

LEGAL SERVICES

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MEMORANDUM

March 20, 2013

SUBJECT: Sectional Summary for HB 23 (Work Order No. 28-LS0141\A)

TO: Representative Peggy Wilson
Attn: Becky Rooney

FROM: Hilary Martin 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill; the bill itself is the best statement of its contents.

Section 1 repeals and reenacts AS 19.75.211(a). Authorizes the authority to borrow money and issue refund bonds on which the principal and interest are paid out of and secured by (1) the gross revenue derived from fees, rents, tolls, rates, charges, and other revenue; (2) revenue received by a private person or enterprise that has entered into a public-private partnership agreement with the authority; or (3) any revenue or money appropriated to the authority for that purpose, except a state tax or license.

Section 2 raises the limit on the amount of aggregate bonds the authority may issue to \$600,000,000.

Section 3 adds a new subsection to AS 19.75.211 that requires the authority to submit to the state bond committee a description of the bond issue before issuing bonds. The bonds may not be issued unless the state bond committee finds that the revenue can reasonably be expected to be adequate for payment of principle and interest on the bonds.

Section 4 amends AS 19.75.221(h) to specify what must be deposited in the reserve fund, which includes revenue derived by the authority from fees, rents, tolls, rates, charges, or other revenue; appropriations for that purpose; and other revenue available to the authority.

Section 5 adds new subsections to AS 19.75.221. Subsection (i) specifies the specific purposes for which the money in the reserve fund can be used. Subsection (j) allows the authority to transfer income or interest earned by the reserve fund to other funds or accounts of the authority as long as the transfer does not reduce the reserve fund to less

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than the reserve fund requirement. Subsection (k) specifies how to value securities the fund is invested in to compute the amount of the reserve fund. Subsection (l) requires the chair of the board to notify the governor annually of the amount required to restore the reserve fund to the reserve fund requirement. Subsection (m) defines "reserve fund requirement."

Section 6 amends AS 19.75.261 to exempt any real and personal property, assets, income, or other interests held by a private person or enterprise under a public-private partnership from all ad valorem taxes on real or personal property and special tax assessments of the state or a political subdivision of the state.

Section 7 adds a new section, AS 19.75.345, that establishes the Knik Arm Crossing fund.

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