

LEGISLATIVE FINANCE-HOUSE / SENATE FINANCE COMM. FILES 8879

SB 108, SB 110 610

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HOUSE COMMITTEE REPORT

File


(11)
Date Referred: May 7, 1990

FURTHER REFERRALS:

Date of Committee Action: 5/7/90

The FINANCE Committee considered:

CSSB 108 (FINANCE)

CS SENATE BILL NO. 108 (Fin) PUBLIC FINANCE/LEASE-PURCHASING

"An Act relating to public finance, including leasefinancing, and to the disposal of certain property; repealing certain lease-purchasing approval; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with HCS CSSB 108 (FIN) the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact _____
- zero fiscal note _____
- zero with analysis _____

- fiscal note(s) 5/4/90 REV
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not
PASS No Rec Amend

C. Swackhammer Swackhammer
K. Koponen KOPONEN

<u><i>Ronald J. Carson</i></u> Carson	<input checked="" type="checkbox"/>		
<u><i>Ray Wallace</i></u> Wallis	<input checked="" type="checkbox"/>		
<u><i>Alvin Rieger</i></u> Rieger	<input checked="" type="checkbox"/>		
<u><i>F. Ulmer</i></u> Ulmer	<input checked="" type="checkbox"/>		
<u><i>Jay Brown</i></u> Brown	<input checked="" type="checkbox"/>		
<u><i>J. Barnes</i></u>	<input checked="" type="checkbox"/>		

Ronald J. Carson Carson
Chairman's Signature

R/0 HFC 5-7-90

STATE OF ALASKA
1990 LEGISLATIVE SESSION

Bill Version: CS SB 108 (Jud)
Publish Date: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Relating to Public Finance
including Lease-Financing
Sponsor: Senate Judiciary
Requestor: Senate Finance

Agency Affected: State Bond Committee
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	(1200.0)	(1200.0)	(1200.0)	(1200.0)	(1200.0)
TOTAL OPERATING	0	(1200.0)	(1200.0)	(1200.0)	(1200.0)	(1200.0)
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	(1200.0)	(1200.0)	(1200.0)	(1200.0)	(1200.0)
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	(1200.0)	(1200.0)	(1200.0)	(1200.0)	(1200.0)

POSITIONS:

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

ANALYSIS: attach a separate page for analysis. Fiscal year 1990 effect is zero. Assumes new lease-financings in amounts and rates sufficient to require additional lease rental payments equal to current rental payments -- approximately \$12 million annually -- but with a 10% savings in construction, financing, and operating costs.

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350

Date: February 16, 1990

Approved by Commissioner: _____
Agency: Department of Revenue

Date: 2/16/90

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Changes in CSSB 108 (Fin) have no fiscal impact. This fiscal note is appropriate. 5/6/90 MB

Original sponsor(s): Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 108 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public finance, including lease-
7 financing, and to the disposal of certain property;
8 repealing certain . lease-purchasing approval; and
9 providing for an effective date."

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

11 * Section 1. AS 14.40.040 is amended to read:

12 Sec. 14.40.040. GENERAL POWERS OF THE UNIVERSITY. There is
13 created and established a corporation to be called the University of
14 Alaska. It may in that name

15 (1) sue and be sued;

16 (2) receive and hold real and personal property;

17 (3) contract and be contracted with;

18 (4) adopt, use, and alter a corporate seal;

19 (5) borrow money, issue debt, or enter into long-term
20 obligations, for the purchase of facilities, goods, or services; the
21 obligations may secure, in whole or in part, debt issued by another
22 party;

23 (6) do and have done all matters necessary for the purpose
24 of any function set out [FORTH] in this chapter.

25 * Sec. 2. AS 14.40 is amended by adding a new section to read:

26 Sec. 14.40.253 FINANCING NOTICE AND APPROVAL. If the University
27 of Alaska intends to enter into an obligation, except for refinancing
28 obligations, under AS 14.40.040(5) with an annual payment by the
29 university anticipated to exceed \$1,000,000, the university shall

1 provide notice to the legislature. The notice must include the antic-
2 ipated annual payment amount, the anticipated financing, and the total
3 construction, acquisition, or other costs of the project. The univer-
4 sity may not enter into an obligation requiring a financing notice
5 under this section, other than a refinancing obligation, unless the
6 project has been approved by the legislature by law. An appropriation
7 for the project does not constitute approval of the project for the
8 purpose of this section.

9 * Sec. 3. AS 18.55.255 is amended to read:

10 Sec. 18.55.255. DISPOSAL OF SURPLUS PROPERTY [PROCEDURE FOR SALE
11 OF LAND]. The authority may convey real or personal property that it
12 determines is in excess of its needs. Except as provided in (b) and
13 (c) of this section, the sale [SALE OF LAND] shall be by public auc-
14 tion or by sealed bids at a price not lower than the fair market value
15 determined by an appraisal made within 180 days before [OF] the sale
16 by a qualified appraiser. Public notice shall be given by publishing
17 notice of the sale at least once a week for two consecutive weeks in a
18 newspaper of general circulation within the area in which the property
19 to be sold is located and by posting notice of sale in at least two
20 public places in the area. In no event may [SHALL] the auction be
21 held less than 30 days after the last day of publication. If no
22 acceptable bids are received the authority may sell the property at
23 negotiated sale [,] within six months after [OF] the date of the
24 auction. A negotiated sale may not be made on an appraisal made more
25 than nine months before the date of sale. The price at a negotiated
26 sale may not be less than the appraised value.

27 * Sec. 4. AS 18.55.255 is amended by adding new subsections to read:

28 (b) Real or personal property of the authority may be conveyed
29 to a state or federal agency or political subdivision for less than

1 the appraised value without competitive bidding, upon a determination
2 by the board that the terms are fair and proper and in the best inter-
3 ests of the state. The board shall consider both the nature of the
4 agency's or political subdivision's public services or functions and
5 the terms under which the property was acquired by the authority.

6 (c) Property acquired or renovated to provide mental health
7 community housing is not subject to the procedures of (a) or (b) of
8 this section and may be conveyed for less than the fair market value
9 to grantees selected by the Department of Health and Social Services
10 upon terms and conditions consistent with grants administered by the
11 Department of Health and Social Services under AS 47.30.520 - 47.30.-
12 620.

13 (d) This section does not apply to property that is covered by
14 AS 18.55.320 or 18.55.540.

15 * Sec. 5. AS 22.05.025(a) is amended to read:

16 (a) Subject to AS 36.30.080, the [THE] supreme court has author-
17 ity over all matters relating to the planning, design, construction,
18 maintenance, occupancy, leasing, and operation of all court facilities
19 and shall cooperate and coordinate with the Department of Transporta-
20 tion and Public Facilities so that court facility construction proj-
21 ects are carried out in accordance with the statutes and regulations
22 applicable to state public works projects.

23 * Sec. 6. AS 36.30.020 is amended to read:

24 Sec. 36.30.020. LEGISLATURE. The Legislative Council shall
25 adopt and publish procedures to govern the procurement of supplies,
26 services, professional services, and construction by the legislative
27 branch. The procedures must be based on the competitive principles
28 consistent with this chapter and must be adapted to the special needs
29 of the legislative branch as determined by the Legislative Council.

1 The procedures must be consistent with the provisions of AS 36.30.-
2 080(b) - (c).

3 * Sec. 7. AS 36.30.030 is amended to read:

4 Sec. 36.30.030. COURT SYSTEM. The administrative director of
5 courts shall adopt and publish procedures to govern the procurement of
6 supplies, services, professional services, and construction by the
7 judicial branch. The procedures must be based on the competitive
8 principles consistent with this chapter and must be adapted to the
9 special needs of the judicial branch as determined by the administra-
10 tive director [ADMINISTRATOR] of courts. The procedures must be
11 consistent with the provisions of AS 36.30.080(b) - (c).

12 * Sec. 8. AS 36.30.080(b) is amended to read:

13 (b) The department, legislative branch, or judicial branch may
14 enter into lease-purchase [LEASE-FINANCING] agreements, including
15 lease-financing [LEASE-PURCHASE] agreements [AND AGREEMENTS RELATED TO
16 THE ISSUANCE OF CERTIFICATES OF PARTICIPATION]. A lease-purchase
17 [LEASE-FINANCING] agreement must provide that lease payments are
18 subject to annual appropriation.

19 * Sec. 9. AS 36.30.080(c) is amended to read:

20 (c) If the department, legislative branch, or judicial branch
21 intends to enter into a lease or lease-purchase [LEASE-FINANCING]
22 agreement, except an agreement related to a refinancing, with an
23 annual rent to the department, legislative branch, or judicial branch
24 that is [STATE] anticipated to exceed \$1,000,000, the department,
25 legislative branch, or judicial branch shall provide notice to the
26 legislature. The notice must include the anticipated annual lease
27 obligation amount and the anticipated total construction, acquisition,
28 or other costs of the project. The department may not enter into an
29 agreement requiring notice under this subsection unless the project

1 has been approved by the legislature by law. An appropriation for the
2 project does not constitute approval of the project for purposes of
3 this subsection.

4 * Sec. 10. AS 36.30.990 is amended by adding new paragraphs to read:

5 (19) "lease-financing agreement" means a lease-purchase
6 agreement that secures or is related to financing instruments of the
7 lessor, including revenue bonds or certificates of participation;

8 (20) "lease-purchase agreement" means a lease that

9 (A) transfers ownership of the property to the lessee
10 by the end of the lease term;

11 (B) contains a purchase option at a price less than
12 the fair market value of the property on the date the option is
13 exercisable;

14 (C) has a term, at inception, equal to 75 percent or
15 more of the economic life of the property; or

16 (D) contains minimum lease payments, including minimum
17 lease payments during a renewal provided for in the agreement,
18 whose present value at the inception of the agreement equals 90
19 percent or more of the fair market value at the inception of the
20 agreement of the real property that is the subject of the agree-
21 ment; the present value shall be determined by using as a dis-
22 count rate the most recent Bond Buyer 20-Bond G.O. Index;

23 (21) "public building" means improved real property leased
24 to the state for governmental, public, or educational use, but does
25 not include improved real property owned by the University of Alaska
26 Heating Corporation and leased to the University of Alaska for a
27 purpose within the scope, as of July 1, 1986, of the heating corpora-
28 tion's charter;

29 * Sec. 11. Section 2, ch. 78, SLA 1984, is repealed.

1 * Sec. 12. AS 14.40.253, as enacted by sec. 2 of this Act, and AS 36.-
2 30.080(c), as amended by sec. 9 of this Act, do not apply to projects au-
3 thorized by law before July 1, 1990.

4 * Sec. 13. Section 11 of this Act takes effect immediately under
5 AS 01.10.070(c).

6 * Sec. 14. Sections 1 - 10 and 12 of this Act take effect July 1, 1990.
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STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF REVENUE

TREASURY DIVISION

ELEVENTH FLOOR
STATE OFFICE BUILDING
P.O. BOX SB
JUNEAU, ALASKA 99811-0400

May 7, 1990

The Honorable Ron Larson
Co-Chairman
House Finance Committee
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Dear Representative Larson:

I would like to urge the House Finance Committee to favorably consider, CSSB 108 (Finance), with the inclusion of an amendment. The main purpose of SB 108 as introduced is to consolidate major lease-financings of State public buildings in the Alaska State Housing Authority (ASHA). The Judiciaries Committee substitute adds a requirement for voter approval of lease-financings for:

- 1) new buildings;
- 2) buildings financed primarily from State rental payments, as opposed to payments from other tenants;
- 3) leases which restrict the ability of the State to lease alternate facilities.

Consistently using ASHA for State lease-financing would save the State millions of dollars over the lives of public building leases. In the absence of this bill, lease-financings of State projects could continue to be undertaken by municipalities or private developers. These entities may have little incentive to control construction and financing costs and may be inclined to enlarge project scopes. This can result in significant increases in State rental payments and operating costs for the leased facilities.

Lease-financing is paid entirely from the State's general fund. Interest rates are based on the State's credit rating. Lease-financings are normally rated one notch below the State's general obligation bond rating because lease payments are subject to appropriation. Lease-financing is counted as part of the State's debt burden by Moody's and Standard & Poor's credit rating services. In the event of default, it is the State's rating that would suffer.

Enclosed is a letter from Standard & Poor's to the State Bond Committee's financial advisor indicating the rating agency's favorable view of the type of action contained in SB 108.

Finally, I would like to suggest amending CSSB 108 (Finance) by adding, after "building" on line 7, page 5, the following:

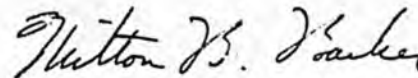
"with an annual rent anticipated to exceed \$1,000,000".

The Honorable Ron Larson
May 7, 1990
Page 2

This amendment would avoid burdening ASHA with the responsibility and activity of administering the many smaller leases of the State. ASHA is not administratively prepared to handle such responsibilities and it would be duplicative of those of the Department of Administration.

I would appreciate any consideration you can give to this bill.

Yours truly,



Milton B. Barker
Deputy Commissioner

MBB/ph

encls.

cc: Frank Baxter, Commissioner of Administration
Robert Link, Director, General Services and Supply
Ray Price, Executive Director, Alaska State Housing Authority
Brian Rogers, Vice-President for Finance, University of Alaska

90-107

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

108

January 12, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Kelly:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating, for the most part, to lease-financing under the Procurement Code.

The main purpose of the bill, embodied in sec. 7, is to centralize all lease-financings for public buildings in the Alaska State Building Authority (ASBA). Section 6 of the bill adds to the existing requirement for the executive branch a requirement that the legislative and judicial branches notify the legislature of leases and lease-purchases, including lease-financings, if the cost is expected to exceed \$1,000,000 annually. Currently, only the executive branch, through the Department of Administration, and the University of Alaska are subject to this requirement.

"Lease-purchase agreement" and "public building" are defined in sec. 8 of the bill. "Lease-financing agreement" is also defined in that section as a type of lease-purchase agreement.

Section 5 of the bill statutorily authorizes the legislative and judicial branches to enter into lease-purchase agreements. Other amendments relating to the new definitions added by sec. 8 of the bill are also made in sec. 5.

Sections 3 and 4 of the bill make amendments to reflect the amendments made by secs. 5, 6, and 7 of the bill.

The amendments made by sec. 1 of the bill, and the new statute proposed by sec. 2, relate to the University of Alaska's financing authority in general.

Under sec. 9 of the bill, university projects, and lease-purchase agreements entered into by the university, the legislature, or the court system, will not be subject to proposed AS 14.40.253 (university), and AS 36.30.080(c) (legislature and court system) as it is amended by sec. 6 of the bill, if the project is authorized by law before July 1, 1989, regardless of whether arrangements for the project or agreement are made final by that date.

Section 10 of the bill exempts projects authorized by law before July 1, 1984 from the requirement that a lease-financing agreement for such a project may be entered into only with ASBA. (This provides a type of "grandfather clause" exception for the Anchorage court facility, authorized by sec. 2, ch. 78, SLA 1984.) Projects authorized by law after July 1, 1984, for which a lease-financing agreement is not signed before July 1, 1989 (the effective date of this Act), will be subject to AS 36.30.080(d); however, those for which a lease-financing agreement is signed before July 1, 1989 will not be subject to that subsection.

As mentioned earlier in this letter, sec. 7 of the bill centralizes all lease-financings for public buildings in ASBA. There are at least four reasons for consolidating lease-financing in ASBA: efficiency, accountability, market acceptance, and coordination.

Using one issuer/lessor for state lease-financing will build expertise in both ASBA staff and retained professionals, such as bond counsel, about the legal and financial requirements and procedures of both the credit markets and the state. This will create greater efficiency not only in processing such transactions, but in structuring them as well. An example of this effect is the innovative and low-cost financing obtained by the Alaska Housing Finance Corporation (AHFC) for mortgage loans in Alaska. It is improbable that the overseas and other creative financing AHFC employs would have been possible if housing financing in this state had been splintered among many municipal or regional housing finance authorities.

One issuer/lessor for lease-financing would also provide clearer accountability and a central, uniform source of reporting. This would enable the state to provide timely, accurate responses to inquiries about or reviews of lease-financing from auditors, legislative committees, or national credit rating agencies.

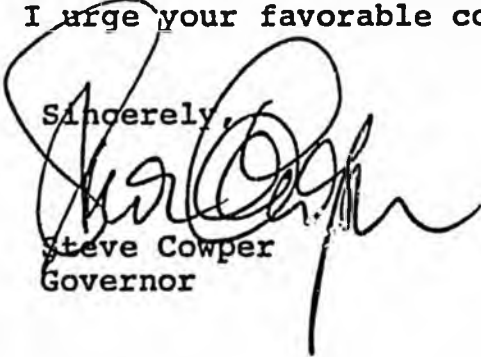
The credit markets should also respond favorably to a single issuer for state lease-financing. More regular issuance from one issuer should lead to greater market recognition and confidence, and a broader base of bond holders and lower interest rates as a result.

Another, and possibly the most important, reason for consistently using ASBA for state lease-financing is financial. In the absence of this bill, lease-financings of state projects could continue to be undertaken by municipalities or private developers. These entities might have little incentive to control costs and might be inclined to enlarge project scopes. This can result in significant increases in state rental payments and operating costs for the leased facilities.

Lease-financing is paid entirely from the state's general fund. Its rate is based on the state's credit rating, and is normally one notch below the state's general obligation bond rating because lease payments are subject to appropriation. Lease-financing is counted as part of the state's debt burden by Moody's and Standard & Poor's credit rating services. In the event of default, it is the state's rating that would suffer. A multiplicity of issuers can have an adverse effect on the state's rating and frustrate attempts to properly coordinate such issuances.

State lease-financing capacity is not unlimited. It is limited by the ability to appropriate lease payments from the general fund and by the credit rating of the state. The best use of that capacity would be achieved by consolidation or lease-financing in ASBA. I urge your favorable consideration of this legislation.

Sincerely,



Steve Cowper
Governor

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R/O SFC 5-6-90

STATE OF ALASKA
1990 LEGISLATIVE SESSION

Bill Version: CS SB 108 (Jud)
Publish Date: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Relating to Public Finance
including Lease-Financing
Sponsor: Senate Judiciary
Requestor: Senate Finance

Agency Affected: State Bond Committee
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
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SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	(1200.0)	(1200.0)	(1200.0)	(1200.0)	(1200.0)
TOTAL OPERATING	0	(1200.0)	(1200.0)	(1200.0)	(1200.0)	(1200.0)
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	(1200.0)	(1200.0)	(1200.0)	(1200.0)	(1200.0)
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	(1200.0)	(1200.0)	(1200.0)	(1200.0)	(1200.0)

POSITIONS:

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

ANALYSIS: attach a separate page for analysis. Fiscal year 1990 effect is zero. Assumes new lease-financings in amounts and rates sufficient to require additional lease rental payments equal to current rental payments -- approximately \$12 million annually -- but with a 10% savings in construction, financing, and operating costs.

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: February 16, 1990

Approved by Commissioner: _____
Agency: Department of Revenue

Date: 2/16/90

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Changes in CSSB 108 (Fin) have no fiscal impact. This fiscal note is appropriate. 5/6/90 JW

7/0 JFC 5-6-90

STATE OF ALASKA
1989 LEGISLATIVE SESSION

Bill Version: CSSB 108 (Jud)^b
Publish Date: 5/5/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Revenue
 Title: Public finance, including lease- BRU: Treasury
financing and disposal of certain property
 Sponsor: Senate Judiciary Components: _____
 Requestor: Senate Judiciary

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
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GENERAL FUND	0	0	0	0	0	0
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ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker ^{MB} Phone: 465-2350
 Division: Treasury Date: _____

Approved by Commissioner: _____ Date: 5/5/89
 Agency: Department of Revenue

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Changes in CSSB 108 (Fin)
 have no fiscal impact.
 This fiscal note is
 appropriate. 5/6/90

go0449sJ
Bannister
4/23/90

Original sponsor(s): Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 108 (Finance)

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4 SIXTEENTH LEGISLATURE - SECOND SESSION

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11 OF LAND]. The authority may convey real or personal property that it
12 determines is in excess of its needs. Except as provided in (b) and
13 (c) of this section, the sale [SALE OF LAND] shall be by public auc-
14 tion or by sealed bids at a price not lower than the fair market value
15 determined by an appraisal made within 180 days before [OF] the sale
16 by a qualified appraiser. Public notice shall be given by publishing
17 notice of the sale at least once a week for two consecutive weeks in a
18 newspaper of general circulation within the area in which the property
19 to be sold is located and by posting notice of sale in at least two
20 public places in the area. In no event may [SHALL] the auction be
21 held less than 30 days after the last day of publication. If no
22 acceptable bids are received the authority may sell the property at
23 negotiated sale [,] within six months after [OF] the date of the
24 auction. A negotiated sale may not be made on an appraisal made more
25 than nine months before the date of sale. The price at a negotiated
26 sale may not be less than the appraised value.

27 * Sec. 4. AS 18.55.255 is amended by adding new subsections to read:

28 (b) Real or personal property of the authority may be conveyed
29 to a state or federal agency or political subdivision for less than

1 the appraised value without competitive bidding, upon a determination
2 by the board that the terms are fair and proper and in the best inter-
3 ests of the state. The board shall consider both the nature of the
4 agency's or political subdivision's public services or functions and
5 the terms under which the property was acquired by the authority.

6 (c) Property acquired or renovated to provide mental health
7 community housing is not subject to the procedures of (a) or (b) of
8 this section and may be conveyed for less than the fair market value
9 to grantees selected by the Department of Health and Social Services
10 upon terms and conditions consistent with grants administered by the
11 Department of Health and Social Services under AS 47.30.520 - 47.30.-
12 620.

13 (d) This section does not apply to property that is covered by
14 AS 18.55.320 or 18.55.540.

15 * Sec. 5. AS 22.05.025(a) is amended to read:

16 (a) Subject to AS 36.30.080, the [THE] supreme court has author-
17 ity over all matters relating to the planning, design, construction,
18 maintenance, occupancy, leasing, and operation of all court facilities
19 and shall cooperate and coordinate with the Department of Transporta-
20 tion and Public Facilities so that court facility construction proj-
21 ects are carried out in accordance with the statutes and regulations
22 applicable to state public works projects.

23 * Sec. 6. AS 36.30.020 is amended to read:

24 Sec. 36.30.020. LEGISLATURE. The Legislative Council shall
25 adopt and publish procedures to govern the procurement of supplies,
26 services, professional services, and construction by the legislative
27 branch. The procedures must be based on the competitive principles
28 consistent with this chapter and must be adapted to the special needs
29 of the legislative branch as determined by the Legislative Council.

1 The procedures must be consistent with the provisions of AS 36.30.-
2 080(b) - (e).

3 * Sec. 7. AS 36.30.030 is amended to read:

4 Sec. 36.30.030. COURT SYSTEM. The administrative director of
5 courts shall adopt and publish procedures to govern the procurement of
6 supplies, services, professional services, and construction by the
7 judicial branch. The procedures must be based on the competitive
8 principles consistent with this chapter and must be adapted to the
9 special needs of the judicial branch as determined by the administra-
10 tive director [ADMINISTRATOR] of courts. The procedures must be
11 consistent with the provisions of AS 36.30.080(b) - (e).

12 * Sec. 8. AS 36.30.080(b) is amended to read:

13 (b) The department, legislative branch, or judicial branch may
14 enter into lease-purchase [LEASE-FINANCING] agreements, including
15 lease-financing [LEASE-PURCHASE] agreements [AND AGREEMENTS RELATED TO
16 THE ISSUANCE OF CERTIFICATES OF PARTICIPATION]. A lease-purchase
17 [LEASE-FINANCING] agreement must provide that lease payments are
18 subject to annual appropriation.

19 * Sec. 9. AS 36.30.080(c) is amended to read:

20 (c) If the department, legislative branch, or judicial branch
21 intends to enter into a lease or lease-purchase [LEASE-FINANCING]
22 agreement, except an agreement related to a refinancing, with an
23 annual rent to the department, legislative branch, or judicial branch
24 that is [STATE] anticipated to exceed \$1,000,000, the department,
25 legislative branch, or judicial branch shall provide notice to the
26 legislature. The notice must include the anticipated annual lease
27 obligation amount and the anticipated total construction, acquisition,
28 or other costs of the project. The department may not enter into an
29 agreement requiring notice under this subsection unless the project

1 has been approved by the legislature by law. An appropriation for the
2 project does not constitute approval of the project for purposes of
3 this subsection.

4 * Sec. 10. AS 36.30.080 is amended by adding new subsections to read:

5 (d) The department, legislative branch, or judicial branch may
6 not enter into a lease-financing agreement for the construction or
7 acquisition of a public building, unless the agreement is with the
8 Alaska State Housing Authority.

9 (e) In addition to the approval by law required under (c) of
10 this section, a proposed lease or lease-purchase agreement of the
11 department, legislative branch, or judicial branch for a public build-
12 ing must be approved by a majority of the qualified voters voting at
13 the next state general election, if the agreement requires the payment
14 of annual rent that is anticipated to exceed \$1,000,000 and

15 (1) would be entered into before the completion of the
16 construction of the building; in this paragraph, "completion of con-
17 struction" does not include providing alterations, repairs, mainte-
18 nance, or improvements to an existing public building;

19 (2) contains minimum lease payments, including minimum
20 lease payments during a renewal provided for in the agreement, whose
21 present value at the inception of the agreement equals 90 percent or
22 more of the fair market value at the inception of the agreement of the
23 real property that is the subject of the agreement; the present value
24 shall be determined by using as a discount rate the most recent Bond
25 Buyer 20-Bond G.O. Index; and

26 (3) prohibits the department, legislative branch, or judi-
27 cial branch, for a period of time following nonappropriation of lease
28 payments, from acquiring, leasing, or using similar real property to
29 perform the same function as the real property that is the subject of

1 the agreement.

2 * Sec. 11. AS 36.30.990 is amended by adding new paragraphs to read:

3 (19) "lease-financing agreement" means a lease-purchase
4 agreement that secures or is related to financing instruments of the
5 lessor, including revenue bonds or certificates of participation;

6 (20) "lease-purchase agreement" means a lease that

7 (A) transfers ownership of the property to the lessee
8 by the end of the lease term;

9 (B) contains a purchase option at a price less than
10 the fair market value of the property on the date the option is
11 exercisable;

12 (C) has a term, at inception, equal to 75 percent or
13 more of the economic life of the property; or

14 (D) contains minimum lease payments, including minimum
15 lease payments during a renewal provided for in the agreement,
16 whose present value at the inception of the agreement equals 90
17 percent or more of the fair market value at the inception of the
18 agreement of the real property that is the subject of the agree-
19 ment; the present value shall be determined by using as a dis-
20 count rate the most recent Bond Buyer 20-Bond G.O. Index;

21 (21) "public building" means improved real property leased
22 to the state for governmental, public, or educational use, but does
23 not include improved real property owned by the University of Alaska
24 Heating Corporation and leased to the University of Alaska for a
25 purpose within the scope, as of July 1, 1986, of the heating corpora-
26 tion's charter;

27 * Sec. 12. Section 2, ch. 78, SLA 1984, is repealed.

28 * Sec. 13. AS 14.40.253, as enacted by sec. 2 of this Act, and AS 36.-
29 30.080(c), as amended by sec. 9 of this Act, do not apply to projects

1 authorized by law before July 1, 1990.

2 * Sec. 14. Section 12 of this Act takes effect immediately under
3 AS 01.10.070(c).

4 * Sec. 15. Sections 1 - 11 and 13 of this Act take effect July 1, 1990.
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STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF REVENUE

TREASURY DIVISION

ELEVENTH FLOOR
STATE OFFICE BUILDING
P.O. BOX SB
JUNEAU, ALASKA 99811-0400

February 16, 1990

The Honorable Rick Uehling
Co-Chairman
Senate Finance Committee
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

FEB 21 1990

Dear Senator Uehling:

I would like to call to your attention, and urge the Senate Finance Committee to favorably consider, CSSB 108 (Judiciary), with the inclusion of an amendment. The main purpose of SB 108 as introduced is to consolidate major lease-financings of State public buildings in the Alaska State Housing Authority (ASHA). The Judiciary Committee substitute adds a requirement for voter approval of lease-financings for:

- 1) new buildings;
- 2) buildings financed primarily from State rental payments, as opposed to payments from other tenants;
- 3) leases which restrict the ability of the State to lease alternate facilities.

Consistently using ASHA for State lease-financing would save the State millions of dollars over the lives of public building leases. In the absence of this bill, lease-financings of State projects could continue to be undertaken by municipalities or private developers. These entities may have little incentive to control construction and financing costs and may be inclined to enlarge project scopes. This can result in significant increases in State rental payments and operating costs for the leased facilities.

Lease-financing is paid entirely from the State's general fund. Interest rates are based on the State's credit rating. Lease-financings are normally rated one notch below the State's general obligation bond rating because lease payments are subject to appropriation. Lease-financing is counted as part of the State's debt burden by Moody's and Standard & Poor's credit rating services. In the event of default, it is the State's rating that would suffer.

Enclosed is a letter from Standard & Poor's to the State Bond Committee's financial advisor indicating the rating agency's favorable view of the type of action contained in SB 108.

Finally, I would like to suggest amending CSSB 108 (Judiciary) by adding, after "building" on line 27, page 4, the following:

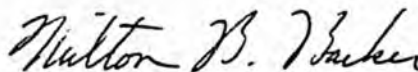
"with an annual rent anticipated to exceed \$1,000,000".

The Honorable Rick Uehling
February 16, 1990
Page 2

This amendment would avoid burdening ASHA with the responsibility and activity of administering the many smaller leases of the State. ASHA is not administratively prepared to handle such responsibilities and it would be duplicative of those of the Department of Administration.

I would appreciate any consideration you can give to this bill.

Yours truly,



Milton B. Barker
Deputy Commissioner

MBB/ph

encls.

CC: Frank Baxter, Commissioner of Administration
Robert Link, Director, General Services and Supply
Ray Price, Executive Director, Alaska State Housing Authority

90-33

Standard & Poor's Corporation

25 Broadway, New York, New York 10004



Vladimir Y. Stadnyk
Senior Vice President
Municipal Finance Department
212/208-1780

RECEIVED MAR 21 1988

RECEIVED
MAR 20 1988

ALASKA DEPARTMENT OF REVENUE
TREASURY DIVISION
JUNEAU

March 18, 1988

Mr. J. Chester Johnson
President
Government Finance Associates, Inc.
742 Alexander Road
Princeton, New Jersey 08540

Dear Chester:

I take this opportunity to respond to your inquiry regarding centralization of lease financing into the Alaska State Building Authority.

In general, any mechanism that allows an issuer to consolidate its debt planning and management into a central function is viewed quite positively. From an analytical standpoint such a structure reflects on the control an entity has in managing its current and future debt burden.

As you know, a fundamental element in the evaluation of credit risk is the impressions one gets from the administrative factors of each entity. Therefore, good centralized debt management controls lend themselves to favorable evaluations of the administrative factors. However, you are also aware that the credit evaluation process looks to a plethora of factors and that organizational and management techniques are only a small part of the total process. Consequently, your proposed centralization may or may not affect specific credit ratings.

I hope this short response addresses your needs, but if not feel free to call on me at any time.

Sincerely,

A handwritten signature in dark ink, appearing to read 'V. Stadnyk', with a horizontal line extending to the right.

VYS/cr

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

108

January 12, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Kelly:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating, for the most part, to lease-financing under the Procurement Code.

The main purpose of the bill, embodied in sec. 7, is to centralize all lease-financings for public buildings in the Alaska State Building Authority (ASBA). Section 6 of the bill adds to the existing requirement for the executive branch a requirement that the legislative and judicial branches notify the legislature of leases and lease-purchases, including lease-financings, if the cost is expected to exceed \$1,000,000 annually. Currently, only the executive branch, through the Department of Administration, and the University of Alaska are subject to this requirement.

"Lease-purchase agreement" and "public building" are defined in sec. 8 of the bill. "Lease-financing agreement" is also defined in that section as a type of lease-purchase agreement.

Section 5 of the bill statutorily authorizes the legislative and judicial branches to enter into lease-purchase agreements. Other amendments relating to the new definitions added by sec. 8 of the bill are also made in sec. 5.

Sections 3 and 4 of the bill make amendments to reflect the amendments made by secs. 5, 6, and 7 of the bill.

The amendments made by sec. 1 of the bill, and the new statute proposed by sec. 2, relate to the University of Alaska's financing authority in general.

Under sec. 9 of the bill, university projects, and lease-purchase agreements entered into by the university, the legislature, or the court system, will not be subject to proposed AS 14.40.253 (university), and AS 36.30.080(c) (legislature and court system) as it is amended by sec. 6 of the bill, if the project is authorized by law before July 1, 1989, regardless of whether arrangements for the project or agreement are made final by that date.

Section 10 of the bill exempts projects authorized by law before July 1, 1984 from the requirement that a lease-financing agreement for such a project may be entered into only with ASBA. (This provides a type of "grandfather clause" exception for the Anchorage court facility, authorized by sec. 2, ch. 78, SLA 1984.) Projects authorized by law after July 1, 1984, for which a lease-financing agreement is not signed before July 1, 1989 (the effective date of this Act), will be subject to AS 36.30.080(d); however, those for which a lease-financing agreement is signed before July 1, 1989 will not be subject to that subsection.

As mentioned earlier in this letter, sec. 7 of the bill centralizes all lease-financings for public buildings in ASBA. There are at least four reasons for consolidating lease-financing in ASBA: efficiency, accountability, market acceptance, and coordination.

Using one issuer/lessor for state lease-financing will build expertise in both ASBA staff and retained professionals, such as bond counsel, about the legal and financial requirements and procedures of both the credit markets and the state. This will create greater efficiency not only in processing such transactions, but in structuring them as well. An example of this effect is the innovative and low-cost financing obtained by the Alaska Housing Finance Corporation (AHFC) for mortgage loans in Alaska. It is improbable that the overseas and other creative financing AHFC employs would have been possible if housing financing in this state had been splintered among many municipal or regional housing finance authorities.

One issuer/lessor for lease-financing would also provide clearer accountability and a central, uniform source of reporting. This would enable the state to provide timely, accurate responses to inquiries about or reviews of lease-financing from auditors, legislative committees, or national credit rating agencies.

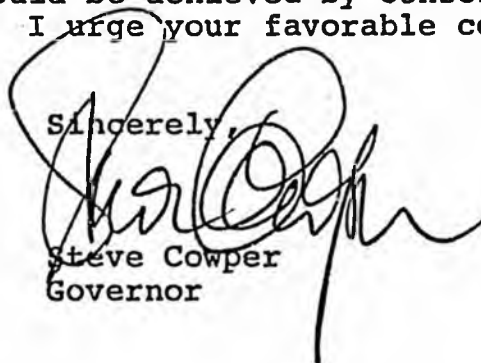
The credit markets should also respond favorably to a single issuer for state lease-financing. More regular issuance from one issuer should lead to greater market recognition and confidence, and a broader base of bond holders and lower interest rates as a result.

Another, and possibly the most important, reason for consistently using ASBA for state lease-financing is financial. In the absence of this bill, lease-financings of state projects could continue to be undertaken by municipalities or private developers. These entities might have little incentive to control costs and might be inclined to enlarge project scopes. This can result in significant increases in state rental payments and operating costs for the leased facilities.

Lease-financing is paid entirely from the state's general fund. Its rate is based on the state's credit rating, and is normally one notch below the state's general obligation bond rating because lease payments are subject to appropriation. Lease-financing is counted as part of the state's debt burden by Moody's and Standard & Poor's credit rating services. In the event of default, it is the state's rating that would suffer. A multiplicity of issuers can have an adverse effect on the state's rating and frustrate attempts to properly coordinate such issuances.

State lease-financing capacity is not unlimited. It is limited by the ability to appropriate lease payments from the general fund and by the credit rating of the state. The best use of that capacity would be achieved by consolidation or lease-financing in ASBA. I urge your favorable consideration of this legislation.

Sincerely,



Steve Cowper
Governor

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Public Finance, including
Lease-Financing
Sponsor: Senate State Affairs
Requestor: Senate State Affairs

Agency Affected: Department of Revenue
BRU: Treasury
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: attach a separate page for analysis.

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: 3-22-89

Approved by Commissioner: [Signature]
Agency: Department of Revenue 3/25/89

Date: 3-22-89

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: 3/24/89
Title: An act relating to public finance including lease-financing.
Sponsor: _____
Requestor: Governor

Agency Affected: Alaska State Building Authority
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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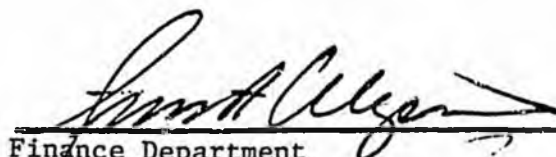
FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: 
Division: Finance Department

Phone: 562-2813
Date: 3/24/89

Approved by Commissioner: 
Agency: Alaska State Building Authority

Date: 3/24/89

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 108 (b)
PUBLISH DATE: 1/12/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Public finance, including lease-
financing
Sponsor: Rules
Requestor: Governor

Agency Affected: Department of Revenue
BRU: Treasury

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: December 29, 1988

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: December 29, 1988

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An act relating to public
finance including lease-financing.
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Alaska State Building
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: *Jim Allyn*
Division: Finance Department
Approved by Commissioner: *Bayliss*
Agency: Alaska State Building Authority

Phone: 12/12/88
Date: 562-2813
Date: 12/11/88

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

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HOUSE COMMITTEE REPORT

111)

Date Referred: March 22, 1989

FURTHER REFERRALS:

Date of Committee Action: 4/4/89

The FINANCE Committee considered:

SSSB 110

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 110

[AIRPORT SECURITY POLICE]

"An Act relating to certain officers and employees of the Department of Transportation and Public Facilities who are stationed at an international airport."

RECOMMENDATIONS:

- be replaced with SSSB 110 the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: Senate Transp. letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact _____
- zero fiscal note _____
- zero with analysis _____

- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis Sen. Finance 3/10/89

SIGNING NO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

Kay Ballis
James Hansen
Ronald J. ...
Cliff ...
John Brown
...
...
...
...
...
...
...

	Do Not Pass	No Rec	Amend

Ronald J. ...
 Chairman's Signature
...

R/O HFC 4-4-89

Updated

STATE OF ALASKA BILL VERSION: SSSB 110
1989 LEGISLATIVE SESSION PUBLISH DATE: 3/10/89

FISCAL NOTE

REQUEST: _____

REVISION DATE: _____ AGENCY: DOT&PF
TITLE: Airport Security Police BRU: Anchorage and Fairbanks
International Airports
SPONSOR: Sturgulewski COMPONENTS: Airport Safety
REQUESTOR: Senate Finance

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERS. SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND/BUILD.						
GRANTS/CLAIMS						
MISCELLANEOUS						
TOTAL	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

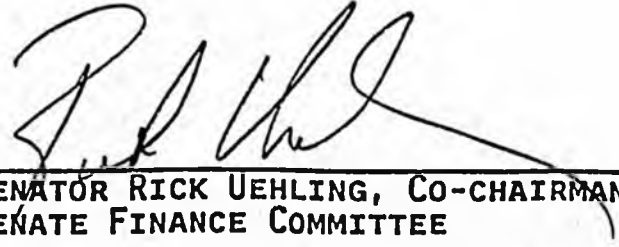
FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS:

PREPARED BY: 
SENATOR RICK UEHLING, CO-CHAIRMAN
SENATE FINANCE COMMITTEE

DATE: March 10, 1989

PHONE No.: 465-4821

R/O HFC 4-4-89

LETTER OF INTENT
SPONSOR SUBSTITUTE FOR SENATE BILL 110

It is the intent of the Legislature that the Department of Transportation make every possible effort to ensure that persons currently employed as Airport Safety Officers are able to remain in state employment if found ineligible for certification by the Alaska Police Standards Council.

1 IN THE SENATE BY STURGULEWSKI AND PEARCE

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 110

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to certain officers and employees of
7 the Department of Transportation and Public Facili-
8 ties who are stationed at an international airport."

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

10 * Section 1. AS 18.65.290(5) is amended to read:

11 (5) "police officer" means

12 (A) a full-time employee of the state or a local
13 police department with the authority to arrest and issue cita-
14 tions; detain a person taken into custody until that person can
15 be arraigned before a judge or magistrate; conduct investigations
16 of violations of and enforce criminal laws, regulations and
17 traffic laws; search with or without a warrant persons, dwell-
18 ings, and other forms of property for evidence of a crime; carry
19 a concealed weapon; and take other action consistent with exer-
20 cise of these enumerated powers when necessary to maintain the
21 public peace;

22 (B) an officer or employee of the Department of Trans-
23 portation and Public Facilities who is stationed at an interna-
24 tional airport and has been designated to have the general police
25 powers authorized under AS 02.15.230(a);

26 * Sec. 2. AS 23.10.037(b) is amended to read:

27 (b) The provisions of (a) of this section do not apply to the
28 state or a political subdivision of the state when dealing with police
29 officers [POLICEMEN] in its employ or with persons applying to be

98-4-4 524 09

1 employed as police officers [POLICEMEN]. In this subsection, "police
2 officers" includes officers and employees of the Department of Trans-
3 portation and Public Facilities who are stationed at an international
4 airport and have been designated to have the general police powers
5 authorized under AS 02.15.230(a).

6 * Sec. 3. Notwithstanding AS 18.65.290(5), as amended by sec. 1 of this
7 Act, an employee of the Department of Transportation and Public Facilities
8 who holds a position on the effective date of this Act that would be cover-
9 ed by the amendment made to AS 18.65.290(5) by sec. 1 of this Act and who
10 does not hold a police officer certificate issued by the Alaska Police
11 Standards Council is not subject to AS 18.65.130 - 18.65.290 or the regu-
12 lations adopted under AS 18.65.130 - 18.65.290 while employed by the
13 Department of Transportation and Public Facilities until two years after
14 the effective date of this Act. During this two-year period, the Depart-
15 ment of Transportation and Public Facilities may not discriminate against a
16 person described by this section in an employment matter related to the
17 person's wages and benefits payable, promotion and reassignment opportuni-
18 ties, or training necessary to attain certification because the person does
19 not have a certificate issued by the Alaska Police Standards Council.

MEMORANDUM

State of Alaska

TO: Mark S. Hickey
Commissioner


DATE: February 13, 1989

FILE NO:

TELEPHONE NO:

THRU: Doyle C. Ruff, Manager
Anchorage International Airport

SUBJECT: Current Standards:
Airport Safety
Officer I

FROM: Timothy W. Foster 
Chief, Airport Safety

Here are the current hiring and training standards, as well as associated costs for Airport Safety Officer I.

Also attached are the proposed new hiring requirements if House Bill 94 is adopted under the Alaska Police Standards Council requirements.

TWF/ljc

Attachments

Alaska State Legislature



2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

SENATOR
ARLISS STURGULEWSKI
Senate President Pro Tempore
Chairman, Senate Rules Committee

While in Juneau
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

M E M O R A N D U M

30 March 1989

TO: Representative Ron Larson, Co-Chairman
Representative Lyman Hoffman, Co-Chairman

FROM: Senator Arliss Sturgulewski

RE: Senate Bill 110

Senate Bill 110 is designed to upgrade the professional standards which must be met by airport safety officers. Currently airport safety officers must meet training standards equivalent to those of police officers but are not subject to extensive background checks, polygraph tests, certain physical standards, and psychological testing.

Section one adds Airport Safety Officers working at international airports and employed by the Department of Public Safety to the list of those employees subject to the jurisdiction of the Alaska Police Standards Council. This will enable Airport Safety Officers to become certificated by the council.

Section two of the bill exempts airport safety officers from the prohibition of requiring employees to take a polygraph test.

Section three allows persons currently employed as an Airport Safety Officer two years to attain certification.

The Alaska Police Standards Council, the Alaska Peace Officers' Association and the Department of Transportation all support this legislation.

I believe that increased standards for Airport Safety Officers can only be of benefit to the state. Your support for this bill will be appreciated.

STATE OF ALASKA

ALASKA POLICE STANDARDS COUNCIL

STEVE COWPER, GOVERNOR

P.O. BOX N
JUNEAU, ALASKA 99811-1200
PHONE: (907) 465-4378

January 13, 1989

The Honorable Arliss Sturgulewski
Alaska State Senator
P.O. Box V
Juneau, AK 99811

Dear Senator Sturgulewski:

Senate Bill No. 110

The Alaska Police Standards Council discussed the matter of the certification of Airport Safety Officers at their meeting on September 15-16, 1988, and it was their belief that a statute change should be initiated if the Department of Transportation felt that the certification of Airport Safety Officers is appropriate.

The council instructed me to advise Commissioner Mark S. Hickey that should his agency decide to initiate the necessary action for a statute change that the council would not oppose the legislation, and if deemed necessary would provide staff assistance to support the change.

The council members discussed at length the many parallels between the Airport Safety Officer and Municipal Police Officer positions, noting that they are required to attend the same training programs, the duties and responsibilities are very similar, they are sworn to uphold the laws of the State of Alaska and they are required to carry firearms on duty. Bearing these similarities in mind the council agreed that it would be reasonable to require the Airport Safety Officers to meet the same standards now in effect for police officers.

It should be noted that the council does not anticipate that this change in the statute would necessitate an expansion in the council's membership and they would not support legislation in this area.

The Honorable Sturgulewski

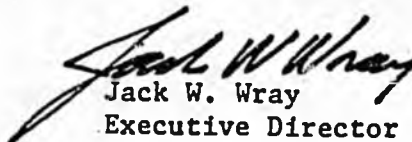
Page 2

January 13, 1989

In conclusion the council supports this bill and is in a position to assume the responsibility for the implementation of the certification of Airport Safety Officers with no increase in their FY 90 budget request.

Please contact me for further information.

Sincerely,


Jack W. Wray
Executive Director

JWW/vlh

cc: Representative Bette M. Cato
Richard Gressett, P.S.E.A.
Commissioner Mark S. Hickey, D.O.T.



SERVING
ANCHORAGE • FAIRBANKS
• COLD BAY •

January 17, 1989

Senator Arliss Sturgulewski
Alaska State Senate
Mail Stop 3100
P.O. Box V
Juneau, AK 99811

Dear Senator Sturgulewski:

Federal Aviation Administration regulations require Airport Safety Officers, more commonly known as Airport Police, to meet the standards set forth by the Alaska Police Standards Council that governs certification of Police Officers. Although Airport Safety Officers already meet and exceed these requirements, they are not now certified. Commissioner Hickey of the Department of Transportation and respective Airport Management, "...believe certification will increase our ability to maintain a highly qualified staff.... and provide them expanded training opportunities." The Alaska Police Standards Council is not opposed to certification of Airport Safety Officers, but believes a statute change is necessary due to outdated statutory definitions. It is thought such certification would be a matter of paperwork and of nominal expense.

Additionally, such overdue recognition not only will represent personal achievement and pride throughout the advanced levels of accreditation, but also dictate an exemplary degree of conduct for officers both on and off duty with punitive consequences if violated.

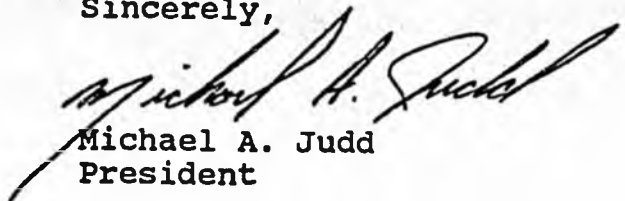
Airport Safety Officers have historically performed a "public safety" service utilizing their cross-training in the police and fire fields, as many certified municipal departments throughout the State now do. Airport Safety Officers' uniform patch and badge clearly identify, and in fact state, first and foremost that they are indeed a "Police Officer."

Page Two
Senator Arliss Sturgulewski
January 17, 1989

Senate Bill #110 legitimizes the authority long held by Airport Safety Officers and would ensure that the millions of traveling public are being provided the level of professional law enforcement service the citizens of Alaska expect and deserve.

Thank you for your support in this endeavor.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael A. Judd". The signature is written in dark ink and is positioned above the typed name and title.

Michael A. Judd
President

MAJ/cd

AIRPORT SAFETY OFFICER I

Current Hiring Standards
(Effective February 2, 1986)

21 years old
Valid Driver's License
Sound Health
Medical Examination to test for physical and mental
condition to meet demands of job

Current policy for background checks on new hires:

1. Release waiver for criminal/driving history through the Alaska Public Safety Information Network (APSIN) and the National Crime Information Center (NCIC).
2. Complete APSIN background check.
3. Complete NCIC check, including Level III and query by States listed in application.
4. Telephonic character reference checks.
5. Telephonic employment checks for minimum of last 5 years (FAA requirement).
6. Completion of medical and personal history forms.
7. Fingerprint applicant, cards sent to the Federal Bureau of Investigation and Alaska State Troopers for processing.
8. Photograph applicant.
9. Three interviews before hire; by a Sergeant, Lieutenant, Captains and then Chief.

Airport Safety Officer I
Current Training Standards
(1-Year Probation)

Successfully complete Alaska Police Standards Council approved police academy, i.e., State Troopers or Anchorage Police Department, 9-11 weeks.

6 week in-service Airport Safety Academy, combination Police and Crash/Fire/Rescue, and emergency medical training.

6-month Field Training Officer Program combination Police and Crash/Fire/Rescue. Must successfully complete all phases. Assigned to senior qualified Training Officer.

Airport Safety Officer I
Training Costs Per Officer

1. Salary per month: \$2,243.00 x 7 months
(average number of months for completing) =
\$15,701.00 (not including benefits).
2. Air fare to Sitka = \$243.00
3. Average amount of overtime during academy =
50 hours @ \$20.90/hour = \$1,045.00
4. Tuition per student = \$1,785.00

Total approximate cost:

\$15,701
243
1,045
<u>\$ 1,785</u>
\$18,774

ALASKA POLICE STANDARDS COUNCIL REQUIREMENTS
(If House Bill 94 is Adopted)

NEW HIRING REQUIREMENTS

13 AAC 85.010. BASIC STANDARDS FOR POLICE OFFICERS.

- (a) A participating police department may not hire a person as a police officer unless the person meets the following qualifications:
- (1) is a citizen of the United States or a resident alien who has demonstrated an intent to become a citizen of the United States;
 - (2) is 19 years of age or older;
 - (3) is of good moral character;
 - (4) has a high school diploma, or its equivalent, or has passed a General Educational Development (GED) test;
 - (5) is, at the time of hire, certified by a licensed physician on a medical record from supplied by the council to:
 - (a) be physically sound and free from physical defects which would adversely affect performance as a police officer;
 - (b) have normal color discrimination, normal binocular coordination, normal peripheral vision, and corrected visual acuity of 20/30 or better in each eye;
 - (c) have normal hearing or have no hearing defect which would adversely affect performance as a police officer;
 - (6) is free from any mental or emotional disorder which may adversely affect performance as a police officer.
- (b) A participating police department may not hire as a police officer a person:
- (1) who has been convicted of a felony by a civilian court of this state; the United States; another state or territory, or by a military court;
 - (2) who has been convicted, during the 10 years immediately before application for hire as a police officer, of a misdemeanor crime of dishonesty or moral turpitude, or a misdemeanor crime which resulted in serious physical injury to another person, by a civilian court of this state; the United States, another state or territory or by a military court;

13 AAC 85.010. BASIC STANDARDS FOR POLICE OFFICERS.

- (3) who has been denied certification or whose basic certificate has been revoked by the council, unless the denial or revocation has been rescinded by the council;
- (4) who:
 - (a) has illegally manufactured, transported, or sold a controlled substance;
 - (b) within the three years before application for hire, or repeatedly at any time before application for hire, has illegally used a controlled substance other than marijuana;
 - (c) within the three years before application for hire, has engaged in sustained regular use of marijuana;
 - (d) to any degree, has used marijuana within the six months before application for hire.
- (c) A participating police department has 90 days after the date of hire to confirm that a person hired as a police officer meets the standards of (a) and (b) of this section. The council will, in its discretion, grant an extension of the 90-day period if the council determines that the person will probably be able to meet the standards by the end of the extension period. The chief administrative officer of the police department where the person is employed shall make a written request for the extension, and shall explain the reason the extension is necessary. If a police department concludes at the end of the investigation that the person does not meet the required standards, the department shall immediately discharge the person from employment as a police officer. When deciding whether a person meets the standards of (a) and (b) of this section, the department shall:
 - (1) obtain proof of age, citizenship status, and education;
 - (2) obtain fingerprints on two copies of FBI Applicant Card FD-258; one card must be forwarded for permanent retention to the records and identification section of the division of state troopers of the Department of Public Safety; the other must be forwarded to the Federal Bureau of Investigation for a record check of the person;
 - (3) obtain a complete personal history of the person on a form supplied or approved by the council;

13 AAC 85.010. BASIC STANDARDS FOR POLICE OFFICERS.

- (4) conduct a thorough personal-history investigation of the person to determine character traits and habits indicative of moral character and fitness as a police officer;
 - (5) obtain a complete medical history report of the person; the report must be given to a licensed physician to use as a basis in conducting a physical examination of the person;
 - (6) require the person to undergo an examination by a licensed psychiatrist or psychologist if there is an indication of past or present personality defect or mental problem;
 - (7) determine whether certification of the person as a police officer has ever been denied or revoked by the council, and if so, whether the denial or revocation has been rescinded by the council.
- (d) All information, documents, and reports obtained by a participating police department under (c) of this section must be placed in the permanent files of the police department and must be available for examination at any reasonable time by representatives of the council. A copy of any criminal record discovered and of the following completed council forms must be sent to the council within 90 days after the date of each hire:
- (1) the Medical Exam Form;
 - (2) the Health Questionnaire;
 - (3) the Personal History Statement; and
 - (4) the Psychological Examination Report, when the examination is mandatory.
- (e) A police department shall begin field training with an officer, using the Field Training Manual, immediately after the officer is hired. If an officer attends an approved police academy within the first six months after employment as a police officer, or has been previously certified as a police officer, the Field Training Manual must be completed and sent to the council within the probationary period specified in 13 AAC 85.040(b)(3). In all other cases, the Field Training Manual must be completed and sent to the council within six months after the date the officer began work as a police officer with the department.

13 AAC 85.010. BASIC STANDARDS FOR POLICE OFFICERS.

- (f) The information in the council's files is confidential, and available only for use by the council in carrying out the requirements of AS 18.65.130 - AS 18.65.290 and the regulations adopted under AS 18.65.130 - AS 18.65.290. However, a police officer or applicant may review his own training records and the documents listed in (d) and (e) of this section. Information which indicates that a person may not qualify as a police officer, or which adversely reflects upon a person's ability to be a competent officer, will, in the council's discretion, be furnished by the council to a participating police department which has hired or is considering hiring the person. A police officer or applicant may not review information in the council's files which was supplied to the council with the understanding that the information or the source of the information would remain confidential, except that any information which serves as the basis for a decision to deny or revoke certification must be revealed to the police officer or applicant.
- (g) If the signature of an officer or applicant is required on a council form, the signature must be under oath or affirmation and must be accompanied by a statement by the officer or applicant that the information supplied is true, to the best of the signer's knowledge.
- (h) The council will, in its discretion, design and distribute forms to aid police departments in obtaining the information required in (c) of this section (Eff. 8/10/73, Register 47; am 8/10/80, Register 75; am 9/23/84, Register 91)

Authority: AS 18.65.220
AS 18.65.240
Art. i, sec. 22, Ak. Const.

Added note: February 13, 1989

In my opinion the APSC should raise its hiring requirement re: age from 19 to 21. In addition to raising the level of maturity, it would then be legal for the officer to enter an alcohol establishment (bar). Further, if there is a question as to people under 21 purchasing weapons or ammunition, as private citizens, the ASO and airport would not be in a position of criticism relative to this.

S. K. H. H.

AIRPORT SECURITY

The following is an extract of Federal Aviation Regulations, Part 107, as amended.

107.15 Law enforcement support.

(a) Each airport operator shall provide law enforcement officers in the number and in a manner adequate to support—

(1) Its security program; and

(2) Each passenger screening system required by Part 108 or Part 129.25 of this chapter.

(b) For scheduled or public charter passenger operations with airplanes having a passenger seating configuration (as defined in Part 108.3 of this chapter) of more than 30 but less than 61 seats for which a passenger screening system is not required, each airport operator shall ensure that law enforcement officers are available and committed to respond to an incident at the request of a certificate holder or foreign air carrier and shall ensure that the request procedures are provided to the certificate holder or foreign air carrier.

107.17 Law enforcement officers

(a) No airport operator may use or arrange for response by any person as a required law enforcement officer unless, while on duty at the airport, the officer—

(1) Has the arrest authority described in paragraph (b) of this section;

(2) Is readily identifiable by uniform and displays or carries a badge or other indicia of authority;

(3) Is armed with a firearm and authorized to use it; and

(4) Has completed a training program that meets the requirements in paragraph (c) of this section.

(b) The law enforcement officer must, while on duty at the airport, have the authority to arrest, with or without a warrant, for the following violations of the criminal laws of the State and local jurisdictions in which the airport is located:

(1) A crime committed in the officer's presence.

(2) A felony, when the officer has reason to believe that the suspect has committed it.

(c) The training program required by paragraph (a)(4) of this section must provide training in the subjects specified in paragraph (d) of this section and either—

(1) Meet the training standards, if any, prescribed by either the State or local jurisdiction in which the airport is located, for law enforcement officers performing comparable functions; or

(2) If the State and local jurisdictions in which the airport is located do not prescribe training standards for officers performing comparable functions, be acceptable to the Administrator.

(d) The training program required by paragraph (a)(4) of this section must include training in—

(1) The use of firearms;

(2) The courteous and efficient treatment of persons subject to inspection, detention, search, arrest, and other aviation security activities;

**STATE OF ALASKA
1989 LEGISLATIVE SESSION**

**BILL VERSION: SSSB 110
PUBLISH DATE: 3/2/89**

FISCAL NOTE

Revision Date: 2/21/89
Title: Airport Security Police

Agency Affected: DOT&PF
BRU: Anchorage and Fairbanks
International Airports

Sponsor: Sturgulewski
Requestor: Senate Transportation

Components: Airport Safety

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	14.4	14.4	14.4	14.4	14.4	14.4
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	14.4	14.4	14.4	14.4	14.4	14.4
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REVENUE	0	0	0	0	0	0
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FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER*	14.4	14.4	14.4	14.4	14.4	14.4
TOTAL	14.4	14.4	14.4	14.4	14.4	14.4

* International Airport Revenue Fund

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared by: D. Randy Simmons, Deputy Commissioner
Division: Budget and Finance

Phone: 465-3900
Date: 03/01/89

Approved by Commissioner: Mark S. Hickey *MSH*
Agency: Department of Transportation and Public Facilities

Date: 03/01/89

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Certain employees of DOT/PF at International airports.
Sponsor: Senator Sturgulewski and Pearce
Requestor: Senate Finance

Agency Affected: Dept. of Administration
BRU: Department of Transportation and Public Facilities

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

The proposed requirement for police officer certification will have no immediate, direct cost increase; employment standards, per se, do not directly correlate to pay rates. However, because wages of the affected employees are subject to collective bargaining negotiations, including interest arbitration, it may be anticipated that an argument will be made for higher wages at some point (probably upon the expiration of the current contract, December 31, 1989). Whether or not that argument would be persuasive and, if so, for what amount, is speculative. Should such occur, a separate funding request must be submitted to the legislature pursuant to AS 23.40.215, as is occurring this year.

Prepared By: DA Bruce Cummings, Director

Phone: 465-4404

Division: Director Labor Relations

Date: 3/10/89

Approved by Commissioner: John W. Andrews
Agency: Department of Administration

Date: 3/10/89

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

S

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SENATE COMMITTEE REPORT

FURTHER

3/2/89

DATE TURNED INTO OFFICE 3/10/89

Mr. President:

FINANCE

Committee considered SSSB 110

certain officers and employees of the Department of Transportation and Public Facilities who are stationed at an international airport

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- 3 (Trans) letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

- FISCAL NOTE(S) zero fiscal impact appropriation no FN
- new DOA & IIR/DOT updated previous
- same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Juan Duncan Duncan

Frank Frank

Paul Pearce Pearce

Paul Fisher Fisher

~~Paul Fisher~~

Richard Uehling (DO PASS)

Chairman's signature and recommendation

Committee Backup attached

John Binkley Co-Chair

Binkley

No-ROL

R/O SFC 3-10-89

STATE OF ALASKA BILL VERSION: SSSB 110
1989 LEGISLATIVE SESSION PUBLISH DATE: _____

FISCAL NOTE

REQUEST: _____

REVISION DATE: _____ AGENCY: DOT&PF
TITLE: Airport Security Police BRU: Anchorage and Fairbanks International Airports
SPONSOR: Sturgulewski COMPONENTS: Airport Safety
REQUESTOR: Senate Finance

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERS. SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND/BUILD.						
GRANTS/CLAIMS						
MISCELLANEOUS						
TOTAL	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

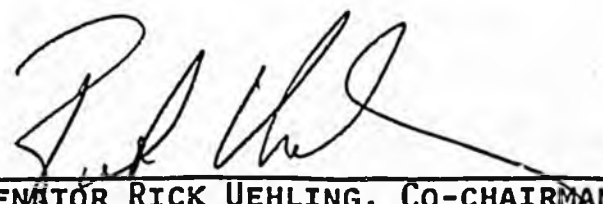
FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS:

PREPARED BY: 
SENATOR RICK UEHLING, CO-CHAIRMAN
SENATE FINANCE COMMITTEE

DATE: March 10, 1989

PHONE No.: 465-4821

740 SPC 3-10-89

STATE OF ALASKA
1989 LEGISLATIVE SESSION

Bill Version: SSSB 110
Publish Date: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Certain employees of DOT/PF at international airports.
Sponsor: Senator Sturgulewski and Pearce
Requestor: Senate Finance

Agency Affected: Dept. of Admin. Department of Transportation and Public Facilities
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

The proposed requirement for police officer certification will have no immediate, direct cost increase; employment standards, per se, do not directly correlate to pay rates. However, because wages of the affected employees are subject to collective bargaining negotiations, including interest arbitration, it may be anticipated that an argument will be made for higher wages at some point (probably upon the expiration of the current contract, December 31, 1989). Whether or not that argument would be persuasive and, if so, for what amount, is speculative. Should such occur, a separate funding request must be submitted to the legislature pursuant to AS 23.40.215, as is occurring this year.

Prepared By: Bruce Cummings, Director Phone: 465-4404
Division: Director Labor Relations Date: 3/10/89

Approved by Commissioner: John W. Andrews Date: 3/10/89
Agency: Department of Administration

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

R/O SFC - 3-10-89

Transportation

DRAFT

LETTER OF INTENT
SPONSOR SUBSTITUTE FOR SENATE BILL 110

It is the intent of the Legislature that the Department of Transportation make every possible effort to ensure that persons currently employed as Airport Safety Officers are able to remain in state employment if found ineligible for certification by the Alaska Police Standards Council.

TRSP Letter of Intent

1 IN THE SENATE BY STURGULEWSKI AND PEARCE
2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 110
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to certain officers and employees of
7 the Department of Transportation and Public Facili-
8 ties who are stationed at an international airport."

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

10 * Section 1. AS 18.65.290(5) is amended to read:

11 (5) "police officer" means

12 (A) a full-time employee of the state or a local
13 police department with the authority to arrest and issue cita-
14 tions; detain a person taken into custody until that person can
15 be arraigned before a judge or magistrate; conduct investigations
16 of violations of and enforce criminal laws, regulations and
17 traffic laws; search with or without a warrant persons, dwell-
18 ings, and other forms of property for evidence of a crime; carry
19 a concealed weapon; and take other action consistent with exer-
20 cise of these enumerated powers when necessary to maintain the
21 public peace;

22 (B) an officer or employee of the Department of Trans-
23 portation and Public Facilities who is stationed at an interna-
24 tional airport and has been designated to have the general police
25 powers authorized under AS 02.15.230(a);

26 * Sec. 2. AS 23.10.037(b) is amended to read:

27 (b) The provisions of (a) of this section do not apply to the
28 state or a political subdivision of the state when dealing with police
29 officers [POLICEMEN] in its employ or with persons applying to be

88-01-8 3-10-88

1 employed as police officers [POLICEMEN]. In this subsection, "police
2 officers" includes officers and employees of the Department of Trans-
3 portation and Public Facilities who are stationed at an international
4 airport and have been designated to have the general police powers
5 authorized under AS 02.15.230(a).

6 * Sec. 3. Notwithstanding AS 18.65.290(5), as amended by sec. 1 of this
7 Act, an employee of the Department of Transportation and Public Facilities
8 who holds a position on the effective date of this Act that would be cover-
9 ed by the amendment made to AS 18.65.290(5) by sec. 1 of this Act and who
10 does not hold a police officer certificate issued by the Alaska Police
11 Standards Council is not subject to AS 18.65.130 - 18.65.290 or the regu-
12 lations adopted under AS 18.65.130 - 18.65.290 while employed by the
13 Department of Transportation and Public Facilities until two years after
14 the effective date of this Act. During this two-year period, the Depart-
15 ment of Transportation and Public Facilities may not discriminate against a
16 person described by this section in an employment matter related to the
17 person's wages and benefits payable, promotion and reassignment opportuni-
18 ties, or training necessary to attain certification because the person does
19 not have a certificate issued by the Alaska Police Standards Council.

SECTIONAL ANALYSIS
SPONSOR SUBSTITUTE FOR SENATE BILL 110
22 February 1989

SECTION 1:

Adds (B) "an officer of employee of the Department of Transportation and Public Facilities who is stationed at an international airport and has been designated to have the general police powers authorized under AS 02.15.230(a)" to the definition of a "police officer" for purposes of the Alaska Police Standards Council jurisdiction.

SECTION 2:

Adds to the definition of "police officer" for purposes of allowing the state or a political subdivision of the state to administer a polygraph to an employee or job applicant.

SECTION 3:

This section allows airport safety officers to take two years to achieve certification. This section also provides that the department may not discriminate against any employee during that time.

Alaska State Legislature



2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

SENATOR
ARLISS STURGULEWSKI
Senate President Pro Tempore
Chairman, Senate Rules Committee

While in Juneau
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 463-3818

Senate

MEMORANDUM

2 March 1989

TO: Senator Rick Uehling
Co-Chairman, Senate Finance Committee

FROM: Senator Arliss Sturgulewski *as*

RE: Senate Bill 110

Senate Bill 110 is designed to upgrade the professional standards which must be met by airport safety officers. Currently airport safety officers must meet training standards equivalent to those of police officers but they do not fall under the jurisdiction of the Alaska Police Standards Council.

This legislation adds a subsection to the statute defining who comes under the jurisdiction of the Alaska Police Standards Council. This new subsection adds certain airport security officers to the definition of police officer for the purposes of Alaska Police Standards Council jurisdiction.

The Alaska Police Standards Council, the Alaska Peace Officers' Association and the Department of Transportation both support this legislation. Attached is the letter we received from the Alaska Airport Safety Officers Association requesting the bill and explaining the association's reasons for wanting professional certification. Also attached is a letter of support from the Alaska Police Standards Council.

I believe that increased standards for Airport Safety Officers can only be of benefit to the state. As you will see from the attached fiscal note, the fiscal impact is small. I would appreciate your scheduling this bill as soon as is possible.

Department of Transportation & Public Facilities



POSITION PAPER

MSH

BILL NO: SSSB 110

APPROVED: Mark S. Hickey
Commissioner

TITLE: Airport Security Police

DATE: March 1, 1989

The Department of Transportation and Public Facilities (DOT&PF) supports Sponsor Substitute for Senate Bill No. 110 as amended.

Certification as a basic police office is the accepted professional standard for most police agencies and their officers. Certification will mandate that all officers will meet and maintain a minimum level of professional training and expertise in their field. By assuring the proper training, liability limits may be lowered. Airport Safety Officers would be required to adhere to the law enforcement Code of Ethics, thus giving the Department a better means of discipline for noncompliance.

The acceptance of Airport Safety in the program will help management recruit candidates and employ officers who adhere to certain recognized professional standards. Certification is a recognition of professional achievement in the law enforcement career.

In summation, we believe the activities of the Airport Safety Officers are compatible with certification, and that certification will increase our ability to maintain a highly qualified professional staff. The establishment of minimum selection, training and retention requirements for Airport Safety Officers is vital to the International Airport System.

For further information call Catherine A. McHugh at 465-3900

POSITION PAPER - DOT



SERVING
ANCHORAGE • FAIRBANKS
• COLD BAY •

January 17, 1989

Senator Arliss Sturgulewski
Alaska State Senate
Mail Stop 3100
P.O. Box V
Juneau, AK 99811

Dear Senator Sturgulewski:

Federal Aviation Administration regulations require Airport Safety Officers, more commonly known as Airport Police, to meet the standards set forth by the Alaska Police Standards Council that governs certification of Police Officers. Although Airport Safety Officers already meet and exceed these requirements, they are not now certified. Commissioner Hickey of the Department of Transportation and respective Airport Management, "...believe certification will increase our ability to maintain a highly qualified staff.... and provide them expanded training opportunities." The Alaska Police Standards Council is not opposed to certification of Airport Safety Officers, but believes a statute change is necessary due to outdated statutory definitions. It is thought such certification would be a matter of paperwork and of nominal expense.

Additionally, such overdue recognition not only will represent personal achievement and pride throughout the advanced levels of accreditation, but also dictate an exemplary degree of conduct for officers both on and off duty with punitive consequences if violated.

Airport Safety Officers have historically performed a "public safety" service utilizing their cross-training in the police and fire fields, as many certified municipal departments throughout the State now do. Airport Safety Officers' uniform patch and badge clearly identify, and in fact state, first and foremost that they are indeed a "Police Officer."

P.O. Box 92624 • Anchorage 99509-2624 • (907) 276-6464

Sponsor's BACKGROUND materials

Page Two
Senator Arliss Sturgulewski
January 17, 1989

Senate Bill #110 legitimizes the authority long held by Airport Safety Officers and would ensure that the millions of traveling public are being provided the level of professional law enforcement service the citizens of Alaska expect and deserve.

Thank you for your support in this endeavor.

Sincerely,



Michael A. Judd
President

MAJ/cd

ALASKA PEACE OFFICERS ASSOCIATION



Anchorage Chapter
P. O. Box 103824
Anchorage, AK 99510
Phone 561-2878

Senator Arlyss Sturgulewski
Pouch V
Juneau, Alaska 99803

Re: Senate Bill No. 110

Dear Senator Sturgulewski,

The Alaska Peace Officers Association, Anchorage Chapter would like to thank you for your sponsorship of SB 110, an act relating to the jurisdiction of the Alaska Police Standards Council.

We have recognized for some time the expertise required and the danger present for the Department of Transportation and Public Facilities employees stationed at the airport. The men and women must be trained as firemen as well as police officers yet work without realizing the full benefit of either. This bill will correct that injustice.

Thank you again for sponsoring this important legislation. Please let us know if we can be of any assistance in securing passage of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Dorothy P. Hansen".

Dorothy P. Hansen
Secretary, Anchorage Chapter

1527D
DH

STATE OF ALASKA

ALASKA POLICE STANDARDS COUNCIL

STEVE COWPER, GOVERNOR

P.O. BOX N
JUNEAU, ALASKA 99811-1200
PHONE: (907) 465-4378

January 13, 1989

The Honorable Arliss Sturgulewski
Alaska State Senator
P.O. Box V
Juneau, AK 99811

Dear Senator Sturgulewski:

Senate Bill No. 110

The Alaska Police Standards Council discussed the matter of the certification of Airport Safety Officers at their meeting on September 15-16, 1988, and it was their belief that a statute change should be initiated if the Department of Transportation felt that the certification of Airport Safety Officers is appropriate.

The council instructed me to advise Commissioner Mark S. Hickey that should his agency decide to initiate the necessary action for a statute change that the council would not oppose the legislation, and if deemed necessary would provide staff assistance to support the change.

The council members discussed at length the many parallels between the Airport Safety Officer and Municipal Police Officer positions, noting that they are required to attend the same training programs, the duties and responsibilities are very similar, they are sworn to uphold the laws of the State of Alaska and they are required to carry firearms on duty. Bearing these similarities in mind the council agreed that it would be reasonable to require the Airport Safety Officers to meet the same standards now in effect for police officers.

It should be noted that the council does not anticipate that this change in the statute would necessitate an expansion in the council's membership and they would not support legislation in this area.

The Honorable Sturgulewski

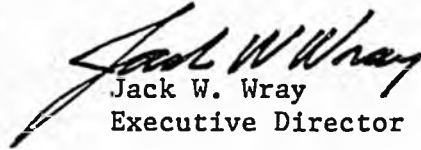
Page 2

January 13, 1989

In conclusion the council supports this bill and is in a position to assume the responsibility for the implementation of the certification of Airport Safety Officers with no increase in their FY 90 budget request.

Please contact me for further information.

Sincerely,


Jack W. Wray
Executive Director

JWW/vlh

cc: Representative Bette M. Cato
Richard Gressett, P.S.E.A.
Commissioner Mark S. Hickey, D.O.T.

AIRPORT SECURITY

The following is an extract of Federal Aviation Regulations, Part 107, as amended.

107.15 Law enforcement support.

- (a) Each airport operator shall provide law enforcement officers in the number and in a manner adequate to support—
 - (1) Its security program; and
 - (2) Each passenger screening system required by Part 108 or Part 129.25 of this chapter.

- (b) For scheduled or public charter passenger operations with airplanes having a passenger seating configuration (as defined in Part 108.3 of this chapter) of more than 30 but less than 61 seats for which a passenger screening system is not required, each airport operator shall ensure that law enforcement officers are available and committed to respond to an incident at the request of a certificate holder or foreign air carrier and shall ensure that the request procedures are provided to the certificate holder or foreign air carrier.

107.17 Law enforcement officers

- (a) No airport operator may use or arrange for response by any person as a required law enforcement officer unless, while on duty at the airport, the officer—
 - (1) Has the arrest authority described in paragraph (b) of this section;
 - (2) Is readily identifiable by uniform and displays or carries a badge or other indicia of authority;

- (3) Is armed with a firearm and authorized to use it; and
 - (4) Has completed a training program that meets the requirements in paragraph (c) of this section.
- (b) The law enforcement officer must, while on duty at the airport, have the authority to arrest, with or without a warrant, for the following violations of the criminal laws of the State and local jurisdictions in which the airport is located:
- (1) A crime committed in the officer's presence.
 - (2) A felony, when the officer has reason to believe that the suspect has committed it.
- (c) The training program required by paragraph (a)(4) of this section must provide training in the subjects specified in paragraph (d) of this section and either—
- (1) Meet the training standards, if any, prescribed by either the State or local jurisdiction in which the airport is located, for law enforcement officers performing comparable functions; or
 - (2) If the State and local jurisdictions in which the airport is located do not prescribe training standards for officers performing comparable functions, be acceptable to the Administrator.
- (d) The training program required by paragraph (a)(4) of this section must include training in—
- (1) The use of firearms;
 - (2) The courteous and efficient treatment of persons subject to inspection, detention, search, arrest, and other aviation security activities;

MEMORANDUM

State of Alaska

TO: Mark S. Hickey
Commissioner

DATE: February 13, 1989

FILE NO:

TELEPHONE NO:

THRU: Doyle C. Ruff, Manager
Anchorage International Airport

SUBJECT: Current Standards:
Airport Safety
Officer I

FROM: Timothy W. Foster
Chief, Airport Safety

Here are the ~~current~~ hiring and training standards, as well as associated costs for Airport Safety Officer I.

Also attached are the proposed new hiring requirements if House Bill 94 is adopted under the Alaska Police Standards Council requirements.

TWF/ljc

Attachments

AIRPORT SAFETY OFFICER I

Current Hiring Standards (Effective February 2, 1986)

21 years old
Valid Driver's License
Sound Health
Medical Examination to test for physical and mental
condition to meet demands of job

Current policy for background checks on new hires:

1. Release waiver for criminal/driving history through the Alaska Public Safety Information Network (APSIN) and the National Crime Information Center (NCIC).
2. Complete APSIN background check.
3. Complete NCIC check, including Level III and query by States listed in application.
4. Telephonic character reference checks.
5. Telephonic employment checks for minimum of last 5 years (FAA requirement).
6. Completion of medical and personal history forms.
7. Fingerprint applicant, cards sent to the Federal Bureau of Investigation and Alaska State Troopers for processing.
8. Photograph applicant.
9. Three interviews before hire; by a Sergeant, Lieutenant, Captains and then Chief.

Airport Safety Officer I
Current Training Standards
(1-Year Probation)

Successfully complete Alaska Police Standards Council approved police academy, i.e., State Troopers or Anchorage Police Department, 9-11 weeks.

6 week in-service Airport Safety Academy, combination Police and Crash/Fire/Rescue, and emergency medical training.

6-month Field Training Officer Program combination Police and Crash/Fire/Rescue. Must successfully complete all phases. Assigned to senior qualified Training Officer.

Airport Safety Officer I
Training Costs Per Officer

1. Salary per month: \$2,243.00 x 7 months
(average number of months for completing) =
\$15,701.00 (not including benefits).
2. Air fare to Sitka = \$243.00
3. Average amount of overtime during academy =
50 hours @ \$20.90/hour = \$1,045.00
4. Tuition per student = \$1,785.00

Total approximate cost:

\$15,701
243
1,045
<u>\$ 1,785</u>
\$18,774

ALASKA POLICE STANDARDS COUNCIL REQUIREMENTS
(If House Bill 94 is Adopted)

NEW HIRING REQUIREMENTS

13 AAC 85.010. BASIC STANDARDS FOR POLICE OFFICERS.

- (a) A participating police department may not hire a person as a police officer unless the person meets the following qualifications:
- (1) is a citizen of the United States or a resident alien who has demonstrated an intent to become a citizen of the United States;
 - (2) is 19 years of age or older;
 - (3) is of good moral character;
 - (4) has a high school diploma, or its equivalent, or has passed a General Educational Development (GED) test;
 - (5) is, at the time of hire, certified by a licensed physician on a medical record from supplied by the council to:
 - (a) be physically sound and free from physical defects which would adversely affect performance as a police officer;
 - (b) have normal color discrimination, normal binocular coordination, normal peripheral vision, and corrected visual acuity of 20/30 or better in each eye;
 - (c) have normal hearing or have no hearing defect which would adversely affect performance as a police officer;
 - (6) is free from any mental or emotional disorder which may adversely affect performance as a police officer.
- (b) A participating police department may not hire as a police officer a person:
- (1) who has been convicted of a felony by a civilian court of this state; the United States; another state or territory, or by a military court;
 - (2) who has been convicted, during the 10 years immediately before application for hire as a police officer, of a misdemeanor crime of dishonesty or moral turpitude, or a misdemeanor crime which resulted in serious physical injury to another person, by a civilian court of this state; the United States, another state or territory or by a military court;

13 AAC 85.010. BASIC STANDARDS FOR POLICE OFFICERS.

- (3) who has been denied certification or whose basic certificate has been revoked by the council, unless the denial or revocation has been rescinded by the council;
- (4) who:
 - (a) has illegally manufactured, transported, or sold a controlled substance;
 - (b) within the three years before application for hire, or repeatedly at any time before application for hire, has illegally used a controlled substance other than marijuana;
 - (c) within the three years before application for hire, has engaged in sustained regular use of marijuana;
 - (d) to any degree, has used marijuana within the six months before application for hire.
- (c) A participating police department has 90 days after the date of hire to confirm that a person hired as a police officer meets the standards of (a) and (b) of this section. The council will, in its discretion, grant an extension of the 90-day period if the council determines that the person will probably be able to meet the standards by the end of the extension period. The chief administrative officer of the police department where the person is employed shall make a written request for the extension, and shall explain the reason the extension is necessary. If a police department concludes at the end of the investigation that the person does not meet the required standards, the department shall immediately discharge the person from employment as a police officer. When deciding whether a person meets the standards of (a) and (b) of this section, the department shall:
 - (1) obtain proof of age, citizenship status, and education;
 - (2) obtain fingerprints on two copies of FBI Applicant Card FD-258; one card must be forwarded for permanent retention to the records and identification section of the division of state troopers of the Department of Public Safety; the other must be forwarded to the Federal Bureau of Investigation for a record check of the person;
 - (3) obtain a complete personal history of the person on a form supplied or approved by the council;

13 AAC 85.010. BASIC STANDARDS FOR POLICE OFFICERS.

- (4) conduct a thorough personal-history investigation of the person to determine character traits and habits indicative of moral character and fitness as a police officer;
 - (5) obtain a complete medical history report of the person; the report must be given to a licensed physician to use as a basis in conducting a physical examination of the person;
 - (6) require the person to undergo an examination by a licensed psychiatrist or psychologist if there is an indication of past or present personality defect or mental problem;
 - (7) determine whether certification of the person as a police officer has ever been denied or revoked by the council, and if so, whether the denial or revocation has been rescinded by the council.
- (d) All information, documents, and reports obtained by a participating police department under (c) of this section must be placed in the permanent files of the police department and must be available for examination at any reasonable time by representatives of the council. A copy of any criminal record discovered and of the following completed council forms must be sent to the council within 90 days after the date of each hire:
- (1) the Medical Exam Form;
 - (2) the Health Questionnaire;
 - (3) the Personal History Statement; and
 - (4) the Psychological Examination Report, when the examination is mandatory.
- (e) A police department shall begin field training with an officer, using the Field Training Manual, immediately after the officer is hired. If an officer attends an approved police academy within the first six months after employment as a police officer, or has been previously certified as a police officer, the Field Training Manual must be completed and sent to the council within the probationary period specified in 13 AAC 85.040(b)(3). In all other cases, the Field Training Manual must be completed and sent to the council within six months after the date the officer began work as a police officer with the department.

13 AAC 85.010. BASIC STANDARDS FOR POLICE OFFICERS.

- (f) The information in the council's files is confidential, and available only for use by the council in carrying out the requirements of AS 18.65.130 - AS 18.65.290 and the regulations adopted under AS 18.65.130 - AS 18.65.290. However, a police officer or applicant may review his own training records and the documents listed in (d) and (e) of this section. Information which indicates that a person may not qualify as a police officer, or which adversely reflects upon a person's ability to be a competent officer, will, in the council's discretion, be furnished by the council to a participating police department which has hired or is considering hiring the person. A police officer or applicant may not review information in the council's files which was supplied to the council with the understanding that the information or the source of the information would remain confidential, except that any information which serves as the basis for a decision to deny or revoke certification must be revealed to the police officer or applicant.
- (g) If the signature of an officer or applicant is required on a council form, the signature must be under oath or affirmation and must be accompanied by a statement by the officer or applicant that the information supplied is true, to the best of the signer's knowledge.
- (h) The council will, in its discretion, design and distribute forms to aid police departments in obtaining the information required in (c) of this section (Eff. 8/10/73, Register 47; am 8/10/80, Register 75; am 9/23/84, Register 91)

Authority: AS 18.65.220
AS 18.65.240
Art. I, sec. 22, Ak. Const.

Added note : February 13, 1989

In my opinion the APSC should raise its hiring requirement re: age from 19 to 21. In addition to raising the level of maturity, it would then be legal for the officer to enter an alcohol establishment (bar). Further, if there is a question as to people under 21 purchasing weapons or ammunition, as private citizens, the ASO and airport would not be in a position of criticism relative to this.

-6-
S. K. Hugg

PART 6

~~ALASKA POLICE STANDARDS COUNCIL~~

Chapter

85. Minimum Standards for Police Officers
(13 AAC 85.005 -- 13 AAC 85.150)

CHAPTER 85. MINIMUM STANDARDS FOR POLICE OFFICERS

Section

- 05. Applicability of chapter
- 10. Basic standards for police officers
- 20. Permanent employment for police officers
- 30. (Repealed)
- 40. Basic, intermediate, and advanced certificates
- 50. Basic police training program
- 60. Waiver and reciprocity
- 70. (Repealed)
- 80. (Repealed)
- 90. Personnel reports and training records
- 100. Denial of certificates
- 110. Revocation of certificates
- 120. Lapse of certificates
- 150. Definitions

13 AAC 85.005. APPLICABILITY OF CHAPTER. The requirements of this chapter do not apply to village police officers or village public safety officers identified in 13 AAC 89, except as specifically provided in 13 AAC 89. (Eff. 10/18/81, Register 80).

Authority: AS 18.65.220

13 AAC 85.010. BASIC STANDARDS FOR POLICE OFFICERS. (a) A participating police department may not hire a person as a police officer unless the person meets the following qualifications:

(1) is a citizen of the United States or a resident alien who has demonstrated an intent to become a citizen of the United States;

(2) is 19 years of age or older;

(3) is of good moral character;

(4) has a high school diploma, or its equivalent, or has passed a General Educational Development (GED) test;

(5) is, at the time of hire, certified by a licensed physician on a medical record form supplied by the council to

(A) be physically sound and free from physical defects which would adversely affect performance as a police officer;

(B) have normal color discrimination, normal binocular coordination, normal peripheral vision, and corrected visual acuity of 20/30 or better in each eye;

(C) have normal hearing or have no hearing defect which would adversely affect performance as a police officer;

(6) is free from any mental or emotional disorder which may adversely affect performance as a police officer.

(b) A participating police department may not hire as a police officer a person

(1) who has been convicted of a felony by a civilian court of this state; the United States; another state or territory; or by a military court;

(2) who has been convicted, during the 10 years immediately before application for hire as a police officer, of a misdemeanor crime of dishonesty or moral turpitude, or a misdemeanor crime which resulted in serious physical injury to another person, by a civilian court of this state; the United States; another state or territory; or by a military court;

(3) who has been denied certification or whose basic certificate has been revoked by the council, unless the denial or revocation has been rescinded by the council;

(4) who

(A) has illegally manufactured, transported, or sold a controlled substance;

(B) within the three years before application for hire, or repeatedly at any time before application for hire, has illegally used a controlled substance other than marijuana;

(C) within the three years before application for hire, has engaged in sustained regular use of marijuana;

(D) to any degree, has used marijuana within the six months before application for hire.

(c) A participating police department has 90 days after the date of hire to confirm that a person hired as a police officer meets the standards of (a) and (b) of this section. The council will, in its discretion, grant an extension of the 90-day period if the council determines that the person will probably be able to meet the standards by the end of the extension period. The chief administrative officer of the police department where the person is employed shall make a written request for the extension, and shall explain the reason the extension is necessary. If a police department concludes at the end of the investigation that the person does not meet the required standards, the department shall immediately discharge the person from employment as a police officer. When deciding whether a person meets the standards of (a) and (b) of this section, the department shall

- (1) obtain proof of age, citizenship status, and education;
- (2) obtain fingerprints on two copies of FBI Applicant Card FD-258; one card must be forwarded for permanent retention to the records and identification section of the Division of State Troopers of the Department of Public Safety; the other must be forwarded to the Federal Bureau of Investigation for a record check of the person;
- (3) obtain a complete personal history of the person on a form supplied or approved by the council;
- (4) conduct a thorough personal history investigation of the person to determine character traits and habits indicative of moral character and fitness as a police officer;
- (5) obtain a complete medical history report of the person; the report must be given to a licensed physician to use as a basis in conducting a physical examination of the person;
- (6) require the person to undergo an examination by a licensed psychiatrist or psychologist if there is an indication of past or present personality defect or mental problem;
- (7) determine whether certification of the person as a police officer has ever been denied or revoked by the council, and if so, whether the denial or revocation has been rescinded by the council.

(d) All information, documents, and reports obtained by a participating police department under (c) of this section must be placed