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Kane
2/16/09

CS FOR HOUSE BILL NO. 44()

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES CHENAULT AND WILSON, Harris

**A BILL
FOR AN ACT ENTITLED**

"An Act relating to investments applicable to energy; authorizing the Alaska Permanent Fund Corporation to make in-state energy project investments; and authorizing certain public corporations to issue bonds for energy projects."

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

* Section 1. 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 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, SSSLA 2002;

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

(E) sec. 3 of this Act; 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. 2. AS 37.13.120 is amended by adding a new subsection to read:

(f) The board may invest an amount not to exceed \$1,000,000,000 of the assets of the fund in in-state energy project investments, to the extent that in-state energy project investments are available and the projects are eligible for investment of fund assets under (a) of this section.

* Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to read:

ALASKA HOUSING FINANCE CORPORATION: LEGISLATIVE
AUTHORIZATION AND APPROVAL OF ENERGY EFFICIENCY AND
CONSERVATION PROGRAM BONDS. (a) The Alaska Housing Finance Corporation is
authorized to issue bonds under the power granted to it in AS 18.56.110 to establish energy
efficiency and conservation programs for all homeowners. The maximum principal amount of
bonds that the Alaska Housing Finance Corporation may issue under this section is
\$100,000,000. The Alaska Housing Finance Corporation may issue the bonds in a single
issuance or in several issuances, without limitation as to number of issuances or timing, and as
the Alaska Housing Finance Corporation determines best furthers the purpose of financing the
programs described in this section. The Alaska Housing Finance Corporation shall negotiate
with interested parties and shall enter into agreements with interested parties to provide
revenue sufficient to accomplish the purposes described in this subsection.

(b) This section constitutes the approval required by AS 18.56.110(g) for the issuance

1 of the bonds described in this section.

2 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 ALASKA NATURAL GAS DEVELOPMENT AUTHORITY: LEGISLATIVE
5 AUTHORIZATION AND APPROVAL OF BONDS FOR NATURAL GAS PROJECTS TO
6 ENSURE ENERGY SUFFICIENCY. (a) The Alaska Natural Gas Development Authority is
7 authorized to issue bonds under the power granted to it in AS 41.41.300 to acquire a gas
8 supply, develop the Cook Inlet and Fairbanks markets, and plan, permit, and design gas
9 transmission systems to mitigate gas shortfalls and ensure energy sufficiency for Alaskans.
10 The maximum principal amount of bonds that the Alaska Natural Gas Development Authority
11 may issue under this section is \$250,000,000. The Alaska Natural Gas Development
12 Authority may issue the bonds in a single issuance or in several issuances, without limitation
13 as to number of issuances or timing, and as the Alaska Natural Gas Development Authority
14 determines best furthers the purpose of financing the projects described in this section. The
15 Alaska Natural Gas Development Authority shall negotiate with interested parties and shall
16 enter into agreements with interested parties to provide revenue sufficient to accomplish the
17 purposes described in this subsection.

18 (b) This section constitutes the approval required by AS 41.41.320 for the issuance of
19 the bonds described in this section.