

**SENATE CS FOR CS FOR HOUSE BILL NO. 234(FIN) am S**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-SECOND LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Amended: 5/7/01**

**Offered: 5/6/01**

**Sponsor(s): HOUSE FINANCE COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act relating to the tobacco use education and cessation fund and to smoking**  
2   **education and cessation programs; relating to funding the tobacco use education and**  
3   **cessation fund; relating to financing of construction and major maintenance of public**  
4   **school facilities, facilities for the University of Alaska, and facilities for ports and**  
5   **harbors; authorizing the commissioner of revenue to sell the right to receive a portion of**  
6   **the anticipated revenue from a tobacco litigation settlement to the Northern Tobacco**  
7   **Securitization Corporation; relating to the deposit of certain anticipated revenue from a**  
8   **tobacco litigation settlement; authorizing the issuance of bonds by the Northern**  
9   **Tobacco Securitization Corporation with proceeds to finance public school construction**  
10   **and major maintenance, facilities for the University of Alaska, and facilities for ports**  
11   **and harbors; and providing for an effective date."**

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

1     \* **Section 1.** The uncoded law of the State of Alaska is amended by adding a new section  
2 to read:

3             **INTENT.** The legislature intends to provide for the required investment, and intends  
4 transfer of ultimate ownership of and responsibility for the state-owned harbor facilities to  
5 local municipalities.

6     \* **Sec. 2.** AS 37.05 is amended by adding a new section to read:

7             **Sec. 37.05.580. Tobacco use education and cessation fund.** (a) There is  
8 created as a special account in the general fund the tobacco use education and  
9 cessation fund into which shall be deposited 20 percent annually of the revenue  
10 derived from the settlement of State of Alaska v. Philip Morris, Incorporated, et al,  
11 No. 1JU-97-915 CI (Alaska Super. 1997). The purpose of the tobacco use education  
12 and cessation fund is to provide a source to finance the comprehensive smoking  
13 education, tobacco use prevention, and tobacco control program authorized by AS  
14 44.29.020(a)(15).

15             (b) The legislature may make appropriations from the tobacco use education  
16 and cessation fund for the comprehensive smoking education, tobacco use prevention,  
17 and tobacco control program established under AS 44.29.020(a)(15).

18             (c) Nothing in this section creates a dedicated fund.

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

21             **SALE OF RIGHT TO RECEIVE ANTICIPATED SPECIAL REVENUE.** (a) The  
22 commissioner of revenue is authorized to sell to the Northern Tobacco Securitization  
23 Corporation, a subsidiary corporation of the Alaska Housing Finance Corporation created  
24 under AS 18.56.086, the right to receive 40 percent annually of the revenue derived from the  
25 settlement of State of Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915 CI (Alaska  
26 Super. 1997). The sale of the right to receive revenue under this subsection is in addition to  
27 the sale of the right to receive revenue under sec. 9, ch. 130, SLA 2000.

28             (b) The proceeds to the state of the sale of the right to receive revenue under (a) of  
29 this section are anticipated to be at least \$109,942,839.

30     \* **Sec. 4.** The uncoded law of the State of Alaska is amended by adding a new section to  
31 read:

BOND AUTHORIZATION AND PROVISIONS. (a) The Northern Tobacco Securitization Corporation is authorized to issue revenue bonds in principal amounts sufficient to acquire the right to receive revenue described in sec. 3 of this Act from the commissioner of revenue at a price agreed upon by the Northern Tobacco Securitization Corporation and the commissioner of revenue. The bonds may be special, limited obligations of the Northern Tobacco Securitization Corporation secured solely by the right to receive revenue sold to the Northern Tobacco Securitization Corporation under sec. 3 of this Act, and the Northern Tobacco Securitization Corporation may include in agreements with the bondholders a pledge of the right to receive that revenue and the promise of the state to honor that pledge. A pledge made under this section is subject to the provisions of AS 18.56.120, and bonds issued under this section are subject to the provisions of AS 18.56.170, in each case as though "corporation" in those statutes were to mean the Northern Tobacco Securitization Corporation.

(b) Subject to agreements with bondholders and appropriation, the Northern Tobacco Securitization Corporation shall make the proceeds of the bonds issued under (a) of this section available to the

(1) Department of Education and Early Development to pay for expenditures described in (c)(1) of this section, including reimbursement to the Department of Education and Early Development for the expenditures;

(2) University of Alaska to pay for expenditures described in (c)(2) of this section, including reimbursement to the University of Alaska for the expenditures; and

(3) Department of Transportation and Public Facilities to pay for expenditures described in (c)(3) of this section, including reimbursement to the Department of Transportation and Public Facilities for the expenditures.

(c) The proceeds of bonds issued under (a) of this section shall be used by the

(1) Department of Education and Early Development to pay for construction, renovation, and improvement of public schools as follows:

PROJECT

Southwest Region - Togiak School Replacement	\$29,182,163
Bering Strait - Golovin School Phase III	9,888,192
Bering Strait - Koyuk School K-12 Replacement	11,660,343

1	Yupiit - Tuluksak School Improvement - Planning	768,850
2	Petersburg City - Fascia/Soffit Repair and Replacement	116,236
3	Yukon-Koyukuk - Nulato Structural Repairs	314,387
4	Bering Strait - Shishmaref School Roof Replacement/	8,342,525
5	Renovation, Phase III	
6	Iditarod Area - Blackwell School Heating Renovation/	173,754
7	Site Repair	
8	Sitka City Borough - Blatchley Exterior Renovation/Repair	346,500
9	Chatham - Angoon Elementary School Major Maintenance	2,066,257
10	Skagway City - Skagway Major Maintenance	35,598
11	Pribilof Island - St. George School Remodel	4,513,164
12	Southwest Region - Clarks Point School Generator Building	35,989
13	Yupiit - Akiak School Repairs	177,571
14	Galena - Project Education Food Service Renovation	261,806
15	Southwest Region - Koliganek School Improvement	451,993
16	Southwest Region - Ekwok, Koliganek, Togiak Schools	122,256
17	Heating System Upgrade	
18	Hoonah City - Hoonah Swimming Pool Sprinkler System	220,476
19	Galena - High School Remodel	167,846
20	Kenai Peninsula - McNeil Canyon Replace Septic System	171,500
21	Kake City - Kake High School Renovation, Phase II	175,065
22	Chatham - Angoon High School Major Maintenance	1,730,507
23	Tanana City - Tanana Kitchen Renovation	438,539
24	Wrangell City - Wrangell Elementary Schools Renovation	1,129,238
25	Lower Yukon - Emmonak Mechanical System Upgrade	574,885
26	Lower Yukon - Alakanuk Mechanical System Upgrade	899,740
27	Iditarod Area - Takotna Community School Water Project	192,374
28	Kenai Peninsula - Seward Middle School Gym Reroof	278,275
29	Iditarod Area - Innoko River School Bathroom, Shower and	46,746
30	Underfloor Damage Repairs	
31	Iditarod Area - McGrath School Heating Design, Boiler	235,200

1	Replacement and Repairs	
2	Kenai Peninsula - Kenai Central High School Reinsulate	385,610
3	Exterior Walls	
4	Alaska Gateway - Tok Multipurpose Recreational Complex	961,612
5	Renovation Project	
6		
7	TOTAL	<hr/> \$76,065,197

8 (2) University of Alaska to pay for construction and renovation of university  
9 facilities as follows:

10 PROJECT

11	University of Alaska - Anchorage	\$10,200,000
12	Science/Biomedical Facilities Renovations/	
13	Classroom Renovation/Housing Safety Upgrades/	
14	Pool Replacement	
15	Kodiak - Vocational/Technical Classroom	400,000
16	Rehabilitation and Completion	
17	University of Alaska - Southeast	2,500,000
18	Egan Classroom	
19	Ketchikan - Robertson/Hamilton Technical	1,500,000
20	Education Complex Remodel	
21	Matanuska-Susitna Ortner Warehouse Replacement	654,000
22	University of Alaska - Fairbanks	4,000,000
23	Museum Expansion	
24	Bristol Bay Campus Addition	1,000,000
25		
26	TOTAL	<hr/> \$20,254,000

27 (3) Department of Transportation and Public Facilities to pay for construction  
28 and renovation of port and harbor facilities as follows:

29 PROJECT

30	Ketchikan - Bar Harbor South	\$ 3,938,000
31	Sitka - Thomsen Harbor, Crescent Harbor, Sealing	2,234,500

1	Cove Harbor	
2	Anchorage - Intermodal Marine Facility - Harbor	6,000,000
3	Dock and Supporting Facilities Improvement	
4	Pelican - Pelican Boat Harbor	1,451,142
5		
6	TOTAL	<hr/> \$13,623,642

7 (d) In this section, "Northern Tobacco Securitization Corporation" means the  
8 subsidiary corporation of the Alaska Housing Finance Corporation created under  
9 AS 18.56.086.

10 \* **Sec. 5.** Section 1(b), ch. 130, SLA 2000, is repealed.

11 \* **Sec. 6.** This Act takes effect July 1, 2001.