

SENATE CS FOR CS FOR HOUSE BILL NO. 525(FIN) am S

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 5/16/02

Offered: 5/13/02

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act providing for and relating to the issuance of state guaranteed transportation**
2 **revenue anticipation bonds in a principal amount of not more than \$102,805,000 for the**
3 **purpose of paying the cost of transportation projects that qualify for federal highway**
4 **aid and the allocation of those bond proceeds; relating to the issuance of general**
5 **obligation bonds in a principal amount of not more than \$123,914,500 for the purpose of**
6 **paying the cost of state transportation projects; and providing for an effective date."**

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

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

10 BOND AUTHORIZATION. For the purpose of paying the cost of accelerated
11 transportation projects in this state that qualify for federal highway aid, state guaranteed
12 transportation revenue anticipation bonds of the state in the principal amount of not more than
13 \$102,805,000 shall be issued and sold if ratified by a majority of the qualified voters of the

1 state who vote on the question.

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

4 PLEDGE OF STATE CREDIT. The full faith, credit, and resources of the state are
5 pledged to the payment of the principal and interest and redemption premium, if any, on the
6 bonds authorized in sec. 1 of this Act. However, it is the intent of the legislature that, to the
7 extent permitted by federal law, the principal and interest on the bonds shall be repaid with
8 appropriations made from federal highway aid granted to the state under the Transportation
9 Equity Act for the 21st Century (P.L. 105-178) or any other subsequently enacted federal law
10 providing federal highway aid for this purpose and with any interest earned from the
11 investment of bond proceeds if permitted by federal law. The bonds shall be issued under the
12 provisions of AS 37.15 as those provisions read at the time of issuance.

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

15 BOND PROCEEDS FUND ESTABLISHED. If the issuance of the bonds described
16 in sec. 1 of this Act is ratified by a majority of the qualified voters of the state who vote on the
17 question, a special fund of the state to be known as the "accelerated Alaska transportation
18 projects fund" shall be established, to which shall be credited the proceeds of the sale of those
19 bonds, except for the accrued interest owed to bondholders. The fund may be invested as
20 provided in AS 37.10.071, and any earnings shall be retained in the fund and are considered
21 bond proceeds.

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

24 BOND PROJECT ALLOCATIONS. The amount of \$102,805,000 is appropriated
25 from the accelerated Alaska transportation projects fund to the Department of Transportation
26 and Public Facilities to be allocated among the following projects in the amounts listed,
27 subject to reallocation between projects in accordance with AS 37.07.080(e):

28 PROJECT	ALLOCATION
29 (1) Bethel: Ptarmigan Street Improvement	\$ 1,480,000
30 (2) Fairbanks: Richardson Highway/North Pole Interchange	16,100,000
31 (3) Seward: Nash Road Rehabilitation	2,600,000

1	(4) Anchorage: C Street Phase III, Dimond Blvd. to	36,100,000
2	O'Malley Road, including interchange at O'Malley	
3	Road and a grade separation for the Alaska Railroad	
4	near 68th Avenue and C Street	
5	(5) Kenai Peninsula: Kenai River Bridge	28,000,000
6	(6) Ketchikan: South Tongass Highway Widening and	5,000,000
7	Path Extension, Phase I	
8	(7) Kodiak: Chiniak Road Rehabilitation, Phase I	6,000,000
9	(8) Matanuska-Susitna: Seward Meridian Road,	7,525,000
10	Parks to Seldon Road	

11 * **Sec. 5.** The uncoded law of the State of Alaska is amended by adding a new section to
12 read:

13 COSTS OF BOND ISSUANCE. If the issuance of the bonds described in sec. 1 of
14 this Act is ratified by a majority of the qualified voters of the state who vote on the question,
15 the amount of \$514,025, or as much of that amount as is found necessary, is appropriated
16 from the general fund of the state to the state bond committee to carry out the provisions of
17 secs. 1 - 7 of this Act and to pay expenses incident to the sale and issuance of the bonds
18 authorized by sec. 1 of this Act. The amounts expended from the appropriation authorized by
19 this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds
20 authorized by sec. 1 of this Act.

21 * **Sec. 6.** The uncoded law of the State of Alaska is amended by adding a new section to
22 read:

23 REIMBURSEMENT OF STATE MONEY. The amount withdrawn from the public
24 facility planning fund (AS 35.10.135) for the purpose of advance planning for the capital
25 improvements financed under secs. 1 - 7 of this Act shall be reimbursed to the fund from the
26 proceeds of the sale of the bonds authorized by sec. 1 of this Act.

27 * **Sec. 7.** The uncoded law of the State of Alaska is amended by adding a new section to
28 read:

29 BOND REDEMPTION. The unexpended and unobligated balance allocated for
30 projects in sec. 4 of this Act lapses under AS 37.25.020 and is appropriated to the state bond
31 committee to redeem bonds sold under sec. 1 of this Act. The amounts expended from the

1 general fund to pay the principal, interest, and redemption premium on bonds issued under
 2 sec. 1 of this Act shall be reimbursed to the general fund from the appropriation made in this
 3 section to the extent that the money is not needed to redeem the bonds.

4 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
 5 read:

6 GENERAL OBLIGATION BONDS. For the purpose of paying the cost of state
 7 transportation projects, general obligation bonds of the state in the principal amount of not
 8 more than \$123,914,500, if ratified by a majority of the qualified voters of the state who vote
 9 on the question, shall be issued and sold. The full faith, credit, and resources of the state are
 10 pledged to the payment of the principal of and interest and redemption premium, if any, on
 11 the bonds. The bonds shall be issued under the provisions of AS 37.15 as those provisions
 12 read at the time of issuance.

13 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
 14 read:

15 TRANSPORTATION PROJECT FUND. If the issuance of the bonds described in
 16 sec. 8 of this Act is ratified by a majority of the qualified voters of the state who vote on the
 17 question, a special fund of the state to be known as the "transportation project fund" shall be
 18 established, to which shall be credited the proceeds of the sale of the bonds described in sec. 8
 19 of this Act except for the accrued interest and premiums.

20 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
 21 read:

22 TRANSPORTATION PROJECT ALLOCATION. (a) The amount of \$123,914,500
 23 is appropriated from the transportation project fund to the Department of Transportation and
 24 Public Facilities to be allocated among the following projects in the amounts listed subject to
 25 reallocation between projects in accordance with AS 37.07.080(e):

PROJECT	ALLOCATION
(1) Anchorage: Abbott Loop Extension and Reconstruction, Abbott Road to 48th Avenue	\$ 37,500,000
(2) Donlin Creek: Donlin Creek Access Road	4,000,000
(3) Fairbanks: Downtown Street Improvements	8,000,000
(4) Kenai Peninsula: North Kenai Spur Road, MP 22	10,612,000

1	to 29.7 Repavement	
2	(5) Ketchikan: Ketchikan Gateway Borough Road	600,000
3	Surface Treatment	
4	(6) Ketchikan: North Tongass Highway, Ward Cove to	1,900,000
5	Whipple Creek Widening/Realign	
6	(7) Kotzebue: Ted Stevens Way Reconstruction	4,400,000
7	(8) Matanuska-Susitna: Old Glenn Highway, MP 0	13,225,000
8	to 18.6 Rehabilitation	
9	(9) Nome: Bering Street, Seppala Drive, and Front Street	5,090,000
10	Rehabilitation and Front Street Safety and	
11	Enhancements	
12	(10) Sitka: Sawmill Creek Road Upgrade, Phase I	5,500,000
13	(11) Wasilla: South Church Road	1,200,000
14	(12) Whittier Harbor Renovation	2,449,000
15	(13) Seldovia Harbor Renovation	2,628,000
16	(14) Petersburg (Middle and South Harbors) Renovation	3,729,000
17	(15) Juneau (Auke Bay Harbor, Aurora Harbor, Harris	7,119,000
18	Harbor, Douglas Harbor and Dock, North Douglas	
19	Launch Ramp, Taku Harbor) Renovation	
20	(16) Ketchikan (Thomas Basin Harbor, Ryus Float,	3,938,000
21	Bar Harbor North, Hole-in-the-Wall Harbor,	
22	Knudson Cove Harbor) Renovation	
23	(17) Sitka (Thomas Harbor, Crescent Harbor, Sealing	2,234,500
24	Cove Harbor) Renovations	
25	(18) Cordova (Cordova Harbor) Renovation	4,876,000
26	(19) Wrangell (Standard Harbor, Reliance Float, Inner	3,492,000
27	Harbor Fish and Game Dock, Shoemaker Harbor)	
28	Renovation	
29	(20) Yakutat (Yakutat Harbor) Renovation	526,000
30	(21) Klawock (Klawock Harbor and Seaplane Float)	896,000
31	Renovation	

(b) The port and harbor facilities described in (a) of this section that are currently owned by the state are in need of substantial investment in capital maintenance and upgrades. The legislature intends to provide for the required investment, and intends transfer of ultimate ownership of and responsibility for the state-owned harbor facilities to the municipalities in which they are located.

* **Sec. 11.** The uncoded law of the State of Alaska is amended by adding a new section to read:

STATE BOND COMMITTEE. If the issuance of the bonds under sec. 8 of this Act is ratified by a majority of the qualified voters of the state who vote on the question, the amount of \$619,573 or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of secs. 8 - 13 of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in sec. 8 of this Act. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by sec. 8 of this Act.

* **Sec. 12.** The uncoded law of the State of Alaska is amended by adding a new section to read:

ADVANCE PLANNING. The amount withdrawn from the public facility planning fund (AS 35.10.135) for the purpose of advance planning for the capital improvements financed under sec. 10 of this Act shall be reimbursed to the fund from the proceeds of the sale of bonds authorized by sec. 8 of this Act.

* **Sec. 13.** The uncoded law of the State of Alaska is amended by adding a new section to read:

LAPSE; REDEMPTION; REIMBURSEMENT. The unexpended and unobligated balance of the appropriation made in sec. 10 of this Act lapses under AS 37.25.020 and is appropriated to the state bond committee to redeem bonds sold under sec. 8 of this Act. The amounts expended from the general fund to pay the principal, interest and redemption premium on bonds issued under sec. 8 of this Act shall be reimbursed to the general fund from the appropriation made under this section to the extent that the money is not needed to redeem the bonds.

* **Sec. 14.** The uncoded law of the State of Alaska is amended by adding a new section to

1 read:

2 BALLOT PROPOSITION. The question whether the bonds authorized in this Act are
3 to be issued shall be submitted to the qualified voters of the state at the next general election
4 and shall read substantially as follows:

5 P R O P O S I T I O N

6 State Guaranteed Transportation Revenue Anticipation Bonds \$102,805,000

7 State General Obligation State Transportation Project Bonds 123,914,500

8 Total Bond Authorization \$226,719,500

9 Shall the State of Alaska issue state guaranteed transportation revenue
10 anticipation bonds in the principal amount of not more than \$102,805,000 for
11 the purpose of paying the cost of accelerated Alaska transportation projects
12 qualifying for federal highway aid, and shall the State of Alaska issue general
13 obligation bonds in the principal amount of not more than \$123,914,500 for the
14 purpose of paying the cost of state transportation projects?

15 Bonds Yes []

16 Bonds No []

17 * **Sec. 15.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 BALLOT STATEMENT. In addition to the information that the director of elections
20 is required to make available to the voters under AS 15.15.040(b), the director shall include a
21 statement jointly prepared by the commissioner of revenue and the legislative auditor setting
22 out an estimate of anticipated revenue derived from federal highway aid for the period for
23 which expenditure authority has been granted by the Congress of the United States.

24 * **Sec. 16.** This Act takes effect immediately under AS 01.10.070(c).