

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: CSHB 23(FIN)
Fiscal Note Number: 3
(H) Publish Date: 4/3/13

Identifier: CSHB023-DOT-KABATA-4-1-13
Title: KNIK ARM BRIDGE AND TOLL AUTHORITY
Sponsor: NEUMAN, HUGHES
Requester: House Transportation Committee

Department: Department of Transportation and Public Facilities
Appropriation: Design, Engineering and Construction
Allocation: Knik Arm Bridge/Toll Authority
OMB Component Number: 2715

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 10,000.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This updated version reflects changes made in the most recent committee substitute of the bill.

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Division:	KABATA	Date:	04/01/2013 09:00 AM
Approved By:	Andrew Niemiec, Executive Director	Date:	04/01/13
	KABATA		

Analysis

This bill will increase KABATA’s bond issuance authority from \$500 million to \$600 million; it will clarify that the Knik Arm Crossing facility is exempt from local property taxes while operated by a private entity on behalf of the state; and it will establish a project reserve and detail the operation of the reserve.

Increase in Bonding Authority to \$600 million

- Increase to match \$600 million in federal Private Activity Bond (PABs) capacity allocated to the project.
- PABs require a public entity to act as conduit issuer for the private borrower.
- Any PABs issued are a liability of the private partner, not the State.

Property Tax Clarification

- Clarifies that the bridge and associated connectors are not subject to property taxes if operated by a private partner on behalf of the state (the facility is already exempt if operated by the state.)
- Any private facilities of the developer not serving the public transportation purpose remain subject to property tax.

Project Reserve.

- Location where toll revenue, appropriations and other funds are deposited.
- Establishes the Department of Revenue as the fiduciary to hold the appropriation until the agreement is executed.
- Requires annual reporting to the legislature and Governor on the status of the reserve fund and provides process for replenishment subject to appropriation.
- The CS for HB 23 terminates the duty of the chair to report the amount needed for replenishment of the fund, if any, upon the cumulative appropriation to the Authority, after January 1, 2013, of \$1,140,000,000.

A \$10 million appropriation item in the Capital Budget meant for the proposed reserve established by this bill is not a capital cost associated with this legislation.

Passage of this bill will have no fiscal impact to the Knik Arm Bridge and Toll Authority.