

**SENATE BILL NO. 65**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY SENATORS GREEN, Therriault, Seekins, Guess, Hoffman, Ellis, French

Introduced: 2/10/03

Referred: State Affairs, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act authorizing the Department of Corrections to enter into agreements with**  
2   **municipalities for new or expanded public correctional facilities in the Fairbanks North**  
3   **Star Borough, the Matanuska-Susitna Borough, Bethel, and the Municipality of**  
4   **Anchorage."**

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

6       **\* Section 1.** The uncoded law of the State of Alaska is amended by adding a new section  
7   to read:

8           AUTHORIZATION TO LEASE CORRECTIONAL FACILITY SPACE WITH  
9   MUNICIPALITIES. (a) To relieve overcrowding of existing correctional facilities in the  
10   state and the extensive use of out-of-state correctional facilities, the Department of  
11   Corrections, not later than July 1, 2006, may enter into agreements with the following  
12   municipalities for new or expanded correctional facilities:

13               (1) Fairbanks North Star Borough - expansion of existing facility by up to 80  
14   beds;

(2) Matanuska-Susitna Borough - construction of new facility with up to 1,200 beds;

(3) Bethel - expansion of existing facility by up to 120 beds;

(4) Municipality of Anchorage - expansion of Anchorage Jail by up to 200 beds.

(b) The authorizations given by (a) of this section are subject to the following conditions:

(1) the average capital cost for all beds may not exceed \$135,000 a bed for (a)(1), (2), and (4) of this section and \$155,000 a bed for (a)(3) of this section, adjusted for inflation each year at a rate equal to the percentage increase in the Consumer Price Index for urban wage earners and clerical workers for Anchorage, Alaska, during the previous calendar year as determined by the Bureau of Labor Statistics, United States Department of Labor;

(2) if construction of a new facility is authorized, the municipality shall own the facility, and the state may enter into a long-term lease not to exceed 25 years with the municipality to operate the facility; the annual lease payment for a new facility may not exceed \$14,600 a bed;

(3) if expansion of an existing facility is authorized, the state shall enter into a joint ownership agreement with the municipality of the expanded facility, enter into a long-term lease not to exceed 25 years of the municipality's interest in the facility, and operate the facility; payments under the lease may not exceed \$16,700 a bed for the Bethel facility and \$14,600 a bed for the Fairbanks and Anchorage facilities;

(4) the agreement to lease must contain terms providing that the commissioner of corrections may terminate for cause any contract for operating the facility.

(c) The authorization given by (a)(4) of this section is subject to the following condition: expansion of the facility may only occur if the expansion is funded by up to \$30,000,000 in federal receipts.