIONS:

() K. J. ... Do Not Pass

() ... " " "

() Joe McKinnon No Rec

() Fred Dece No Rec

Joe McKinnon
Chairman

4384

Rosenstein

Original sponsors: Dankworth, Beirne,
Hayes, et al

Offered: 4/21/78
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

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4 TENTH LEGISLATURE - SECOND SESSION

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COMMITTEE COPY

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3 * Sec. 3. AS 37.05.230(1) is repealed and re-enacted to read:

4 (1) a contract for construction and repairs, or a purchase
5 of and contract for supplies, materials, equipment, and contractual
6 services must be based on competitive bids; an award shall be made
7 to the lowest responsible bidder after advertising for bids, except
8 that

9 (A) a bid shall be awarded to an Alaska bidder if his
10 bid is not more than 25 per cent higher than the lowest nonresident
11 bidder's and the Alaska bidder is an Alaska manufacturer of the
12 supplies, material, or equipment to be purchased;

13 (B) a bid shall be awarded to an Alaska bidder if his
14 bid is not more than 15 per cent higher than the lowest nonresident
15 bidder's;

16 (C) competitive bids need not be required

17 (i) for contractual services where no competition
18 exists;

19 (ii) for sales involving fair trade items;

20 (iii) when, in the judgment of the purchasing agent,
21 food, clothing, or medical supplies, or materials for use in
22 laboratory and experimental studies may be purchased otherwise
23 to the best advantage of the state;

24 (iv) where rates are fixed by law or ordinance;

25 (v) for items traded in on like items; or

26 (vi) for professional services;

27 * Sec. 4. AS 37.05.230(5) is amended to read:

28 (5) an "Alaska bidder," for the purpose of bid awards under
29 (1)(A) and (B) [(1)(B)] of this section, is a person who

1 (A) holds a current Alaska business license,
2 (B) submits a bid for goods or services under the name
3 as appearing on his current Alaska business license,
4 (C) has maintained a place of business within the state
5 for a period of six months immediately preceding the date of his
6 bid.

7 * Sec. 5. AS 37.05.240 is amended to read:

8 Sec. 37.05.240. AWARD OF CONTRACTS AND PURCHASES. A contract or
9 purchase made by or under the supervision of the department for which
10 competitive bids are required shall be awarded to the lowest responsible
11 bidder, except as provided in sec. 230(1)(A) and (B) of this chapter,
12 taking into consideration conformity with the specifications, terms of
13 delivery, and other conditions imposed in the call for bids. Bids may
14 be rejected, and a bid shall be rejected if it contains a material
15 alteration or erasure which is not initialed by the signer of the bid.
16 The department may reject the bid of a bidder who is in arrears on taxes
17 due the state or who failed to perform on a previous contract with the
18 state. Where competitive bids are required and where all bids are re-
19 jected, new bids shall be called for as in the first instance. Before
20 the awarding of a contract for a building or the making of repairs upon
21 a building, the department shall see that the bids conform with plans
22 and specifications approved by the Department of Transportation and
23 Public Facilities [PUBLIC WORKS]. All bids with the names of the
24 bidders and the amounts of the bids, together with all documents per-
25 taining to the award of a contract, shall be made a part of a file or
26 record and retained by the department for three years, unless reproduced
27 by microfilming and these files or records are open to public inspection
28 at all reasonable times. An aggrieved bidder may within five days after
29 an award of contract appeal to the department for hearing, with notice

1 to interested parties, for redetermination and final award in accordance
2 with law.

3 * Sec. 6. AS 37.05.320 is amended by adding a new paragraph to read:

4 (5) "Alaska manufacturer" means a person engaged in a busi-
5 ness activity in the state by which he, through labor, art, or skill,
6 transforms raw or partially finished materials into some kind of article
7 of trade, whose majority interest is beneficially owned by residents of
8 the state, and a majority of whose owners are residents of the state;
9 "Alaska manufacturer" does not include a person whose sole activity is
10 assembling component or ready-made parts into an article of trade.

11 * Sec. 7. AS 43.20 is amended by adding a new section to read:

12 Sec. 43.20.037. ALASKA-MANUFACTURED GOODS DEDUCTION AND CREDIT.

13 (a) A taxpayer may elect to

14 (1) take as a tax credit an amount equal to 10 per cent, but
15 not more than \$250 for unmarried taxpayers, and five per cent, but not
16 more than \$125 for married taxpayers filing separate returns, of expen-
17 ditures on goods made by an Alaska manufacturer; or

18 (2) deduct from his taxable income an amount equal to 10 per
19 cent (five per cent for married taxpayers filing separate returns) of
20 expenditures during the taxable year on goods made by an Alaska manufac-
21 turer.

22 (b) In this section "Alaska manufacturer" means a person engaged
23 in a business activity in the state by which he, through labor, art, or
24 skill, transforms raw or partially finished materials into some kind of
25 article of trade, whose majority interest is beneficially owned by
26 residents of the state, and a majority of its owners are residents of
27 the state; "Alaska manufacturer" does not include a person whose sole
28 activity is assembling component or ready-made parts into articles of
29 trade.

1 (c) The commissioner of revenue, in cooperation with the commis-
2 sioner of commerce and economic development, shall promulgate regula-
3 tions to provide taxpayers claiming a deduction or credit under this
4 section with a means to document the amount of their purchases of goods
5 made by Alaska manufacturers.
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Introduced: 2/6/78
Referred: Commerce and Finance

4384
Rosenstein

BY DANKWORTH, BEIRNE, HAYES,
KELLY, LETHIN, MILLER AND
SNIDER BY DANKWORTH

1 IN THE HOUSE

2 HOUSE BILL NO. 732

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the producers of goods in Alaska."

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

8 * Section 1. AS 36.20.010 is repealed and re-enacted to read:

9 Sec. 36.20.010. PREFERENCE OF PRODUCERS OR DEALERS IN ALASKA. In
10 making purchases or awarding contracts for supplies, commodities, or
11 materials for an agency of the state, preference shall be given, when-
12 ever practicable, to an

13 (1) Alaska dealer if price and quality are equal;

14 (2) Alaska producer of goods when the price offered by the
15 producer is not more than 27 per cent higher than the lowest price
16 offered by an out-of-state producer if the quality is equal.

17 * Sec. 2. AS 36.95.010 is amended by adding new paragraphs to read:

18 (8) "Alaska dealer" means a person engaged in a business
19 activity in the state by which he buys and sells products or materials
20 without substantially altering their condition; a person may be a dealer
21 as to one product or material and a producer as to another product or
22 material;

23 (9) "price" means the price at which a certain supply, com-
24 modity, or material is offered to a state agency and includes the cost
25 of transporting the supply, commodity, or material to its point of use;

26 (10) "Alaska producer of goods" means a person engaged in a
27 business activity in the state by which he, through labor, art, or
28 skill, transforms raw or partially finished materials into some kind of
29 article of trade and does not include the activity of assembling

COMMITTEE COPY

1 component or ready-made parts into an article of trade.

2 * Sec. 3. AS 37.05.230(1) is repealed and re-enacted to read:

3 (1) a contract for construction and repairs, or a purchase
4 of and contract for supplies, materials, equipment, and contractual
5 services must be based on competitive bids; an award shall be made to
6 the lowest responsible bidder after advertising for bids, except that

7 (A) a bid for construction, repairs, or contractual
8 services shall be awarded to an Alaska bidder if his bid is not
9 more than five per cent higher than the lowest nonresident bidder's
10 if the quality is equal;

11 (B) a bid for supplies, materials, or equipment shall
12 be awarded to an Alaska bidder if he is the producer of the
13 supplies, materials, or equipment and his bid is not more than
14 27 per cent higher than the lowest nonresident bidder's if the
15 quality is equal; and

16 (C) competitive bids need not be required

17 (i) for contractual services where no competition
18 exists;

19 (ii) for sales involving fair trade items;

20 (iii) when, in the judgment of the purchasing agent,
21 food, clothing, or medical supplies, or materials for use
22 in laboratory and experimental studies may be purchased other-
23 wise to the best advantage of the state;

24 (iv) where rates are fixed by law or ordinance;

25 (v) for items traded in on like items; or

26 (vi) for professional services;

27 * Sec. 4. AS 37.05.230(5) is amended to read:

28 (5) an "Alaska bidder," for the purpose of bid awards under
29 (1)(A) and (B) [(1)(B)] of this section, is a person who

- 1 (A) holds a current Alaska business license,
2 (B) submits a bid for goods or services under the name
3 as appearing on his current Alaska business license,
4 (C) has maintained a place of business within the state
5 for a period of six months immediately preceding the date of his bid.

6 * Sec. 5. AS 37.05.240 is amended to read:

7 Sec. 37.05.240. AWARD OF CONTRACTS AND PURCHASES. A contract or
8 purchase made by or under the supervision of the department for which
9 competitive bids are required shall be awarded to the lowest responsible
10 bidder, except as provided in sec. 230(1)(A) and (B) of this chapter,
11 taking into consideration conformity with the specifications, terms of
12 delivery, and other conditions imposed in the call for bids. bids may be
13 rejected, and a bid shall be rejected if it contains a material altera-
14 tion or erasure which is not initialed by the signer of the bid. The
15 department may reject the bid of a bidder who is in arrears on taxes due
16 the state or who failed to perform on a previous contract with the
17 state. Where competitive bids are required and where all bids are re-
18 jected, new bids shall be called for as in the first instance. Before
19 the awarding of a contract for a building or the making of repairs upon
20 a building, the department shall see that the bids conform with plans
21 and specifications approved by the Department of Transportation and
22 Public Facilities [PUBLIC WORKS]. All bids with the names of the bidders
23 and the amounts of the bids, together with all documents pertaining to
24 the award of a contract, shall be made a part of a file or record and
25 retained by the department for three years, unless reproduced by micro-
26 filming and these files or records are open to public inspection at all
27 reasonable times. An aggrieved bidder may within five days after an
28 award of contract appeal to the department for hearing, with notice to
29 interested parties, for redetermination and final award in accordance

1 with law.

2 * Sec. 6. AS 37.05.320 is amended by adding a new paragraph to read:

3 (5) "producer" means a person engaged in a business activity
4 by which he, through labor, art, or skill, transforms raw or partially
5 finished material into some kind of article of trade and does not in-
6 clude the activity of assembling component or ready-made parts into an
7 article of trade.

8 * Sec. 7. AS 43.20 is amended by adding a new section to read:

9 Sec. 43.20.037. ALASKA-PRODUCED GOODS DEDUCTION AND CREDIT. (a)

10 A taxpayer may elect to

11 (1) deduct from his taxable income an amount equal to 10 per
12 cent (five per cent for married taxpayers filing separate returns) of
13 his expenditures during the taxable year on goods made by an Alaska
14 producer; or

15 (2) take as a tax credit against his taxes an amount equal to
16 10 per cent (five per cent for married taxpayers filing separate returns)
17 of his expenditures not exceeding \$2,500 on goods made by an Alaska
18 producer.

19 (b) In this section "Alaska producer" means a person engaged in a
20 business activity in the state by which he, through labor, art, or skill,
21 transforms raw or partially finished material into some kind of article
22 of trade and does not include construction activity or the activity of
23 assembling component or ready-made parts into an article of trade.

24 (c) The commissioner of revenue, in cooperation with the commis-
25 sioner of commerce and economic development, shall promulgate regula-
26 tions to provide taxpayers claiming a deduction or credit under this
27 section with a means to document the amount of their purchases of goods
28 made by Alaska producers.

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| ALASKA STATE LEGISLATURE | |
| TENTH Legislature | SECOND Session |
| HOUSE BILL NO. 732 | |
| By DANKWORTH, BEIRNE, HAYES, KELLY, LETHIN, MILLER AND SNIDER | |
| "An Act relating to the producers of goods in Alaska." | |
| producers of goods in Alaska | |
| Introduced in the House 2-6-78, 1978 | |

| HISTORY IN THE HOUSE | | | | | | | | | | | | | |
|--------------------------|---|-----------------|----------------|------|----------------|------|------|--------|--------|---------|---------|---------|---------|
| 19 78 | Read first time and referred to Committee on Commerce and Finance | | | | | | | | | | | | |
| Feb. 6 | Reported back with recommendation that | | | | | | | | | | | | |
| | Read second time and | | | | | | | | | | | | |
| | Read third time and | | | | | | | | | | | | |
| | <table style="margin-left: auto; margin-right: auto;"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table> | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused | | |
| PASS | Effective Date | | | | | | | | | | | | |
| Yeas | Yeas | | | | | | | | | | | | |
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| | <table style="margin-left: auto; margin-right: auto;"> <tr><td colspan="2">Reconsideration</td></tr> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table> | Reconsideration | | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused |
| Reconsideration | | | | | | | | | | | | | |
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| Yeas | Yeas | | | | | | | | | | | | |
| Nays | Nays | | | | | | | | | | | | |
| Absent | Absent | | | | | | | | | | | | |
| Excused | Excused | | | | | | | | | | | | |
| | Reported correctly engrossed Signed by Speaker Sent to Senate | | | | | | | | | | | | |
| CHIEF CLERK OF THE HOUSE | | | | | | | | | | | | | |

| HISTORY IN THE SENATE | | | | | | | | | | | | | |
|-------------------------|---|-----------------|----------------|------|----------------|------|------|--------|--------|---------|---------|---------|---------|
| 19 | Read first time and referred to Committee on | | | | | | | | | | | | |
| | Reported back with recommendation that | | | | | | | | | | | | |
| | Read second time and | | | | | | | | | | | | |
| | Read third time and | | | | | | | | | | | | |
| | <table style="margin-left: auto; margin-right: auto;"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table> | PASS | Effective Date | Yeas | Yeas | Nays | Nays | Absent | Absent | Excused | Excused | | |
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| Reconsideration | | | | | | | | | | | | | |
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| Absent | Absent | | | | | | | | | | | | |
| Excused | Excused | | | | | | | | | | | | |
| | Reported correctly engrossed Signed by President Returned to House | | | | | | | | | | | | |
| SECRETARY OF THE SENATE | | | | | | | | | | | | | |

| HISTORY IN THE HOUSE | |
|----------------------|--|
| 19 | Received from Senate |
| | Concurred in Senate amendment thus adopting: |
| | Failed to concur in Senate amendment; asked Sen. to recede |
| | Senate receded from amendment |
| | Senate failed to recede from amendment |
| | FCC appointed by House |
| | FCC appointed by Senate |
| | FCC adopted |
| | To enrolling |
| | Reported correctly enrolled |
| | Sent to Governor |
| | by Governor |
| | Filed with Lt. Governor |
| | Chapter No. |



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Irish
Signature of Camera Operator

2/23/90
Date

COMMITTEE REPORT

HOUSE

2/7/78

FURTHER: _____

Date: 2/12/78

Mr. Speaker:

The Committee on FINANCE has had HB 735
"An Act making a special appropriation to the City of Sand Point for a runway; eff. date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____
- and _____ new title same title
- AND attaches a Letter of Intent New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

T. Brennan

OTHER RECOMMENDATIONS:

Freeman
Chairman

Introduced: 2/7/78
Referred: Finance

1 IN THE HOUSE

BY OSTERBACK AND COWPER

2

HOUSE BILL NO. 735

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the City of
7 Sand Point for a runway; and providing for an effective
8 date."

8

9

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

10

* Section 1. The sum of \$40,000 is appropriated from the general fund to
11 the City of Sand Point for construction of a runway.

11

12

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).

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Introduced: 2/7/78
Referred: Finance

1 IN THE HOUSE

BY OSTERBACK AND COWPER

2 HOUSE BILL NO. 735

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the City of
7 Sand Point for a runway; and providing for an effective
8 date."

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12 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).

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James O. Smith
Signature of Camera Operator

2/23/90
Date

COMMITTEE REPORT
SENATE

2/24/73

FURTHER: _____

Date: March 3 1973

Mr. President:

The Committee on FINANCE has had 12/1/72

(Special appropriation to the City of Sand Point for runway)

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass () recommends it do not pass
- () recommends it do pass with attached amendment(s)
- () recommends it be replaced with CS for _____

and _____ () new title () same title

- () AND attaches a Letter of Intent () New Fiscal Note
- () reports it back without recommendation
- () and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chairman

Introduced: 2/7/78
Referred: Finance

1 IN THE HOUSE

BY OSTERBACK AND COWPER

2 HOUSE BILL NO. 735

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the City of
7 Sand Point for a runway; and providing for an effective
8 date."

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

10 * Section 1. The sum of \$40,000 is appropriated from the general fund to
11 the City of Sand Point for construction of a runway.

12 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).

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15 *1500 feet*
16 *Have track already*
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