

LB&A statute regarding review and approval of additional SDPR

AS 37.07.080(h) The increase of an appropriation item based on additional federal or other program receipts not specifically appropriated by the full legislature may be expended in accordance with the following procedures:

(1) the governor shall submit a revised program to the Legislative Budget and Audit Committee for review;

(2) 45 days shall elapse before commencement of expenditures under the revised program unless the Legislative Budget and Audit Committee earlier recommends that the state take part in the federally or otherwise funded activity;

(3) should the Legislative Budget and Audit Committee recommend within the 45-day period that the state not initiate the additional activity, the governor shall again review the revised program and if the governor determines to authorize the expenditure, the governor shall provide the Legislative Budget and Audit Committee with a statement of the governor's reasons before commencement of expenditures under the revised program.

AS 31.25.240. Credit of state not pledged.

- (a) Obligations issued under this chapter do not constitute a debt, liability, or obligation of the state or of a political subdivision of the state or a pledge of the faith and credit of the state or of a political subdivision of the state but are payable solely from the revenue or assets of the corporation. Each obligation issued under this chapter shall contain on its face a statement that the corporation is not obligated to pay the obligation or the interest on the obligation except from the revenue or assets of the corporation and that neither the faith and credit nor the taxing power of the state or of any political subdivision of the state is pledged to the payment of the principal of or the interest on the obligation. This subsection applies to all debt, obligations, and liabilities of the corporation regardless of how the debt, obligations, or liabilities are created, including by contract, tort, or bond or note issuance. Except as provided in this subsection, a person may not bring suit against the state or a political subdivision of the state other than the corporation in the courts of the state to enforce or seek a remedy with respect to a debt, obligation, or liability of the corporation.
- (b) Expenses incurred by the corporation in carrying out the provisions of this chapter are payable from funds provided under this chapter, and liability may not be incurred by the corporation in excess of those funds

Sec. 31.25.190. Capital reserve funds.

(a) The corporation may not establish a capital reserve fund as described in this section except as expressly authorized by law. The enactment of this section does not express that authorization. Upon enactment of a law expressly authorizing the establishment of a capital reserve fund described in this section and for the purpose of securing one or more issues of its obligations, the corporation may establish one or more special funds, called "capital reserve funds," and shall pay into those capital reserve funds

- (1) money appropriated and made available by the state for the purpose of any of those funds;
- (2) proceeds of the sale of its obligations, to the extent provided in the resolution or resolutions of the corporation authorizing their issuance; and
- (3) other money that may be made available to the corporation for the purposes of those funds from another source.

(b) All money held in a capital reserve fund, except as provided in this section, shall be used as required, solely for the payment of the principal of obligations or of the sinking fund payments with respect to those obligations; the purchase or redemption of obligations; the payment of interest on obligations; or the payment of a redemption premium required to be paid when those obligations are redeemed before maturity. However, money in a fund may not, at any time, be withdrawn from the fund in an amount that would reduce the amount of that fund to less than the capital reserve requirement set out in (c) of this section, except for the purpose of making, with respect to those obligations, payment, when due, of principal, interest, redemption premiums, and the sinking fund payments for the payment of which other money of the corporation is not available. Income or interest earned by, or increment to, a capital reserve fund, because of the investment of the fund or other amounts in it, may be transferred by the corporation to other funds or accounts of the corporation to the extent that the transfer does not reduce the amount of the capital reserve fund below the capital reserve fund requirement.

(c) If the corporation decides to issue obligations secured by a capital reserve fund, the obligations may not be issued if the amount in the capital reserve fund is less than a percentage, not exceeding 10 percent of the principal amount of all of those obligations secured by that capital reserve fund then to be issued and then outstanding in accordance with their terms, as may be established by resolution of the corporation (called the "capital reserve fund requirement"), unless the corporation, at the time of issuance of the obligations, deposits in the capital reserve fund from the proceeds of the obligations to be issued or from other sources an amount that, together with the amount then in the fund, would not be less than the capital reserve fund requirement.

(d) In computing the amount of a capital reserve fund for the purpose of this section, securities in which all or a portion of the funds are invested shall be valued at par or, if purchased at less than par, at amortized costs as the term is defined by resolution of the corporation authorizing the issue of the obligations, or by some other reasonable method established by the corporation by resolution. Valuation on a particular date shall include the amount of interest earned or accrued to that date.

(e) The chair of the corporation shall annually, not later than January 2, make and deliver to the governor and chairs of the house and senate finance committees a certificate stating the sum, if any, required to restore a capital reserve fund to the capital reserve fund requirement. The legislature may appropriate that sum, and the corporation shall deposit all sums appropriated by the legislature during the then current fiscal year for the restoration in the proper capital reserve fund. Nothing in this section creates a debt or liability of the state.