
House Bill 339 AHFC Transfer Plan Sponsor Statement

House Bill 339 will modify the Alaska Housing Finance Corporation's transfer plan statutes to reflect federal changes in generally accepted accounting principles.

House Bill 256 passed in 2003 that set in statute a transfer plan for AHFC to pay an annual dividend to the state of Alaska. The yearly dividend would be lesser of \$103 million or 75 percent of the Corporation's net income for the previously completed fiscal year minus bond repayments for state capital projects.

In 2006, Senate Bill 236 passed that made the first adjustments to the transfer plan. This bill changed the definition of "net income" to "adjusted change in net assets", which reflected federal changes to generally accepted accounting principles.

HB 339 will make another modification due to federal changes in generally accepted accounting principles. It will add to the definition of "adjusted change in net assets" to include "temporary market value adjustments to assets and liabilities made during the base fiscal year". This change will allow for a true dollar figure for the Corporation's dividend to be calculated from rather than inaccurately high or low numbers based on how interest rate swaps are now considered.

