

LEG. FINANCE - BILLS 1979 - 1980 1058

HB 180 thru HB 185



# 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

3/8/90  
Date

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill # 180  
 Title An act relating to certain health inspection functions  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Health and Social Services  
 Program Category Affected Environmental Health  
 BRU, Program, or Subprogram(s) Affected Environmental Health  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		490.1	539.1	593.0	652.3	717.4
200 TRAVEL		60.0	66.0	72.6	79.9	87.9
300 CONTRACTUAL		27.0	29.7	32.7	35.9	39.5
400 COMMODITIES		12.0	13.2	14.5	16.0	17.6
500 EQUIPMENT		3.0	3.3	3.6	4.0	4.4
600 LAND STRUCTURES						
700 GRANTS CLAIMS, ETC.						
<b>TOTAL</b>		<b>592.1</b>	<b>651.3</b>	<b>716.4</b>	<b>788.1</b>	<b>866.8</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		592.1	651.3	716.4	788.1	866.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		16	16	16	16	16
PART TIME						
TEMPORARY						

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

An annual 10% yearly inflationary rate was used to project all costs through FY 84.

See APPENDIX A

IV. DATE February 21, 1979 PREPARED BY John R. Kuhn  
 AGENCY Health and Social Services  
 PHONE 465 3120  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

HIS 180

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 180

Title Transferral of Inspection Functions

Requested by House HESS

Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Natural Resources

Program Category Affected Public Protection

Budget Request Unit(s) Affected Meat Dairy and Seafood Inspection

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>						

FUNDING (Thousands of Dollars)

GENERAL FUND	(476.2)				
FEDERAL FUNDS	(249.8)				
OTHER (Specify)					
	(726.0)				

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

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

Animal Industry                    249.8 Federal funds  
     249.7 General fund  
 Dairy Inspection                    650 General fund  
 Seafood Industry                    161.5 General fund

IV. DATE 2/27/79

PREPARED BY Patrick Conheady  
 AGENCY Department of Natural Resources  
 PHONE 465-2400

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

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 180  
Title An Act Relating to Certain Health Inspection Functions  
Requested by McKinnon Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Dept. of Environmental Conservation  
Program Category Affected NRM&EC  
Budget Request Unit(s) Affected Field Offices

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		---				
200 TRAVEL		---				
300 CONTRACTUAL		---				
400 COMMODITIES		---				
500 EQUIPMENT		---				
600 LAND & STRUCTURES		---				
700 GRANTS, CLAIMS, ETC.		---				
TOTAL		(129.4)	(137.2)	(145.4)	(154.1)	(163.4)

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND						
FEDERAL FUNDS		(129.4)	(137.2)	(145.4)	(154.1)	(163.4)
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME		(3)	(3)	(3)	(3)	(3)
PART TIME						
TEMPORARY						

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

See attached narrative for derivation of cost saving. Inflation in subsequent years taken at 6%.

IV. DATE 3/1/79 PREPARED BY A. L. Eagler, Director  
AGENCY Dept. of Environmental Conservation  
PHONE 465-2604  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

# COMMITTEE REPORT HOUSE

FURTHER:

February 28, 1979

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

Mr. Speaker:

The Committee on FINANCE has had HB 180

"An Act relating to certain state health inspection functions."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
CHAIRMAN

# COMMITTEE REPORT HOUSE

FURTHER: FINANCE

February 12, 1979

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

Mr. Speaker:

The Committee on HESS has had HB 180

"An Act relating to certain state health inspection functions."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title
- and recommends \_\_\_\_\_  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

*Theresa Barnes*  
*Dern Henderson*  
*Clay Chatterton*  
*Mike Babin*  
*Joyce Munson*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*Joyce Munson*  
 CHAIRMAN

72

Introduced: 2/12/79  
Referred: Health, Education &  
Social Services and Finance

6109  
Rosenstein

1 IN THE HOUSE

BY MCKINNON

2 HOUSE BILL NO. 180

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to certain state health inspection  
7 functions."

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

9 \* Section 1. INTENT. It is the intent of this legislation to implement,  
10 in part, Recommendation No. 280, made by the Governor's Management and Effi-  
11 ciency Review Committee in its report dated May 1976, in which it is recom-  
12 mended that the various health and safety inspection functions of the state  
13 be consolidated in a single agency. The delegation of power made in AS  
14 46.03.025 enacted in sec. 4 of this Act is not intended to be a diminution or  
15 derogation of the Department of Environmental Conservation's designation as  
16 the primary state agency for the purpose of receiving and expending federal  
17 environmental funds.

18 \* Sec. 2. AS 17.05 is amended by adding new sections to read:

19 ARTICLE 3. MEAT, POULTRY, FISH,  
20 AND DAIRY PRODUCTS STANDARDS.

21 Sec. 17.05.155. DUTIES OF THE COMMISSIONER. The commissioner  
22 shall

- 23 (1) require routine examinations and inspections of food  
24 animals, poultry, fish, dairy products, and derivative food products, to  
25 protect the public against fraud, disease, and spoilage, and in this  
26 connection he shall adopt uniform regulations establishing standards of  
27 identity and composition of these food products and minimum standards of  
28 sanitation and handling methods as to all phases of slaughtering, pro-  
29 cessing, storing, transporting, displaying, and selling of these food

1 products;

2 (2) issue orders or cause the orders to be issued by an  
3 authorized veterinarian prohibiting transportation and sale of food  
4 products intended for human consumption which do not meet the minimum  
5 requirements established under (1) of this section, and limiting their  
6 use and disposal in conformity with protection of the public;

7 (3) designate points of entry for livestock or poultry into  
8 the state, arrange inspection at those points with or without the col-  
9 laboration and assistance of the federal government, and bar entry of  
10 stock or poultry not shipped under a valid permit or not free from  
11 contagious or infectious disease;

12 (4) adopt regulations for

13 (A) the labeling and grading of milk and milk products  
14 and standards of cleanliness and sanitation, to at least the mini-  
15 mum of current recommendations of the United States Public Health  
16 Service, for the operation of dairies selling, or offering for  
17 sale, milk or milk products;

18 (B) the production and sale of ice cream and allied  
19 frozen desserts;

20 (C) the production and sale of imitation milk and imita-  
21 tion milk products;

22 (5) adopt regulations which

23 (A) require labels for meat, fish, and poultry which has  
24 been frozen that inform purchasers that the meat, fish, or poultry  
25 has been frozen; and

26 (B) provide for the examination and inspection of meat,  
27 fish, and poultry to ascertain whether it has been frozen.

28 Sec. 17.05.156. SALE AND LABELING OF FROZEN MEAT, FISH, AND  
29 POULTRY. (a) Meat, fish, and poultry which has been frozen may not be

1 sold, represented, or advertised as a fresh food.

2 (b) Meat, fish, and poultry which has been frozen must be labeled  
3 a frozen food, under regulations.

4 Sec. 17.05.157. INSPECTION. On any business day during the usual  
5 hours of business, the commissioner or his authorized inspector may, for  
6 the purpose of inspecting meat, fish, poultry, or derivative products  
7 subject to regulation, enter a storehouse, warehouse, cold storage  
8 plant, packing house, slaughterhouse, retail store, or other building or  
9 place where those products are kept, stored, processed or sold.

10 \* Sec. 3. AS 17.05.160 is amended by adding a new paragraph to read:

11 (6) "commissioner" means the commissioner of health and  
12 social services.

13 \* Sec. 4. AS 46.03 is amended by adding a new section to read:

14 Sec. 46.03.025. DELEGATION OF POWER. Notwithstanding any other  
15 provision of law, the department's powers relating to inspection and  
16 enforcement of regulations and standards concerning water supply and  
17 sewage disposal systems at a camp, cannery, food handling establishment,  
18 food manufacturing plant, mattress manufacturing plant, industrial  
19 plant, school, barber shop, cosmetological establishment, soft drink  
20 establishment, beer and wine dispensaries, and other similar estab-  
21 lishments in which insanitation may create a condition causing or con-  
22 tributing to the spread of disease are delegated to the Department of  
23 Health and Social Services. The department's powers relating to the  
24 establishment of standards to be applied to and the issuance of permits  
25 and variances to water supply and sewage disposal systems shall remain  
26 with the department.

27 \* Sec. 5. The following laws are repealed: AS 03.05.010(f)(7), 03.05.-  
28 020(1), (2), (4) and (5), and 03.05.035.

**ALASKA STATE LEGISLATURE**

ELEVENTH Legislature . FIRST Session

HOUSE . . . . . BILL . . . . . NO. 180 . . .

By McKINNON . . . . .

"An Act relating to certain state health inspection functions."

State health inspection functions

Introduced in the House 2-12 . . . . ., 19.79

**HISTORY IN THE HOUSE**

19	79	Read first time and referred to Committee on <b>HESS and Finance</b>  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
Feb.	12	
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: VOTE  Failed to concur in Senate amendment; asked Senate to recede VOTE  Senate receded from amendment VOTE  Senate failed to recede from amendment VOTE  CC appointed by House  CC appointed by Senate  CC adopted by House VOTE  CC adopted by Senate VOTE  To enrolling Reported correctly enrolled Sent to Governor  . . . . . by Governor  Filed with Lt. Governor  Chapter No. . . . .

Introduced: 2/12/79  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY MCKINNON

2 HOUSE BILL NO. 180

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

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13 be consolidated in a single agency. The delegation of power made in AS  
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26 connection he shall adopt uniform regulations establishing standards of  
27 identity and composition of these food products and minimum standards of  
28 sanitation and handling methods as to all phases of slaughtering, pro-  
29 cessing, storing, transporting, displaying, and selling of these food

1 products;

2 (2) issue orders or cause the orders to be issued by an  
3 authorized veterinarian prohibiting transportation and sale of food  
4 products intended for human consumption which do not meet the minimum  
5 requirements established under (1) of this section, and limiting their  
6 use and disposal in conformity with protection of the public;

7 (3) designate points of entry for livestock or poultry into  
8 the state, arrange inspection at those points with or without the col-  
9 laboration and assistance of the federal government, and bar entry of  
10 stock or poultry not shipped under a valid permit or not free from  
11 contagious or infectious disease;

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13 (A) the labeling and grading of milk and milk products  
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15 mum of current recommendations of the United States Public Health  
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20 establishment, beer and wine dispensaries, and other similar estab-  
21 lishments in which insanitation may create a condition causing or con-  
22 tributing to the spread of disease are delegated to the Department of  
23 Health and Social Services. The department's powers relating to the  
24 establishment of standards to be applied to and the issuance of permits  
25 and variances to water supply and sewage disposal systems shall remain  
26 with the department.

27 \* Sec. 5. The following laws are repealed: AS 03.05.010(f)(7), 03.05.-  
28 020(1), (2), (4) and (5), and 03.05.035.

29

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 180  
Title Transferral of Inspection Functions  
Requested by House HESS Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Natural Resources  
Program Category Affected Public Protection  
Budget Request Unit(s) Affected Meat, Dairy and Seafood Inspection

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>						

FUNDING (Thousands of Dollars)

GENERAL FUND		(476.2)				
FEDERAL FUNDS		(249.8)				
OTHER (Specify)						
		(726.0)				

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Animal Industry                    249.8 Federal funds  
    249.7 General fund  
Dairy Inspection                    650 General fund  
Seafood Industry                    161.5 General fund

IV. DATE 2/27/79

PREPARED BY Patrick Conheady  
AGENCY Department of Natural Resources  
PHONE 465-2400

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

APPENDIX A

DEPARTMENT OF HEALTH & SOCIAL SERVICES  
Fiscal Note - House Bill 180

CONSOLIDATION OF INSPECTION SERVICES

GENERAL

Consolidation of inspection services, as spelled out in House Bill 180 has extensive fiscal ramifications for the Department. This estimated fiscal impact considers the additional needs of the Department in fulfilling the regulatory aspects of inspections and follow-up which are associated with the transferred functions.

This Fiscal Note does not include a consideration of additional laboratory services to be provided by this Department. It is assumed the cost of the laboratory services to the State, will not change provided that the transfer of the additional functions includes the existing funds and positions which are presently being used to carry on this activity in the other affected agencies. The Department's Public Health Laboratories already provide all of the seafood and water bacteriological work required by the Departments of Natural Resources and Environmental Conservation.

This Fiscal Note calls for the transfer of three professional positions from the Department of Environmental Conservation to handle the water and sewer responsibilities as well as one veterinarian, two seafood sanitarians, five meat inspectors and one dairy sanitarian from the Department of Natural Resources. In addition, four positions are requested to provide clerical assistance. The present Environmental Health BRU involves thirtysix positions, with a FY 79 authorized budget of \$1,303,300.

The additional personnel and funding needs, as set forth in this Fiscal Note, will be offset by equal or greater reductions in personnel and support funding in the Departments of Natural Resources and Environmental Conservation. Realistic estimates of dollar savings to the State can only be developed after determination of present costs experienced by each of the involved agencies. Savings in all probability will be realized in an overall reduction of personnel in addition to those transferred from the Departments of Natural Resources and Environmental Conservation and by elimination of duplicate travel and administrative costs.

<u>PERSONAL SERVICES</u>	\$490,082
One Veterinarian II - (PFT) Range 23(f)	\$ 43,404
17.70% + \$1,588 (FICA) + \$1,452 (Health Insurance)	10,722
	<u>\$ 54,126</u>
Three Sanitarian III (PFT) Range 18(c)	\$ 84,780
17.70% + \$1,588 (FICA) + \$1,692 (Health Insurance)	24,846
	<u>\$109,626</u>
Eight Sanitarian II (PFT) Range 16(c) \$2031	\$194,976
17.70% + \$1,588 (FICA) + \$1,692 (Health Insurance)	60,751
	<u>\$255,726</u>

Four Clerk Typist II (PFT) Range 7(b) \$1074	\$ 51,552
17.70% + \$790 (FICA) + \$1,692 (Health Insurance)	19,052
	<u>\$ 70,604</u>

The Public Health Veterinarian is necessary to oversee specialized aspects of the meat inspection program. The positions described by Sanitarian II's and III's represent the positions of the Environmental Field Officer, Dairy Sanitarian and Meat Inspector transferred to the program. Costs for these positions are from Salary Schedule A of the FY 80 Budget Year Annualized table.

TRAVEL & MOVING \$ 60,000

The assignment of twelve additional inspectional personnel to this Department will reflect an increase of associated transportation costs to this BRU, but will result in an overall saving to the State by reducing the existing number of inspection personnel, eliminating the need for duplicative travel to provide the existing level of public service and by providing a proportionately greater percentage of field time per employee per travel dollar.

Sanitarians of this Department are already traveling to communities and inspecting most of these establishments - food and beverage manufacturing plants and retail food outlets as well as other types of health regulated facilities under provisions of AS 18.05 and AS 17.20.

The anticipated additional cost to this Department:

12 persons x \$5,000 = \$60,000

CONTRACTUAL \$ 27,000

Office space will be required for six positions, with space presently available for the remainder.

Office space:

Six positions at \$2,500/position = \$15,000

It is estimated that miscellaneous contractual items such as postage, telephone, telegrams, printing of inspection forms, legal notices, regulations as well as repairs for equipment will cost \$1,000/professional position.

COMMODITIES \$ 12,000

Cost of commodities is estimated according to previous operating year expenses for existing staff and program activities. The additional cost is projected to be: 12 persons x \$1,000 = \$12,000

EQUIPMENT

\$ 3,000

It is expected that the transfer of personnel to this section will be accomplished by the concurrent transfer of the major equipment necessary to the execution of their assigned duties.

Equipment needs will be limited to replacement of miscellaneous items used for inspection purposes which are beyond repair.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

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700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

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FEDERAL FUNDS	(249.8)				
OTHER (Specify)					
	(726.0)				

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

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

Animal Industry 249.8 Federal funds  
249.7 General fund  
Dairy Inspection 650 General fund  
Seafood Industry 161.5 General fund

IV. DATE 2/27/79 PREPARED BY Patrick Conheady

AGENCY Department of Natural Resources  
PHONE 465-2400

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

HB 180

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. House Bill # 180  
 Title An act relating to certain health inspection functions  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

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400 COMMODITIES		12.0	13.2	14.5	16.0	17.6
500 EQUIPMENT		3.0	3.3	3.6	4.0	4.4
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700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>592.1</b>	<b>651.3</b>	<b>716.4</b>	<b>788.1</b>	<b>866.8</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		592.1	651.3	716.4	788.1	866.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		16	16	16	16	16
PART TIME						
TEMPORARY						

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

An annual 10% yearly inflationary rate was used to project all costs through FY 84.

See APPENDIX A

IV. DATE February 21, 1979 PREPARED BY John R. Kuhn  
 AGENCY Health and Social Services  
 PHONE 465 3120  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

HB 180

APPENDIX A

DEPARTMENT OF HEALTH & SOCIAL SERVICES  
Fiscal Note - House Bill 180

CONSOLIDATION OF INSPECTION SERVICES

GENERAL

Consolidation of inspection services, as spelled out in House Bill 180 has extensive fiscal ramifications for the Department. This estimated fiscal impact considers the additional needs of the Department in fulfilling the regulatory aspects of inspections and follow-up which are associated with the transferred functions.

This Fiscal Note does not include a consideration of additional laboratory services to be provided by this Department. It is assumed the cost of the laboratory services to the State, will not change provided that the transfer of the additional functions includes the existing funds and positions which are presently being used to carry on this activity in the other affected agencies. The Department's Public Health Laboratories already provide all of the seafood and water bacteriological work required by the Departments of Natural Resources and Environmental Conservation.

This Fiscal Note calls for the transfer of three professional positions from the Department of Environmental Conservation to handle the water and sewer responsibilities as well as one veterinarian, two seafood sanitarians, five meat inspectors and one dairy sanitarian from the Department of Natural Resources. In addition, four positions are requested to provide clerical assistance. The present Environmental Health BRU involves thirtysix positions, with a FY 79 authorized budget of \$1,303,300.

The additional personnel and funding needs, as set forth in this Fiscal Note, will be offset by equal or greater reductions in personnel and support funding in the Departments of Natural Resources and Environmental Conservation. Realistic estimates of dollar savings to the State can only be developed after determination of present costs experienced by each of the involved agencies. Savings in all probability will be realized in an overall reduction of personnel in addition to those transferred from the Departments of Natural Resources and Environmental Conservation and by elimination of duplicate travel and administrative costs.

PERSONAL SERVICES

	\$490,082
One Veterinarian II - (PFT) Range 23(f)	\$ 43,404
17.70% + \$1,588 (FICA) + \$1,452 (Health Insurance)	10,722
	<u>\$ 54,126</u>
Three Sanitarian III (PFT) Range 18(c)	\$ 84,780
17.70% + \$1,588 (FICA) + \$1,692 (Health Insurance)	24,846
	<u>\$109,626</u>
Eight Sanitarian II (PFT) Range 16(c) \$2031	\$194,976
17.70% + \$1,588 (FICA) + \$1,692 (Health Insurance)	60,751
	<u>\$255,726</u>

Four Clerk Typist II (PFT) Range 7(b) \$1074	\$ 51,552
17.70% + \$790 (FICA) + \$1,692 (Health Insurance)	19,052
	<u>\$ 70,604</u>

The Public Health Veterinarian is necessary to oversee specialized aspects of the meat inspection program. The positions described by Sanitarian II's and III's represent the positions of the Environmental Field Officer, Dairy Sanitarian and Meat Inspector transferred to the program. Costs for these positions are from Salary Schedule A of the FY 80 Budget Year Annualized table.

TRAVEL & MOVING \$ 60,000

The assignment of twelve additional inspectional personnel to this Department will reflect an increase of associated transportation costs to this BRU, but will result in an overall saving to the State by reducing the existing number of inspection personnel, eliminating the need for duplicative travel to provide the existing level of public service and by providing a proportionately greater percentage of field time per employee per travel dollar.

Sanitarians of this Department are already traveling to communities and inspecting most of these establishments - food and beverage manufacturing plants and retail food outlets as well as other types of health regulated facilities under provisions of AS 18.05 and AS 17.20.

The anticipated additional cost to this Department:

$$12 \text{ persons} \times \$5,000 = \$60,000$$

CONTRACTUAL \$ 27,000

Office space will be required for six positions, with space presently available for the remainder.

Office space:

$$\text{Six positions at } \$2,500/\text{position} = \$15,000$$

It is estimated that miscellaneous contractual items such as postage, telephone, telegrams, printing of inspection forms, legal notices, regulations as well as repairs for equipment will cost \$1,000/professional position.

COMMODITIES \$ 12,000

Cost of commodities is estimated according to previous operating year expenses for existing staff and program activities. The additional cost is projected to be: 12 persons x \$1,000 = \$12,000

EQUIPMENT

\$ 3,000

It is expected that the transfer of personnel to this section will be accomplished by the concurrent transfer of the major equipment necessary to the execution of their assigned duties.

Equipment needs will be limited to replacement of miscellaneous items used for inspection purposes which are beyond repair.

## ANALYSIS OF HB 180

## DEPARTMENT OF ENVIRONMENTAL CONSERVATION

The provisions of House Bill 180 transfers the Department of Environmental Conservation's authority to inspect and enforce regulations and standards for--

"Water supply and sewage disposal systems at a camp, cannery, food handling establishment, food manufacturing plant, mattress manufacturing plant, industrial plant, school, barber shop, cosmetological establishment, soft drink establishment, beer and wine dispensaries and similar establishments."

--to the Department of Health and Social Services.

The Department of Environmental Conservation would retain inspection and enforcement authority for subdivisions, private homes, community water and sewer systems, and also those inspection and enforcement activities at commercial and industrial facilities where health factors were not the prime consideration, but where water quality violations and/or nuisances can occur. Additionally, the department would retain regulatory, permitting, and variance authority and plan review and approval authority over all facilities. Also, the federal grant management function would remain with this agency, which of necessity requires that we retain all reporting and tracking functions in support of grant activities. It is assumed that rather than Health and Social Services establishing a duplicate inorganic, organic and radiological laboratory analysis capability, the Department of Environmental Conservation would continue to perform those laboratory analyses, and the Department of Health and Social Services would continue to provide microbiological laboratory support to this agency as well as to serve it's own needs. Based upon those assumptions, estimated budgetary impacts can be derived as follows:

The Department does no inspections of those establishments listed in the bill where municipal water supplies and sewage systems are utilized. Estimates by the various Regional Supervisors of the Department of those types of establishments on municipal systems are:

<u>Region</u>	<u>% on Municipal Utilities</u>
SERO	90%
SCRO	70%
NRO	50%
PWSRO	40%
Estimated Average	65*

The remaining 35% of the commercial and industrial establishments operate from their own utility systems. Inspection and enforcement activities of this agency for health related matters comprise the following percentage of our total regional and field office workload.


<u>Regional Office</u>	<u>% Workload</u>
SERO	5%
SCRO	5%
NRO	8%
PWSRO	<u>10%</u>
Estimated total workload	6%

From this, a generalized estimated cost saving in this Department can be derived as follows:

<u>Regional Office</u>	<u>FY 80 Budget</u>	<u>Reduction</u>	<u>Cost Saving</u>
SERO	\$385.2	5%	\$19.3
SCRO	759.5	5%	37.9
NRO	664.1	8%	53.1
PWSRO	191.0	10%	19.1
	<u>\$1999.8</u>	<u>6%</u>	<u>\$129.4</u>

The \$129.4 cost saving equates to roughly three employees plus support costs.

Most of these cost savings would occur in federal funds as eligible activities were dropped by this agency. Perhaps some of the federal funds could be transferred to the Department of Health and Social Services to defray their costs. Some duplication of inspection and enforcement activities would still occur under this bill, as in some cases this agency would be inspecting and enforcing on non-health related matters and Health and Social Services would be performing similar inspections on health related matters.

  
 A. L. Eagle, Director of Management Services

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 180  
 Title An Act Relating to Certain Health Inspection Functions  
 Requested by McKinnon Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Dept. of Environmental Conservation  
 Program Category Affected NRM&EC  
 Budget Request Unit(s) Affected Field Offices

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		--				
200 TRAVEL		--				
300 CONTRACTUAL		--				
400 COMMODITIES		--				
500 EQUIPMENT		--				
600 LAND & STRUCTURES		--				
700 GRANTS, CLAIMS, ETC.		--				
<b>TOTAL</b>		(129.4)	(137.2)	(145.4)	(154.1)	(163.4)

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS		(129.4)	(137.2)	(145.4)	(154.1)	(163.4)
OTHER (Specify)						

POSITIONS

		(3)	(3)	(3)	(3)	(3)
FULL TIME						
PART TIME						
TEMPORARY						

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

See attached narrative for derivation of cost saving. Inflation in subsequent years taken at 6%.

IV. DATE 3/1/79 PREPARED BY A. L. Eagle, Director  
 AGENCY Dept. of Environmental Conservation  
 PHONE 465-2604

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

## ANALYSIS OF HB 180

## DEPARTMENT OF ENVIRONMENTAL CONSERVATION

The provisions of House Bill 180 transfers the Department of Environmental Conservation's authority to inspect and enforce regulations and standards for--

"Water supply and sewage disposal systems at a camp, cannery, food handling establishment, food manufacturing plant, mattress manufacturing plant, industrial plant, school, barber shop, cosmetological establishment, soft drink establishment, beer and wine dispensaries and similar establishments."

--to the Department of Health and Social Services.

The Department of Environmental Conservation would retain inspection and enforcement authority for subdivisions, private homes, community water and sewer systems, and also those inspection and enforcement activities at commercial and industrial facilities where health factors were not the prime consideration, but where water quality violations and/or nuisances can occur. Additionally, the department would retain regulatory, permitting, and variance authority and plan review and approval authority over all facilities. Also, the federal grant management function would remain with this agency, which of necessity requires that we retain all reporting and tracking functions in support of grant activities. It is assumed that rather than Health and Social Services establishing a duplicate inorganic, organic and radiological laboratory analysis capability, the Department of Environmental Conservation would continue to perform those laboratory analyses, and the Department of Health and Social Services would continue to provide microbiological laboratory support to this agency as well as to serve it's own needs. Based upon those assumptions, estimated budgetary impacts can be derived as follows:

The Department does no inspections of those establishments listed in the bill where municipal water supplies and sewage systems are utilized. Estimates by the various Regional Supervisors of the Department of those types of establishments on municipal systems are:

<u>Region</u>	<u>% on Municipal Utilities</u>
SERO	90%
SCRO	70%
NRO	50%
PWSRO	<u>40%</u>
Estimated Average	65%

The remaining 35% of the commercial and industrial establishments operate from their own utility systems. Inspection and enforcement activities of this agency for health related matters comprise the following percentage of our total regional and field office workload.

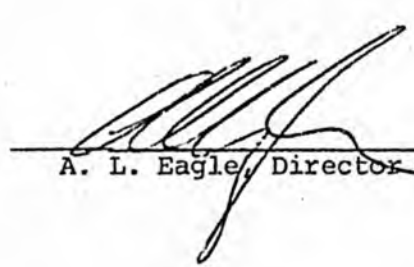
<u>Regional Office</u>	<u>% Workload</u>
SERO	5%
SCRO	5%
NRO	8%
PWSRO	<u>10%</u>
Estimated total workload	6%

From this, a generalized estimated cost saving in this Department can be derived as follows:

<u>Regional Office</u>	<u>FY 80 Budget</u>	<u>Reduction</u>	<u>Cost Saving</u>
SERO	\$385.2	5%	\$19.3
SCRO	759.5	5%	37.9
NRO	664.1	8%	53.1
PWSRO	191.0	10%	19.1
	<u>\$1999.8</u>	<u>6%</u>	<u>\$129.4</u>

The \$129.4 cost saving equates to roughly three employees plus support costs.

Most of these cost savings would occur in federal funds as eligible activities were dropped by this agency. Perhaps some of the federal funds could be transferred to the Department of Health and Social Services to defray their costs. Some duplication of inspection and enforcement activities would still occur under this bill, as in some cases this agency would be inspecting and enforcing on non-health related matters and Health and Social Services would be performing similar inspections on health related matters.

  
 A. L. Eagle, Director of Management Services



# 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

3/8/90  
Date

Original sponsors: Buchholdt and McKinnon

Offered: 5/7/80  
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 183

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for public disclosure of contractors  
7 and the terms of public contracts; and providing for an  
8 effective date."

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

10 \* Section 1. AS 44.21 is amended by adding a new section to read:

11 Sec. 44.21.035. REPORT OF PUBLIC CONTRACTS. (a) The Department  
12 of Administration shall publish, not later than December 31 of each  
13 year, a report which contains

14 (1) the names of contractors contracting to receive state  
15 money appropriated during the previous fiscal year;

16 (2) whether, for each contractor,

17 (A) his business address is in the state; or

18 (B) he holds a business license issued under AS 43.70;

19 and

20 (3) a summary of the major terms of the contracts, including  
21 but not limited to the contract period, the consideration, and the  
22 product, service or work contracted for.

23 (b) When requested by a member of the legislature, the Department  
24 of Administration shall provide a copy of the annual report to the  
25 member of the legislature. When requested by its librarian, a copy of  
26 the annual report shall be made available to a public library in the  
27 state. Individuals may obtain a personal copy of the report at cost.

28 (c) In this section, "contractor" means a vendor who receives a  
29 purchase order, lease, or professional service contract issued by the

1 Department of Administration as the central purchasing agent of the  
2 state.

3 \* Sec. 2. This Act takes effect January 1, 1981.  
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Introduced: 2/13/79  
Referred: Commerce and  
Judiciary

1 IN THE HOUSE

BY BUCHHOLDT AND MCKINNON

2 HOUSE BILL NO. 183

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

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14 (1) the names of contractors receiving or contracting to  
15 receive in the future \$10,000 or more in state funds appropriated during  
16 the previous fiscal year;

17 (2) the principal place of business of the contractors  
18 reported;

19 (3) the state agency which is party to each contract  
20 reported; and

21 (4) a summary of the major terms of the contracts, including  
22 but not limited to the contract period, the consideration, and the  
23 product, service or work contracted for.

24 (b) The department shall provide copies of the annual report to  
25 each member of the legislature. Copies shall be made available to  
26 public libraries in the state through the state library. Individuals  
27 may obtain a personal copy of the report at cost.

28 (c) In this section, "contractors" includes subcontractors,  
29 lessors and vendors.

\* Sec. 2. This Act takes effect January 1, 1980.

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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Department of Administration Proposed Draft HB 183  
 Title An Act providing for public disclosure of contractors  
 Requested by House Judiciary Committee Date 4/22/80

II. FISCAL DETAIL

Agency Affected Administration  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		23.3	25.6	28.1	31.0	
200 TRAVEL						
300 CONTRACTUAL		14.6	16.1	17.7	19.4	
400 COMMODITIES		.2	.2	.2	.3	
500 EQUIPMENT		1.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>39.5</b>	<b>41.9</b>	<b>46.0</b>	<b>50.7</b>	

FUNDING (Thousands of Dollars)

GENERAL FUND		39.5	41.9	46.0	50.7	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1.0	1.0	1.0	1.0	
PART TIME						
TEMPORARY						

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

100 Personal Services  
 Correspondent Secretary II - Range 10B  
 \$1487 Salary (10B)  
 225 Benefits (15.15%)  
 99 Supplemental Benefits  
 127 Insurance  
\$1938 Monthly  
\$23,256 Annual Cost

300 Contractual  
 Printing:  
 Costs of printing and producing 100 copies of a 400 page document  
 in Central Duplicating \$1,600

IV. DATE April 23, 1980 PREPARED BY Eileen U'Day JC PV  
 AGENCY Administration  
 Original: Legislative Finance PHONE 465-2290  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Lease

Costs of a one year lease of a WANG OIS 125:

Central Processing Unit	\$7,938
Video Work Station	1,742
Printer	2,430
Software to provide list processing capabilities	<u>900</u>
	\$13,010

TOTAL CONTRACTUAL

\_\_\_\_\_

\$14,610

400 Commodities

Office Supplies

200

500 Equipment

A one time charge to furnish the work location with  
Design Systems furniture

1,400

Assume 10% annual inflation in personal services, contractual and commodities.

(11)

# COMMITTEE REPORT

## HOUSE

5/7/80

FURTHER:

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

(Taken from Rules 5/7/80)

Mr. Speaker:

The Committee on FINANCE has had HB 183

"An Act providing for public disclosure of contractors and the terms of public contracts; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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CHAIRMAN

COMMITTEE REPORT

(9)

HOUSE

5/7

2/20/80

FURTHER:

~~Pass~~  
Amended

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

Mr. Speaker:

The Committee on JUDICIARY has had HB 183

"An Act providing for public disclosure of contractors and the terms of public contracts; effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[  ] replace with CS for HB 183 [  ] same title [ ] new title

and recommends \_\_\_\_\_

[ ] AND attaches a "Letter of Intent" [  ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

R. O. O'Connell Do Pass  
Buchholz  
Nels P. Anderson  
Charles H. Parr  
H. Malone  
Frank Brown

Terry Martin - Do not pass  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Charles H. Parr  
CHAIRMAN

# COMMITTEE REPORT

## HOUSE

FURTHER: 2/20  
JUDICIARY

February 13, 1979

Date: Feb. 19 1980

Mr. Speaker:

The Committee on COMMERCE has had HB 133

"An Act providing for public disclosure of contractors and the terms of public contracts; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments  $(\$/)$   same title
- replace with CS for \_\_\_\_\_  new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

*J. Malone*  
*Alvin Osterback*  
*Bill Randall*  
*Rick Halford*  
*Jay Munson*  
*Joe Brown*

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

\_\_\_\_\_  
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*[Signature]*  
 CHAIRMAN

A M E N D M E N T

OFFERED IN THE HOUSE:

By: COMMERCE COMMITTEE

To: \_\_\_\_\_ HOUSE BILL No. 183

SENATE BILL No. \_\_\_\_\_

PAGE: 2

LINE: 1

Change "1980" to "1981"

6418

Clenowith

Original sponsors: Buchholdt and McKinnon

Offered: 5/7/80  
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 183

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for public disclosure of contractors  
7 and the terms of public contracts; and providing for an  
8 effective date."

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

10 \* Section 1. AS 44.21 is amended by adding a new section to read:

11 Sec. 44.21.035. REPORT OF PUBLIC CONTRACTS. (a) The Department  
12 of Administration shall publish, not later than December 31 of each  
13 year, a report which contains

14 (1) the names of contractors contracting to receive state  
15 money appropriated during the previous fiscal year;

16 (2) whether, for each contractor,

17 (A) his business address is in the state; or

18 (B) he holds a business license issued under AS 43.70;

19 and

20 (3) a summary of the major terms of the contracts, including  
21 but not limited to the contract period, the consideration, and the  
22 product, service or work contracted for.

23 (b) When requested by a member of the legislature, the Department  
24 of Administration shall provide a copy of the annual report to the  
25 member of the legislature. When requested by its librarian, a copy of  
26 the annual report shall be made available to a public library in the  
27 state. Individuals may obtain a personal copy of the report at cost.

28 (c) In this section, "contractor" means a vendor who receives a  
29 purchase order, lease, or professional service contract issued by the

COMMITTEE COPY

State 5/7

1 Department of Administration as the central purchasing agent of the  
2 state.

3 \* Sec. 2. This Act takes effect January 1, 1981.  
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Introduced: 2/13/79  
Referred: Commerce and  
Judiciary

6418  
Chenoweth

1 IN THE HOUSE

BY BUCHHOLDT AND MCKINNON

2 HOUSE BILL NO. 183

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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15 receive in the future \$10,000 or more in state funds appropriated during  
16 the previous fiscal year;

17 (2) the principal place of business of the contractors  
18 reported;

19 (3) the state agency which is party to each contract  
20 reported; and

21 (4) a summary of the major terms of the contracts, including  
22 but not limited to the contract period, the consideration, and the  
23 product, service or work contracted for.

24 (b) The department shall provide copies of the annual report to  
25 each member of the legislature. Copies shall be made available to  
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27 may obtain a personal copy of the report at cost.

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29 lessors and vendors.

HB 183

COMMITTEE COPY

\* Sec. 2. This Act takes effect January 1, 1980.

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FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. Department of Administration Proposed Draft HB 183 Page 1 of 2  
 Title An Act providing for public disclosure of contractors  
 Requested by House Judiciary Committee Date 4/22/80

II. FISCAL DETAIL  
 Agency Affected Administration  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		23.3	25.6	28.1	31.0	
200 TRAVEL						
300 CONTRACTUAL		14.6	16.1	17.7	19.4	
400 COMMODITIES		2	2	2	3	
500 EQUIPMENT		1.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>39.5</b>	<b>41.9</b>	<b>46.0</b>	<b>50.7</b>	

FUNDING (Thousands of Dollars)

GENERAL FUND		39.5	41.9	46.0	50.7	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1.0	1.0	1.0	1.0	
PART TIME						
TEMPORARY						

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

Correspondent Secretary II - Range 10B  
 \$1487 Salary (10B)  
 225 Benefits (15.15%)  
 99 Supplemental Benefits  
 127 Insurance  
\$1938 Monthly  
\$23,256 Annual Cost

300 Contractual

Printing:

Costs of printing and producing 100 copies of a 400 page document  
 in Central Duplicating \$1,600

IV. DATE April 23, 1980 PREPARED BY Eileen O'Day *gc PV*  
 AGENCY Administration  
 PHONE 465-2290  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Lease

Costs of a one year lease of a WANG OIS 125:

Central Processing Unit	\$7,938
Video Work Station	1,742
Printer	2,430
Software to provide list processing capabilities	900
	<u>\$13,010</u>

TOTAL CONTRACTUAL

\$14,610

400 Commodities  
Office Supplies

200

500 Equipment

A one time charge to furnish the work location with  
Design Systems furniture

1,400

Assume 10% annual inflation in personal services, contractual and  
commodities.

ALASKA STATE LEGISLATURE

ELEVENTH Legislature *2d* **FIRST** Session

HOUSE ..... **BILL** ..... NO. **183** .....

By **BUCHHOLDT AND MCKINNON** .....

"An Act providing for public disclosure of contractors and the terms of public contracts; and providing for an effective date."

Public disclosure of contractors

Introduced in the House *2-13* ....., 19*79* .....

HISTORY IN THE HOUSE

19 <b>79</b>		Read first time and referred to Committee on <b>Commerce &amp; Judiciary</b> <i>Sanford</i> Reported back with recommendation that																												
Feb. 13																														
		Read second time and																												
		Read third time and																												
		<table border="0"> <tr> <td><b>PASS</b></td> <td><b>Effective Date</b></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> <tr> <td colspan="2"><b>Reconsideration</b></td> </tr> <tr> <td><b>PASS</b></td> <td><b>Effective Date</b></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> <tr> <td colspan="2">Reported correctly engrossed</td> </tr> <tr> <td colspan="2">Signed by Speaker</td> </tr> <tr> <td colspan="2">Sent to Senate</td> </tr> </table>	<b>PASS</b>	<b>Effective Date</b>	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	<b>Reconsideration</b>		<b>PASS</b>	<b>Effective Date</b>	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reported correctly engrossed		Signed by Speaker		Sent to Senate	
<b>PASS</b>	<b>Effective Date</b>																													
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Nays	Nays																													
Absent	Absent																													
Excused	Excused																													
<b>Reconsideration</b>																														
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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 border="0"> <tr> <td><b>PASS</b></td> <td><b>Effective Date</b></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> <tr> <td colspan="2"><b>Reconsideration</b></td> </tr> <tr> <td><b>PASS</b></td> <td><b>Effective Date</b></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> <tr> <td colspan="2">Reported correctly engrossed</td> </tr> <tr> <td colspan="2">Signed by President</td> </tr> <tr> <td colspan="2">Returned to House</td> </tr> </table>	<b>PASS</b>	<b>Effective Date</b>	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	<b>Reconsideration</b>		<b>PASS</b>	<b>Effective Date</b>	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reported correctly engrossed		Signed by President		Returned to House	
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Reported correctly engrossed																														
Signed by President																														
Returned to House																														
SECRETARY OF THE SENATE																														

HISTORY IN THE HOUSE

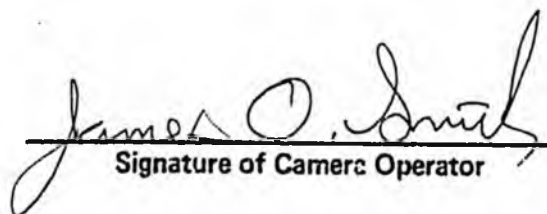
19		Received from Senate
		Concurred in Senate amendment thus adopting: VOTE
		Failed to concur in Senate amendment; asked Senate to recede VOTE
		Senate receded from amendment VOTE
		Senate failed to recede from amendment VOTE
		CC appointed by House
		CC appointed by Senate
		CC adopted by House VOTE
		CC adopted by Senate VOTE
		To enrolling Reported correctly enrolled Sent to Governor  ..... by Governor
		Filed with Lt. Governor
		Chapter No. ....

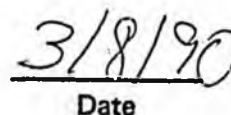


# RECORDS CERTIFICATION



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.

  
Signature of Camera Operator

  
Date



Introduced: 2/13/79  
Referred: Health, Education &  
Social Services and Finance

BY DUNCAN, ANDERSON, BRANSON, BUCHHOLDT,  
ELIASON, FREEMAN, MCKINNON, MILES, MILLER,  
MUNSON, PARKER, SCHAEFFER, SMITH AND  
GARDINER

1 IN THE HOUSE

2 HOUSE BILL NO. 185

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing state aid to municipalities for the  
7 construction and development of cultural facilities."

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

9 \* Section 1. AS 43.18 is amended by adding a new section to read:

10 ARTICLE 5. CULTURAL FACILITIES.

11 Sec. 43.18.500. CULTURAL FACILITY CONSTRUCTION AND DEVELOPMENT

12 GRANTS. (a) There is established within the Department of Commerce and  
13 Economic Development a cultural facilities development fund for the pur-  
14 pose of providing state assistance in the construction and development  
15 of cultural facilities within those municipalities which actively pro-  
16 vide support to the arts and humanities. Within the limits of direct  
17 appropriations for the purpose or through the appropriation of the  
18 proceeds of a general obligation bond issue, the department shall make  
19 grants to municipalities for construction and development of cultural  
20 facilities.

21 (b) A grant for only one project may be awarded to a municipality  
22 under this section.

23 (c) Application for a grant shall be made in the form required by  
24 the commissioner.

25 (d) No application for a grant may be considered for approval by  
26 the commissioner and no funds paid by him under this section unless

27 (1) the project is endorsed by resolution of the governing  
28 body of the sponsoring municipality on its own behalf or on behalf of  
29 the officially recognized arts and humanities planning organization of

1 the municipality;

2 (2) the commissioner is satisfied that the sponsoring municipi-  
3 pality

4 (A) has the authority under AS 29.41 or AS 29.48 to  
5 provide and maintain a cultural facility;

6 (B) is able to provide the local share of project con-  
7 struction costs; and

8 (C) will be financially able to maintain and operate the  
9 facility upon completion;

10 (3) the municipality provides plan designs and specifica-  
11 tions, together with blueprints or schematics of detail sufficient to  
12 enable the commissioner to verify estimates of construction costs; and

13 (4) the complete application has been submitted

14 (A) to the state assessor for his determination and  
15 verification that the fair market value of any real property  
16 claimed as a credit under (f)(4) of this section is accurate; and

17 (B) to the Advisory Commission on Cultural Facilities  
18 (AS 44.33.400 - 44.33.410) for its review.

19 (e) The grant to a municipality shall be disbursed in accordance  
20 with the terms of an agreement between the commissioner, on behalf of  
21 the state, and the governing body of the municipality receiving the  
22 grant. The agreement may include any provision agreed upon by the  
23 parties, but shall include in substance the following provisions:

24 (1) the municipality shall secure, retain and protect title  
25 to the site or location on which the facility is to be constructed or  
26 developed; for purposes of this paragraph it is sufficient that title is  
27 obtained in fee or by lease by the terms of which the municipality  
28 enjoys exclusive use of the land and any improvements for the estimated  
29 project life of the facility or the period of maturity of any state

1 general obligation bond a portion of the proceeds of which are used to  
2 provide financial assistance for the construction or development of the  
3 facility;

4 (2) the municipality agrees to provide the local contribution  
5 to project cost required by (f) of this section, and to return to the  
6 state any excess contribution by the state as required by (h) of this  
7 section;

8 (3) the municipality agrees to proceed with and complete the  
9 proposed project expeditiously in accordance with plans originally  
10 submitted;

11 (4) the municipality will not materially alter or modify  
12 plans for the facility or undertake construction in a manner which  
13 materially departs from the approved design and plan for construction or  
14 development of the facility without first securing the prior written  
15 approval of the officially recognized arts and humanities planning  
16 organization of the municipality;

17 (5) the municipality agrees to assume responsibility for the  
18 maintenance and operation of the facility, directly or by delegation of  
19 responsibility to an entity organized by ordinance of the municipality  
20 or to a nonprofit corporation dedicated to the arts and recognized by  
21 the municipality; the feasibility of the discharge of this obligation  
22 shall be demonstrated to the satisfaction of the commissioner before the  
23 payment of any state funds; and

24 (6) the parties agree that if property constructed or deve-  
25 loped with financial assistance provided under this section is designed  
26 or used for purposes other than for principal use as a cultural facil-  
27 ity, the state may require the municipality to reimburse the state for  
28 that portion of the market value of the property which the state's  
29 investment in the property bears to the total of investment from all

1 sources made in the property.

2 (f) A municipality receiving a grant under this section shall  
3 contribute to the total cost of the project. The amount of the munic-  
4 ipality's contribution is determined by the application of the formula

5 (average per capita assessed valuation of the muni-  
6 cipality/average per capita assessed valuation of  
7 the state) x contribution percentage

8 to the estimated total project cost as determined by the commissioner at  
9 the time of approval of a grant application. For purposes of this  
10 subsection

11 (1) the contribution percentage for

12 (A) a municipality having a population of 5,000 or less  
13 is 10 per cent;

14 (B) a municipality having a population of 5,001 to  
15 10,000 is 20 per cent; and

16 (C) a municipality having a population of more than  
17 10,000 is 30 per cent;

18 (2) if an application is submitted for a municipality for  
19 which no average per capita assessed valuation has been determined, the  
20 commissioner shall request the state assessor to compute the factor and  
21 report it to him;

22 (3) the contribution of the municipality may not exceed a  
23 rate equal to the contribution percentage established in (1) of this  
24 subsection;

25 (4) there shall be allowed as a credit against the municipal-  
26 ity's contribution computed under this subsection,

27 (A) for a project involving construction of a new faci-  
28 lity, the fair market value of land acquired by the municipality as  
29 the site or location for the facility;

1 (B) for a project involving development of an existing  
2 structure or facility, the fair market value of the land and im-  
3 provements which are acquired by the municipality and committed for  
4 use as a cultural facility;

5 (5) the grant awarded by the state may not exceed the esti-  
6 mated project cost verified by the commissioner under (d)(3) of this  
7 section less the contribution by the municipality determined in accor-  
8 dance with this subsection.

9 (g) If funds appropriated or provided by bond issue for grants  
10 under this section are not adequate to satisfy amounts required by  
11 approved grant applications, funds shall be allocated by the commis-  
12 sioner on the basis of priority determined by the Advisory Commission on  
13 Cultural Facilities.

14 (h) If, upon completion of the facility, it appears that actual  
15 project costs varied substantially from estimated project costs deter-  
16 mined by the commissioner under (d)(3) of this section and

17 (1) if the actual contribution of the state exceeds the per-  
18 centage of project costs payable by the state determined under (f)(5) of  
19 this section, the commissioner shall require the municipality to pay an  
20 amount to the state sufficient to reduce the state contribution to the  
21 percentage of state contribution required by (f)(5) of this section;

22 (2) if the actual project costs exceed estimates, the commis-  
23 sioner may provide additional financial assistance to the municipality;  
24 the additional state grant may not exceed an amount equal to the ratio  
25 originally determined under (f)(5) of this section applied to the in-  
26 cremental project costs.

27 (i) The commissioner shall provide an annual report to the legis-  
28 lature with respect to grants made under this section.

29 (j) The commissioner may adopt regulations to carry out the pro-

1 visions of this section.

2 (k) In this section,

3 (1) "commissioner" means the commissioner of commerce and  
4 economic development;

5 (2) "construction" means site preparation, erection of a  
6 structure, and acquisition and installation of fixtures and necessary  
7 fixed equipment, but does not include completion of feasibility studies,  
8 site acquisition or facility design;

9 (3) "cultural facility" means a structure or complex the  
10 principal purpose of which is to serve the visual and performing arts,  
11 including but not limited to a theatre, concert hall or gallery, or to  
12 serve as the repository of the historical or contemporary heritage of  
13 the community and its people, and which also may be used for compatible  
14 activities, including but not limited to, activities relating to educa-  
15 tion, community meetings, tourism, and visitor information.

16 (4) "department" means the Department of Commerce and Eco-  
17 nomic Development;

18 (5) "development" means the acquisition and preservation, re-  
19 modeling or redevelopment of an existing structure or facility, together  
20 with the acquisition and installation of fixtures and necessary fixed  
21 equipment, for use as a cultural facility.

22 \* Sec. 2. AS 44.19.930 is amended by adding a new paragraph to read:

23 (5) to recommend to the governor a list of persons for con-  
24 sideration for appointment to the Advisory Commission on Cultural Faci-  
25 lities, in accordance with AS 44.33.400.

26 \* Sec. 3. AS 44.33 is amended by adding new sections to read:

27 ARTICLE 9. ADVISORY COMMISSION ON CULTURAL  
28 FACILITIES.

29 Sec. 44.33.400. ADVISORY COMMISSION ON CULTURAL FACILITIES ESTAB-

1 LISHED. (a) There is in the Department of Commerce and Economic De-  
2 velopment the Advisory Commission on Cultural Facilities.

3 (b) The commission consists of five members, appointed by the  
4 governor from a list of candidates provided to him for that purpose by  
5 the State Council on the Arts. The members of the commission are  
6 appointed for overlapping three-year terms, with two of the members  
7 first appointed serving three years, two of the members serving two  
8 years, and one member serving a term of one year.

9 (c) The commission shall select a chairman and vice-chairman from  
10 its membership.

11 Sec. 44.33.405. TRAVEL EXPENSES AND PER DIEM. Members of the  
12 Advisory Commission on Cultural Facilities are not entitled to receive  
13 compensation for their services, but they shall receive per diem and  
14 travel expenses allowed by law for members of boards and commissions for  
15 attendance at a maximum of four meetings per year.

16 Sec. 44.33.410. DUTIES. The Advisory Commission on Cultural  
17 Facilities shall

18 (1) by regulation, establish criteria for ranking applica-  
19 tions for grants to municipalities for the purpose of construction or  
20 development of cultural facilities under AS 43.18.500; the regulations  
21 shall provide for the assignment of priority among applications trans-  
22 mitted by the commissioner, reserving for the highest priority those  
23 applications for financial assistance involving the redevelopment or  
24 rehabilitation of a structure qualifying as an historic property or a  
25 building of historical value which is part of an historical district;  
26 the criteria for ranking applications may include facility need and  
27 suitability, public support for construction and maintenance of a facil-  
28 ity, availability of land, management capacity, alternatives to comple-  
29 tion of the facility proposed, and cost;

1           (2) by application of the criteria adopted under (1) of this  
2 section, advise the commissioner regarding the approval of requests for  
3 financial assistance in the construction of cultural facilities sub-  
4 mitted in accordance with AS 43.18.500;

5           (3) at the request of a municipality, provide assistance in  
6 the preparation of an assessment of needs and review proposals and plans  
7 for construction or development of a cultural facility, for which finan-  
8 cial assistance is requested under AS 43.18.500; and

9           (4) submit an annual report to the commissioner and the  
10 legislature summarizing its activities and expenses.

11 \* Sec. 4. AS 44.33.020 is amended by adding a new paragraph to read:


12           (22) administer the program of state assistance for the  
13 construction and development of cultural facilities in accordance with  
14 AS 43.18.500.

15 \* Sec. 5. AS 29.48.030(14) is amended to read:

16           (14) libraries, visual or performing arts centers, or museums;  
17  
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April 18, 1979

M E M O R A N D U M

TO: Senator Sackett  
FROM: Garrey Peska   
SUBJECT: <sup>HB</sup> 185 - Cultural Facilities

The original version of the bill creates the cultural facilities development fund and provides that grants may be made to communities for construction and development of cultural facilities.

The bill also creates the Advisory Council on Cultural Facilities:

- \* Consists of five members - appointed by the Governor.
- \* Administers the program of state assistance for the construction and development of cultural facilities.

The Committee Substitute requires municipality voter approval of the project and prevents the state from providing additional financial support if the actual costs exceed estimates submitted to the voters.

The fiscal note covers operation of the Advisory Council and assumes no construction of cultural facilities:

	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>
General Fund	\$69,400	\$71,600	\$75,600

The Cultural Facilities Committee has a suggested projects list that calls for state match of \$71.4 million.

*Attach list.*

COMMITTEE REPORT

SENATE

FURTHER:

4/5/79

Date: 4/27/76

Mr. President:

The Committee on FINANCE has had HB 185

state aid of municipalities for the construction and development of cultural facilities

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass [ ] do not pass
- [ ] do pass with attached amendments(s)
- [ ] replace with CS for \_\_\_\_\_ [ ] same title  
[ ] new title
- and recommends \_\_\_\_\_
- [ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note
- reports it back <sup>with</sup> without recommendation
- [ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

John Doonan

John Decker " "

Bill Ray

Steve Harkness

Tommy " "

Don Stewart

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Don Stewart - Mr. Ric

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

George H. ...  
CHAIRMAN

HB 185  
EXAMPLE OF MUNICIPALITY CONTRIBUTION

Assumptions:

Project cost = \$15,000,000 - in Fairbanks

Population - State 400,000 - Fairbanks 50,000

Contribution % Page 5 of HB 185 = 30%

Property values from "Alaska Taxable," C&RA:

1978 Statewide "full & true value" = \$21,345,825,259

1978 Fairbanks full & true value = \$ 1,904,806,490

---

FAIRBANKS CONTRIBUTION TO THE PROJECT

$\$1,904,806,490 \div 50,000 = \$38,096$  per capita value - Fairbanks

$\$21,345,825,259 \div 400,000 = \$53,364$  per capita value - Statewide

$38,096 \div 53,364 = 71\% \times 30\% = \underline{\underline{21\%}}$

Project cost 15,000,000  
x 21%

Fairbanks required contribution \$3,150,000

HB 185  
EXAMPLE OF MUNICIPALITY CONTRIBUTION

Assumptions:

Project cost = \$15,000,000 - in Fairbanks

Population - State 400,000 - Fairbanks 50,000

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$\$21,345,825,259 \div 400,000 = \$53,364$  per capita value - Statewide

$38,096 \div 53,364 = 71\% \times 30\% = \underline{\underline{21\%}}$

Project cost 15,000,000  
x 21%

Fairbanks required contribution \$3,150,000

COMMITTEE REPORT  
SENATE

FURTHER: Finance

3/23/79

Date: 4-4-79

Mr. President:

The Committee on COMMUNITY & REG. AFFAIRS has had HB 185  
state aid of municipalities for the construction and development of cultural  
facilities

under consideration and (a majority of the committee) (the committee)  
reports it back with the following recommendations:

do pass  do not pass

do pass with attached amendments(s)

replace with CS for HB 185  same title  
 new title

and recommends \_\_\_\_\_

AND attaches a "Letter of Intent"  New Fiscal Note

reports it back without recommendation

referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

PATRICK RONEY  
1 Tim Kelly  
1 Bob McKinley  
1 Terry Stinson  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1 Robin Sturgeon  
CHAIRMAN

Do Pass

~~Sen. H. ...~~  
~~...~~

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB 185  
 Title "An Act authorizing state aid to municipalities for the construction and development of cultural facilities." Date 3-9-79

II. FISCAL DETAIL  
 Agency Affected Commerce and Economic Development  
 Program Category Affected Development  
 Budget Request Unit(s) Affected \_\_\_\_\_

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		47.0	49.8	52.8		
200 TRAVEL		12.5	13.3	14.1		
300 CONTRACTUAL		8.0	7.8	8.0		
400 COMMODITIES		.4	.4	.4		
500 EQUIPMENT		1.5	.3	.3		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>69.4</b>	<b>71.6</b>	<b>75.6</b>		

FUNDING (Thousands of Dollars)

GENERAL FUND		69.4	71.6	75.6		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		1.5	1.5	1.5		
PART TIME						
TEMPORARY						

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

Equipment and advertising - larger expenditures required the first year.  
 This Fiscal Note assumes no construction of cultural facilities.

IV. DATE March 9, 1979 PREPARED BY Bert Wadon, Deputy Commissioner  
 AGENCY Commerce and Economic Development  
 PHONE 465-2100  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Advisory Commission

5 Members - no compensation

First year - Travel - 4 meetings @ \$250 per meeting .....	\$5,000
three days per diem @ \$165 per meeting.....	3,300

Second year - Travel - 3 meetings - travel & per diem @ \$430 per meeting....	6,450
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Third year - Travel - 2 meetings - travel & per diem @ \$460 per meeting.....	4,600
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Assumptions:

1. Personnel Services

One Professional person, a Capital Improvement Project Coordinator (range 20) will be required. This position will:

- a) establish an application process
- b) work closely with each community which applies for funds to construct cultural facilities
- c) administer the grant program
- d) oversee the engineering and architectural work and;
- e) prepare the financial package to go to bid.

(Salary \$2,532 per month, plus benefits of \$684 per month.)

In addition, one clerical person working half-time will be required. Clerk Typist III (range 8) for correspondence, filing, etc.

(Salary \$554 per month plus benefits of \$150 per month.)

2. Travel requirements are estimated at 12 trips @ \$350 per trip (per diem included in estimate). These trips will be required during the application process, to meet with the cultural coordinating committees over architectural designs and engineering estimates and during the early stages of construction.

3. Contractual

A. Rent - 250 feet <sup>2</sup> @ \$1.25 per feet <sup>2</sup> /month .....	\$3,700
B. Telephone, communications.....	1,300
C. Postage, etc.....	500
D. Printing and advertising.....	1,000
E. Professional fees and services.....	1,500

4. Commodities

Office supplies .....	400
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5. Equipment

Desk, chair, file cabinet, calculator.....	1,500
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After FY '80 - inflation estimated @ 6% per year.

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
C07-465-3800

MEMORANDUM

March 6, 1979

SUBJECT: SB 216 - Cultural Facilities (W.O. #6724)

TO: The Honorable Arliss Sturgulewski

FROM: John Williams  
Policy Analyst

You have asked that we comment on the effect and equity of the formula provided in SB 216, an Act authorizing state aid to municipalities for the construction and development of cultural facilities. We submit the following information and comment.

Summary

Property value is generally a reasonable indicator to use to determine relative abilities of municipalities to pay for services. If only one indicator were to be used, especially considering the relative ease of gathering property value information and of verifying the validity of the data, it is probably the best. "Assessed" valuation is generally not as good an indicator as "full and true" value, in that full and true values consider optional exemptions and variances from market value. The formula is silent on state assessed oil and gas properties (AS 43.56). We assume that oil and gas properties are to be used in calculating the state average assessed valuation. If so, the use of assessed as compared to full and true values for non oil and gas properties will tend to increase the relative importance of state assessed property. Lastly, the use of the variable base percentage (10 percent for the smallest communities and 30 percent for the largest) will tend to increase the differential between small community and large community contributions, since more infrastructure and thus more tax base is generally attributed to larger communities.

Property Value as Ability to Pay Indicator

The formula contribution varies according to the relation of the local property value to the state-wide average. Property value is thus being used as an indicator of the "wealth" of each community. Wealth varies from income in that income is realized in the present, while wealth is previous income which has been invested in any number of ways, including property, stocks and bonds, jewelry, precious metals, etc.

Taxes are generally paid from income and not from wealth. However, it can be argued that local governments may not tax income, and therefore property value is a better single indicator of ability to pay.

Assuming that the municipal share of the cost of the cultural facilities will generally be financed with municipal bonds, debt capacity should be discussed. Debt capacity is a function generally of municipal population and property value. Rules of thumb used to estimate debt capacity by the municipal bond bank are \$2,000 per capita or 15 percent of assessed valuation. Some cities (especially Petersburg and Klawock) are at or near the maximum, while others are not near their debt limits. While debt load and debt capacity are necessarily major considerations of the local governments, it would seem that the formula adequately considers debt capacity, both via the use of property value and the differential "contribution percentage" which increases with population.

#### Assessed Versus Full and True Property Valuation

The bill provides for the use of assessed valuations in the formula. Assessed values do not include optional municipal exemptions, including personal property, the first \$10,000 of residential property, fishing vessels, etc. It also may vary to different degrees from the market value of the assessed property.

[The state assessor is presently directed to evaluate local assessments and to adjust them to full and true property values (AS 29.53.060). Full and true values are a much improved indicator when comparing municipal wealth, especially when property value is the only indicator.]

#### State Assessed (Oil and Gas) Property

AS 43.56 provides for state assessment of oil and gas properties. Oil and gas properties constitute nearly 52 percent of the total property value in the state (Alaska Taxable 1978), and thus their inclusion or exclusion is significant. Since oil and gas property that is located within a municipal boundary is taxable by that municipality (and municipal property taxes are deducted from state property tax liability), it would seem reasonable to include these properties. (On the other hand, much of the Alaska pipeline and some other oil properties are located within the unorganized borough and are thus not taxed by local governments. We mention this for your consideration, but offer no opinion as to the merits of the partial exclusion of oil and gas property when determining the state property value base utilized in the formula.

#### Contribution Percentage Base Differential

The formula, by using a quotient which relates local property value to a state average property value base, generally shifts more of the construction cost to the state for relatively poor municipalities and the reverse for relatively wealthy municipalities (although we note that cities that

have property values in excess of the state average are protected from paying greater than the base percentage contribution rate). The use of a variable percentage contribution base is a significant divergence from the basic philosophy of "from those according to their ability." If it follows that larger communities have better tax bases, then the differential base would tend to exaggerate the effect of formula.

#### Further Comments

We presently have in our computer library a data file which contains a complete set of per capita property values for all municipalities. The values are full and true values, however, and thus not applicable to the present formula. Should you desire, we can provide some computer calculations of contribution rates or other information using the data base we now have. We could likewise generate information using assessed valuations; however, it would require the construction of a new data file and could not be delivered as expeditiously. Please let us know if we can be of further assistance.

JW:jm



# Cultural Facilities Development Committee, Inc.

340 NORTH FRANKLIN STREET • JUNEAU, ALASKA 99801

PRESIDENT  
ALLAN GREGG  
BOX 1078  
WRANGELL, ALASKA 99929  
PHONE 874-3370

January 22, 1979

STATE COORDINATOR  
SHIRLEY G. REDIGER  
PHONE 586-1554 • JUNEAU

Senator Arliss Sturgulewski  
Alaska State Legislature  
Pouch V  
Juneau, AK 99801

Dear Senator Sturgulewski:

Congratulations on your election to the Alaskan Legislature! At the beginning of this session, we would like to inform you of a Grass Roots project which will benefit at least 62% of the population of Alaska. Many communities in this State have a crucial need for gathering places whether these places be heritage centers, art galleries, theatres or concert halls.

At the present time, thirteen communities are pursuing jointly State funding for these buildings. The communities that have been able to hire theater consultants/architects and have detailed plans for these buildings include Anchorage, Angoon, Cordova, Dillingham, Haines, Hydaburg, Ketchikan, Kodiak, Juneau, Naknek, Petersburg, Sitka, and Skagway. In addition, Nome and Kenai are in their preliminary planning stages.

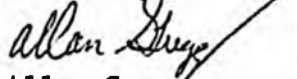
Planning for these facilities was implemented through an 1975 appropriation of \$68,000. From the Alaska Legislature, a \$10,000 grant from the National Endowment For The Arts and a contribution from each participating community. Subsequent appropriations from the Legislature has enabled these communities to establish a central office to coordinate this state-wide effort.

Having successfully passed the House with 14 sponsors, last year's efforts to bring a bond issue to the voters was thwarted by the Chairman of the Senate Community and Regional Affairs Committee who did not hear the bills. The communities represented by the CFDC are compelled by their need to seek legislation this year to aid in the construction of these buildings. The local government will provide the site and will maintain and operate the facilities.

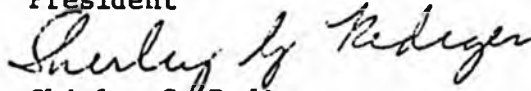
We feel this project will have a positive economic and long range impact on the future of Alaska because it addresses the needs of our greatest assets--the people of Alaska.

We would like to invite your support of this year's legislation. The Cultural Facilities Development Committee's Coordinator, Shirley Rediger, or any state committee member would be pleased to discuss this exciting project in depth with you at your earliest convenience.

Cordially



Allan Gregg  
President



Shirley G. Rediger  
State Coordinator

djs

## CULTURAL FACILITIES COSTS DISTRIBUTION

	Average Per Capita, Assessed Valuation <sup>1</sup>	N	Local Matching Fraction <sup>2</sup>	Facility Cost	Local Match Dollars	State Match Dollars
City of Anchorage	\$25,117	.30	16.43%	\$25,000,000	\$4,167,500	\$20,832,500
City of Anchorage	N.A.	.10	N.A.	500,000	0	500,000
City of Bay Borough	22,692	.10	5.29	400,000	21,160	378,840
City of Cordova	13,735	.10	3.20	3,420,000	109,440	3,310,560
City of Dillingham	13,507	.10	3.15	9,000,000	283,500	8,716,500
City of Egegik	17,879	.10	4.17	1,500,000	62,550	1,437,450
City and Borough of Juneau	17,814	.30	12.47	12,300,000	1,533,310	10,766,690
City of Ketchikan	19,614	.20	9.15	6,000,000	549,000	5,451,000
City of Kodiak	28,589	.10	6.67	4,000,000	266,800	3,733,200
City of Petersburg	16,015	.10	3.74	3,550,000	132,770	3,417,230
City and Borough of Sitka	23,483	.20	10.95	9,500,000	1,040,250	8,459,750
City of Skagway	34,953	.10	8.15	4,700,000	383,050	4,316,950
TOTAL	\$42,872			\$79,870,000	\$8,489,330	\$71,380,670

Table 1977, Special Addition; p.50-51.

ing formula based on average per capita assessed valuation:

$$\frac{\text{per capita assessed valuation of municipality}}{\text{per capita assessed valuation of State}} \times N = \text{Local Match Fraction}$$

N Equals: .10 for communities of 5,000 or less.  
 .20 for communities of 5,001 to 10,000  
 .30 for communities of 10,000 or more

Information Compiled  
 by Cultural Facilities Committee

## CULTURAL FACILITIES

Local Match/ Per Capita

	FACILITY COST (1980)	LOCAL MATCH	POPULATION (1978)	PER CAPITA COST
Anchorage	\$25,000,000	4,107,500	184,775	22.00
Angoon	500,000	N/A	.. 527	
Bristol Bay Borough (Naknek)	400,000	21,160	1,311	16.14
Cordova	3,420,000	109,440	2,780	39.36
Dillingham	5,000,000	157,500	1,360	115.80
Haines	1,500,000	62,550	1,366	45.19
Juneau	12,300,000	1,533,810	22,105	69.38
Ketchikan	6,000,000	549,000	13,071	42.00
Kodiak	4,000,000	266,800	5,754	46.38
Petersburg	3,550,000	132,770	3,197	41.53
Sitka	9,500,000	1,040,250	8,787	118.38
Skagway	4,700,000	383,050	877	436.78

*Information Compiled  
By Cultural Facilities Committee*

CULTURAL FACILITIES

Local Match/ Per Capita

	FACILITY COST (1980)	LOCAL MATCH	POPULATION (1978)	PER CAPITA COST	Priority RANK
Anchorage	\$25,000,000	4,107,500	184,775	22.23	10
Angoon	500,000	N/A	.. 527		
Bristol Bay Borough (Naknek)	400,000	21,160	1,311	16.14	11
Cordova	3,420,000	109,440	2,780	39.36	9
Dillingham	5,000,000	157,500	1,360	115.80	3
Haines	1,500,000	62,550	1,366	45.19	6
Juneau	12,300,000	1,533,810	22,105	69.38	4
Ketchikan	6,000,000	549,000	13,071	42.00	7
Kodiak	4,000,000	266,800	5,754	46.38	5
Petersburg	3,550,000	132,770	3,197	41.53	8
Sitka	9,500,000	1,040,250	8,787	118.38	2
Skagway	4,700,000	383,050	877	436.78	1

Information Compiled  
By Cultural Facilities Committee

## CULTURAL FACILITIES COSTS DISTRIBUTION

	<u>Average Per Capita, Assessed Valuation<sup>1</sup></u>	<u>N</u>	<u>Local Matching Fraction<sup>2</sup></u>	<u>Facility Cost</u>	<u>Local Match Dollars</u>	<u>State Match Dollars</u>
City of Anchorage	\$25,117	.30	16.43%	\$25,000,000	\$4,107,500	\$20,892,500
City of Anchorage	N.A.	.10	N.A.	500,000	0	500,000
City of Bay Borough	22,692	.10	5.29	400,000	21,160	378,840
City of Cordova	13,735	.10	3.20	3,420,000	109,440	3,310,560
City of Dillingham	13,507	.10	3.15	9,000,000	283,500	8,716,500
City of Dillingham	17,379	.10	4.17	1,500,000	62,550	1,437,450
City of Juneau	17,814	.30	12.47	12,300,000	1,533,310	10,766,690
City of Ketchikan	19,614	.20	9.15	6,000,000	549,000	5,451,000
City of Kodiak	28,589	.10	6.67	4,000,000	266,800	3,733,200
City of Petersburg	16,015	.10	3.74	3,550,000	132,770	3,417,230
City of Sitka	23,483	.20	10.95	9,500,000	1,040,250	8,459,750
City of Skagway	34,953	.10	3.15	4,700,000	383,050	4,316,950
TOTAL	\$42,872			\$79,870,000	\$8,459,330	\$71,410,670

Table 1977, Special Addition; p.50-51.

Formula based on average per capita assessed valuation:

$$\frac{\text{Average per capita assessed valuation of municipality}}{\text{Average per capita assessed valuation of State}} \times N = \text{Local Match Fraction}$$

N Equals: .10 for communities of 5,000 or less.  
 .20 for communities of 5,001 to 10,000  
 .30 for communities of 10,000 or more

Information Compiled  
 by Cultural Facilities Committee

Original sponsors: Duncan, Anderson,  
Branson, et al

Offered: 4/5/79  
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 185

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing state aid to municipalities for the  
7 construction and development of cultural facilities."

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

9 \* Section 1. AS 43.18 is amended by adding a new section to read:

10 ARTICLE 5. CULTURAL FACILITIES.

11 Sec. 43.18.500. CULTURAL FACILITY CONSTRUCTION AND DEVELOPMENT  
12 GRANTS. (a) There is established within the Department of Commerce and  
13 Economic Development a cultural facilities development fund for the pur-  
14 pose of providing state assistance in the construction and development  
15 of cultural facilities within those municipalities which actively pro-  
16 vide support to the arts. Within the limits of direct appropriations  
17 for the purpose or through the appropriation of the proceeds of a  
18 general obligation bond issue, the department shall make grants to  
19 municipalities for construction and development of cultural facilities.

20 (b) Grants for only one site may be awarded to a municipality  
21 under this section.

22 (c) Application for a grant shall be made in the form required by  
23 the commissioner.

24 (d) No application for a grant may be considered for approval by  
25 the commissioner and no funds paid by him under this section unless

26 (1) the project is endorsed by resolution of the governing  
27 body of the sponsoring municipality on its own behalf or on behalf of  
28 the officially recognized arts planning organization of the municipal-  
29 ity;

1 (2) the commissioner is satisfied that the sponsoring municipi-  
2 pality

3 (A) has the authority under AS 29.41 or AS 29.48 to  
4 provide and maintain a cultural facility;

5 (B) is able to provide the local share of total project  
6 costs; and

7 (C) will be financially able to maintain and operate the  
8 facility upon completion;

9 (3) the municipality provides all information which the  
10 department may require by regulation to enable the commissioner to  
11 verify estimates of total project costs;

12 (4) the complete application has been submitted

13 (A) to the state assessor for his determination and  
14 verification that the fair market value of any real property  
15 claimed as a credit under (f)(4) of this section is accurate; and

16 (B) to the Department of Transportation and Public  
17 Facilities, for review in accordance with the provisions of  
18 AS 35.10.190;

19 (C) to the Advisory Council on Cultural Facilities (AS  
20 44.33.400 - 44.33.410) for its review; and

21 (5) after providing voters with a description of the funding  
22 sources for construction of a proposed facility and a summary of the  
23 estimated annual maintenance, operating and occupancy costs of the  
24 cultural facility, the municipality has secured the approval of the  
25 residents for construction of the facility; the approval of the  
26 residents may be given by

27 (A) authorization of a general obligation bond to pro-  
28 vide the contribution of the municipality to the project;

29 (B) voter approval of the dedication of the proceeds of

1 a general tax increase to provide the contribution of the municipi-  
2 pality to the project; or

3 (C) an affirmative vote of the majority of the voters  
4 casting votes on a proposition at a regular or special election  
5 called for the purpose.

6 (e) The grant to a municipality shall be disbursed in accordance  
7 with the terms of an agreement between the commissioner, on behalf of  
8 the state, and the governing body of the municipality receiving the  
9 grant. The agreement may include any provision agreed upon by the  
10 parties, but shall include in substance the following provisions:

11 (1) the municipality shall secure, retain and protect title  
12 to the site or location on which the facility is to be constructed or  
13 developed; for purposes of this paragraph it is sufficient that title is  
14 obtained in fee or by lease by the terms of which the municipality  
15 enjoys exclusive use of the land and any improvements for the estimated  
16 project life of the facility or the period of maturity of any state  
17 general obligation bond a portion of the proceeds of which are used to  
18 provide financial assistance for the construction or development of the  
19 facility;

20 (2) the municipality agrees to provide the local contribution  
21 to total project cost required by (f) of this section, and to return to  
22 the state any excess contribution by the state as required by (h) of  
23 this section;

24 (3) the municipality agrees to proceed with and complete the  
25 proposed project expeditiously in accordance with plans originally  
26 submitted;

27 (4) the municipality will not materially alter or modify  
28 plans for the facility or undertake construction in a manner which  
29 materially departs from the approved design and plan for construction or

1 development of the facility without first securing the written recommen-  
2 dation of the officially recognized arts planning organization of the  
3 municipality;

4 (5) the municipality agrees to assume responsibility for the  
5 maintenance and operation of the facility, directly or by delegation of  
6 responsibility to an entity organized by ordinance of the municipality  
7 or to a nonprofit corporation dedicated to the arts and recognized by  
8 the municipality; the feasibility of the discharge of this obligation  
9 shall be demonstrated to the satisfaction of the commissioner before the  
10 payment of any state funds; and

11 (6) the parties agree that if property constructed or deve-  
12 loped with financial assistance provided under this section is designed  
13 or used for purposes other than for principal use as a cultural facil-  
14 ity, the state may require the municipality to reimburse the state for  
15 that portion of the total project cost which the state's investment in  
16 the project bears to the total of investment from all sources made in  
17 the project.

18 (f) A municipality receiving a grant under this section shall  
19 contribute to the total cost of the project. The amount of the munici-  
20 pality's contribution is determined by the application of the formula

21 (average per capita full and true value of all  
22 property in the municipality/average per capita  
23 full and true value of all property in the  
24 state) x contribution percentage

25 to the estimated total project cost as determined by the commissioner at  
26 the time of approval of a grant application. For purposes of this  
27 subsection

28 (1) the contribution percentage for

29 (A) a municipality having a population of 5,000 or less

1 is 10 per cent of the total project cost;

2 (B) a municipality having a population of 5,001 to  
3 10,000 is 20 per cent of the total project cost; and

4 (C) a municipality having a population of more than  
5 10,000 is 30 per cent of the total project cost;

6 (2) if an application is submitted for a municipality for  
7 which no average per capita full and true property value determination  
8 has been made, the commissioner shall request the state assessor to  
9 compute the average per capita full and true property value of that  
10 municipality and report it to him;

11 (3) the actual contribution rate of the municipality may not  
12 exceed the contribution percentage established in (1) of this subsec-  
13 tion;

14 (4) there shall be allowed as a credit against the municipal-  
15 ity's contribution computed under this subsection,

16 (A) for a project involving construction of a new faci-  
17 lity, the fair market value of land acquired by the municipality as  
18 the site or location for the facility;

19 (B) for a project involving development of an existing  
20 structure or facility, the fair market value of the land and im-  
21 provements which are acquired by the municipality and committed for  
22 use as a cultural facility;

23 (5) the grant awarded by the state may not exceed the esti-  
24 mated total project cost as determined by the commissioner under (d)(3)  
25 of this section less the contribution by the municipality determined in  
26 accordance with this subsection.

27 (g) If funds appropriated or provided by bond issue for grants  
28 under this section are not adequate to satisfy amounts required by  
29 approved grant applications, funds shall be allocated by the commis-

1           sioner on the basis of priority recommended by the Advisory Council on  
2           Cultural Facilities.

3           (h) If, upon completion of the facility, it appears that actual  
4           total project costs varied substantially from estimated total project  
5           costs determined by the commissioner under (d)(3) of this section and if  
6           the actual contribution of the state exceeds the percentage of total  
7           project costs payable by the state determined under (f)(5) of this  
8           section, the commissioner shall require the municipality to pay an  
9           amount to the state sufficient to reduce the state contribution to the  
10          percentage of state contribution required by (f)(5) of this section. If  
11          the actual total project costs exceed estimates, the commissioner may  
12          not provide additional financial assistance to the municipality.

13          (i) The commissioner shall

14               (1) provide an annual report to the legislature with respect  
15               to grants made under this section;

16               (2) adopt regulations to carry out the provisions of this  
17               section, including, but not limited to, regulations describing informa-  
18               tion about the proposed facility to be provided by the municipality  
19               which submits an application for a grant under this section.

20          (j) In this section,

21               (1) "commissioner" means the commissioner of commerce and  
22               economic development;

23               (2) "construction" means site preparation, erection of a  
24               structure, and acquisition and installation of fixtures and necessary  
25               fixed equipment, but does not include completion of feasibility studies,  
26               site acquisition or facility design;

27               (3) "cultural facility" means a structure or complex the  
28               principal purpose of which is to serve the visual and performing arts,  
29               including but not limited to a theatre, concert hall or gallery, or to

1 serve as the repository of the historical or contemporary heritage of  
2 the community and its people, and which also may be used for compatible  
3 activities, including but not limited to, activities relating to educa-  
4 tion, community meetings, tourism, and visitor information.

5 (4) "department" means the Department of Commerce and Eco-  
6 nomic Development;

7 (5) "development" means the acquisition and preservation, re-  
8 modeling or redevelopment of an existing structure or facility, together  
9 with the acquisition and installation of fixtures and necessary fixed  
10 equipment, for use as a cultural facility;

11 (6) "municipality" means a home rule or general law city or  
12 borough, and includes municipalities unified under AS 29.68.240 -  
13 29.68.440.

14 (7) "total project costs" means, in addition to costs directly  
15 related to the project, the total of all costs of financing and carrying  
16 out the project including, but not limited to

17 (A) the costs of all necessary studies (except feasibil-  
18 ity studies), surveys, plans and specifications, architectural,  
19 engineering or other special services, acquisition of real prop-  
20 erty, site preparation and development, purchase, construction,  
21 reconstruction and improvement of real property and the acquisition  
22 of machinery and equipment necessary in connection with the  
23 project;

24 (B) an allocable portion of the administrative and  
25 operating expenses of the municipality;

26 (C) the cost of financing the project, including  
27 interest on bonds issued to finance the project; and

28 (D) the cost of other items, including indemnity and  
29 surety bonds and premiums on insurance, legal fees, fees and

1 expenses of trustees, depositaries, financial advisors, and costs  
2 of paying agents for the bonds issued.

3 \* Sec. 2. AS 44.19.930 is amended by adding a new paragraph to read:

4 (5) to recommend to the governor a list of persons for con-  
5 sideration for appointment to the Advisory Council on Cultural Faci-  
6 lities, in accordance with AS 44.33.400.

7 \* Sec. 3. AS 44.33 is amended by adding new sections to read:

8 ARTICLE 9. ADVISORY COUNCIL ON CULTURAL FACILITIES.

9 Sec. 44.33.400. ADVISORY COUNCIL ON CULTURAL FACILITIES ESTAB-  
10 LISHED. (a) There is in the Department of Commerce and Economic De-  
11 velopment the Advisory Council on Cultural Facilities.

12 (b) The council consists of five members, appointed by the gover-  
13 nor from a list of candidates provided to him for that purpose by the  
14 State Council on the Arts. The members of the council are appointed for  
15 overlapping three-year terms, with two of the members first appointed  
16 serving three years, two of the members serving two years, and one  
17 member serving a term of one year.

18 (c) The council shall select a chairman and vice-chairman from its  
19 membership.

20 Sec. 44.33.405. TRAVEL EXPENSES AND PER DIEM. Members of the  
21 Advisory Council on Cultural Facilities are not entitled to receive  
22 compensation for their services, but they shall receive per diem and  
23 travel expenses allowed by law for members of boards and commissions for  
24 attendance at a maximum of four meetings per year.

25 Sec. 44.33.410. DUTIES. The Advisory Council on Cultural Facili-  
26 ties shall

27 (1) by regulation, establish criteria for ranking applica-  
28 tions for grants to municipalities for the purpose of construction or  
29 development of cultural facilities under AS 43.18.500; the regulations

1 shall provide for the assignment of priority among applications trans-  
2 mitted by the commissioner; the criteria for ranking applications shall  
3 include facility need and suitability, public support for construction  
4 or development and maintenance of a facility, availability of land,  
5 management capacity, alternatives to completion of the facility pro-  
6 posed, redevelopment or rehabilitation of a structure qualifying as an  
7 historic property or a building of historic value which is part of an  
8 historic district, and cost;

9 (2) by application of the criteria adopted under (1) of this  
10 section, advise the commissioner regarding the approval of requests for  
11 financial assistance in the construction of cultural facilities sub-  
12 mitted in accordance with AS 43.18.500;

13 (3) at the request of a municipality, provide assistance in  
14 the preparation of an assessment of needs and review proposals and plans  
15 for construction or development of a cultural facility, for which finan-  
16 cial assistance is requested under AS 43.18.500; and

17 (4) submit an annual report to the commissioner and the  
18 legislature summarizing its activities and expenses.

19 \* Sec. 4. AS 44.33.020 is amended by adding a new paragraph to read:

20 (22) administer the program of state assistance for the con-  
21 struction and development of cultural facilities in accordance with  
22 AS 43.18.500.

23 \* Sec. 5. AS 29.48.030(14) is amended to read:

24 (14) libraries, visual or performing arts centers, or museums;

25 \* Sec. 6. AS 44.42.055(b)(3) is amended by adding a new subparagraph to  
26 read:

27 (J) cultural facilities;  
28  
29

*File*

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

- \* Make grants to municipalities
- \* Administers cultural facilities development fund
- \* May adopt regulations
- \* Shall provide an annual report to the Legislature

STATE ASSESSOR

1. Must verify any fair market value of real property
2. Determine avg. per capita assessed valuation of a municipality if not available

ADVISORY COMMISSION ON CULTURAL FACILITIES (five members)

1. Reviews application
2. Prioritizes projects for funding
3. Establishes by regulation criteria for ranking applications for grants
4. Advise Commissioner regarding approval of request for funding
5. Provide assistance in the preparation of an assessment of needs and review proposals and plans for construction or development of a cultural facility (by request)
6. Submit an annual report to Commissioner

MUNICIPALITY [sec. 29.78.010(8)]<sup>1/</sup>

CONDITIONS OF FUNDING

- \* Prepares Application
- \* Endorsement by resolution of governing body
- \* Provide local share of project cost
- \* Provide operating and maintenance capability
- \* Provide plan designs and specifications

1. Provides site or location which is to be constructed and secures title
2. Provide local contribution
3. Must provide for maintenance of facility
4. Agrees not to alter plans or construction in a material manner without permission of local recognized arts and humanities planning organization
5. Use must be limited to that of a cultural facility

OFFICIALLY RECOGNIZED ARTS AND HUMANITIES PLANNING ORGANIZATION

1. Approve any changes of a material nature

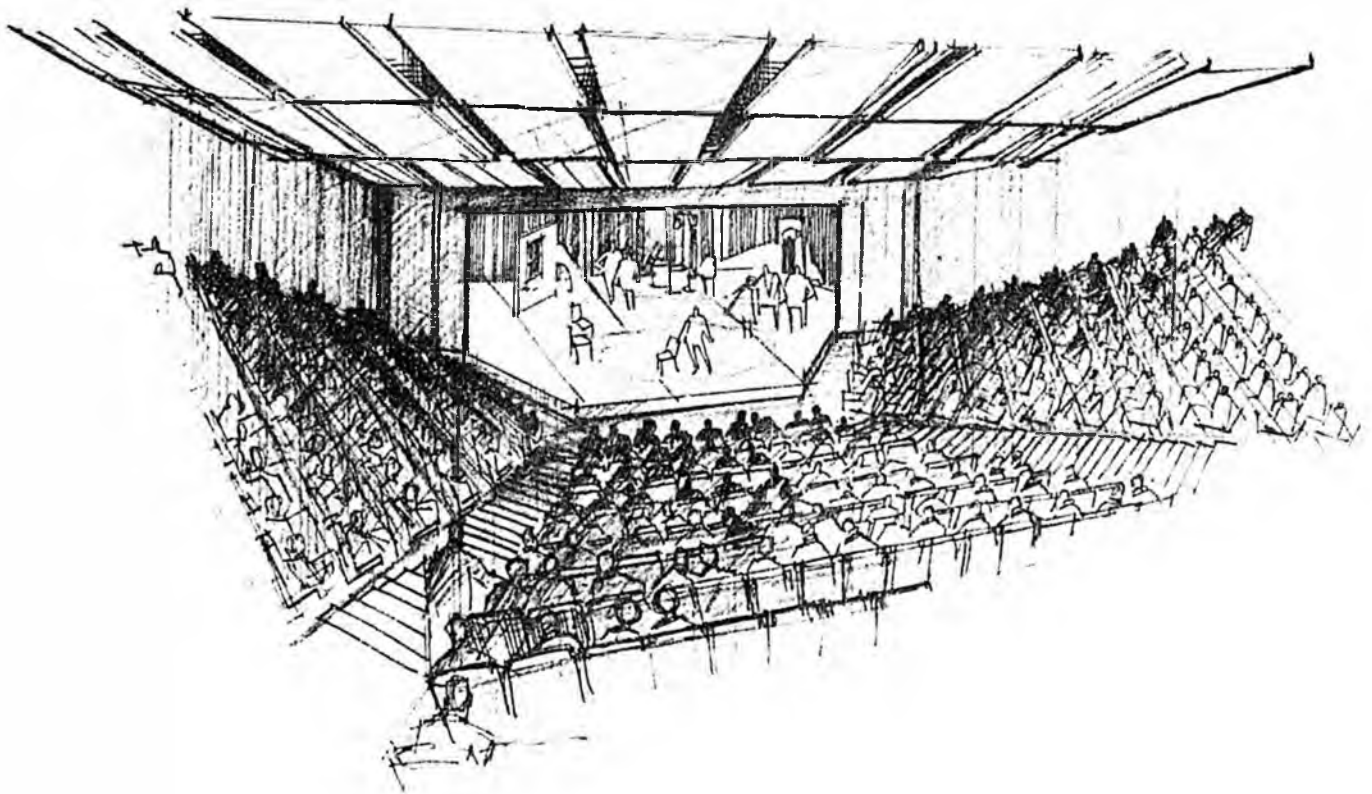
1/ "municipality" means a general law municipal corporation and political subdivision, which is a first or second class borough or city, or a third class borough, incorporated under the laws

review

review

AGREEMENT

## ALASKA'S CULTURAL FACILITIES PROJECT



. . . . Places to celebrate our lives together . . . .

Cultural Facilities Development Committee  
340 North Franklin Street  
Juneau, Alaska 99801  
(907) 586-1554