AN ACT

Relating to subsidiary corporations of the Alaska Housing Finance Corporation and to the dividend paid to the state by the Alaska Housing Finance Corporation; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1
AN ACT

Relating to subsidiary corporations of the Alaska Housing Finance Corporation and to the dividend paid to the state by the Alaska Housing Finance Corporation; and providing for an effective date.

* Section 1. AS 18.56.086 is amended to read:

Sec. 18.56.086. Creation of subsidiaries. The corporation may create subsidiary corporations for the purpose of financing or facilitating the financing of school construction, facilities for the University of Alaska, [OR] facilities for ports and harbors, or other capital projects. A subsidiary corporation created under this section may be incorporated under AS 10.20.146 - 10.20.166. The corporation may transfer assets of the corporation to a subsidiary created under this section. A subsidiary created under this section may borrow money and issue bonds as evidence of that borrowing and has all the powers of the corporation that the corporation grants to it. Unless otherwise provided by the corporation, the debts, liabilities, and
obligations of a subsidiary corporation created under this section are not the debts, liabilities, or obligations of the corporation.

* Sec. 2. AS 18.56.089(c) is amended to read:

  (c) The corporation shall make a dividend available to the state each fiscal year. The corporation shall pay the dividend for a current fiscal year to the state before the end of that fiscal year. The legislature may appropriate the dividend for capital projects. The corporation shall notify the commissioner of revenue of the amount of each dividend under this subsection for inclusion in the state operating budget and shall also notify the commissioner when each dividend is available for payment to the state. The amount of the dividend for a current fiscal year is calculated as follows:

  (1) the lesser of $103,000,000 or 75 percent of the **adjusted change in net assets** [NET INCOME] of the corporation for the base fiscal year;

  (2) minus the amount of money from the corporation used during that current fiscal year for bond repayment and other costs related to the bonds issued under

  (A) ch. 26, SLA 1996, up to a maximum of $1,000,000;

  (B) sec. 10(b), ch. 130, SLA 2000;

  (C) sec. 1, ch. 1, SSSL 2002;

  (D) sec. 4, ch. 120, SLA 2004; and

  (3) minus any appropriation of unrestricted unencumbered money of the corporation during the current fiscal year, other than an appropriation for the corporation's operating budget.

* Sec. 3. AS 18.56.089(d) is amended by adding a new paragraph to read:

  (4) "adjusted change in net assets" means the change in net assets from the base fiscal year, adjusted for capital expenditures incurred during the base fiscal year.

* Sec. 4. The uncodified law of the State of Alaska enacted in sec. 2, ch. 76, SLA 2003, as amended by sec. 3, ch. 120, SLA 2004, is amended to read:

  Sec. 2. TRANSITION: PHASE-IN OF AMOUNT OF DIVIDEND. (a) Notwithstanding the amount of the annual dividend under AS 18.56.089(c), the dividend is calculated as follows for the following years:

Enrolled SB 236 -2-
(1) fiscal year 2004:

(A) $103,000,000;

(B) minus the amount of money from the Alaska Housing Finance Corporation used during fiscal year 2004 for bond repayments and other costs related to the bonds issued under

(i) ch. 26, SLA 1996, up to a maximum of $1,000,000;

(ii) sec. 2, ch. 129, SLA 1998;

(iii) sec. 10(b), ch. 130, SLA 2000;

(iv) sec. 1, ch. 1, SSSLA 2002;

(v) sec. 4, ch. 120, SLA 2004 [OF THIS ACT]; and

(C) minus any appropriation of unrestricted, unencumbered money of the corporation during fiscal year 2004, other than an appropriation for the corporation's operating budget;

(2) fiscal year 2005:

(A) $103,000,000;

(B) minus the amount of money from the Alaska Housing Finance Corporation used during fiscal year 2005 for bond repayments and other costs related to the bonds issued under

(i) ch. 26, SLA 1996, up to a maximum of $1,000,000;

(ii) sec. 2, ch. 129, SLA 1998;

(iii) sec. 10(b), ch. 130, SLA 2000;

(iv) sec. 1, ch. 1, SSSLA 2002;

(v) sec. 4, ch. 120, SLA 2004 [OF THIS ACT]; and

(C) minus any appropriation of unrestricted, unencumbered money of the corporation during fiscal year 2005, other than an appropriation for the corporation's operating budget;

(3) fiscal year 2006:

(A) $103,000,000;

(B) minus the amount of money from the Alaska Housing Finance Corporation used during fiscal year 2006 for bond repayments and other costs related to the bonds issued under
(i) ch. 26, SLA 1996, up to a maximum of $1,000,000;
(ii) sec. 2, ch. 129, SLA 1998;
(iii) sec. 10(b), ch. 130, SLA 2000;
(iv) sec. 1, ch. 1, SSSLA 2002;
(v) sec. 4, ch. 120, SLA 2004 [OF THIS ACT]; and
(C) minus any appropriation of unrestricted, unencumbered
money of the corporation during fiscal year 2006, other than an appropriation
for the corporation's operating budget;
(4) fiscal year 2007:
(A) the lesser of $103,000,000 or 95 percent of the adjusted
change in net assets [NET INCOME] of the Alaska Housing Finance
Corporation for fiscal year 2005;
(B) minus the amount of money from the Alaska Housing
Finance Corporation used during fiscal year 2007 for bond repayments and
other costs related to the bonds issued under
(i) ch. 26, SLA 1996, up to a maximum of $1,000,000;
(ii) sec. 10(b), ch. 130, SLA 2000;
(iii) sec. 1, ch. 1, SSSLA 2002;
(iv) sec. 4, ch. 120, SLA 2004 [OF THIS ACT]; and
(C) minus any appropriation of unrestricted, unencumbered
money of the corporation during fiscal year 2007, other than an appropriation
for the corporation's operating budget;
(5) fiscal year 2008:
(A) the lesser of $103,000,000 or 85 percent of the adjusted
change in net assets [NET INCOME] of the Alaska Housing Finance
Corporation for fiscal year 2006;
(B) minus the amount of money from the Alaska Housing
Finance Corporation used during fiscal year 2008 for bond repayments and
other costs related to the bonds issued under
(i) ch. 26, SLA 1996, up to a maximum of $1,000,000;
(ii) sec. 10(b), ch. 130, SLA 2000;
(iii) sec. 1, ch. 1, SSSLA 2002;

(iv) sec. 4, **ch. 120, SLA 2004** [OF THIS ACT]; and

(C) minus any appropriation of unrestricted, unencumbered
money of the corporation during fiscal year 2008, other than an appropriation
for the corporation's operating budget.

(b) For purposes of this section, "**adjusted change in net assets**" ["NET
INCOME"] has the meaning set out in AS 18.56.089(d).

* **Sec. 5.** AS 18.56.089(d)(3) is repealed.

* **Sec. 6.** This Act takes effect July 1, 2006.