

SENATE CS FOR CS FOR HOUSE BILL NO. 528(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 relating to programs of state reimbursement for debt payments for certain**
2 **capital projects; and providing for an effective date."**

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

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

6 LEGISLATIVE FINDINGS. (a) The port and harbor facilities described in sec. 4 of
7 this Act that are currently owned by the state are in need of substantial investment in capital
8 maintenance and upgrades.

9 (b) The legislature intends to provide for the required investment, and intends transfer
10 of ultimate ownership of and responsibility for the state-owned port and harbor facilities to
11 the municipalities in which they are located.

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

1 LEGISLATIVE INTENT. The legislature intends that, after the reimbursements to
 2 the Cordova Electric Cooperative made under AS 42.45.065(b), added by sec. 5(b) of this
 3 Act, the cooperative will no longer need or receive payments from the state for power cost
 4 equalization under AS 42.45.110.

5 * **Sec. 3.** AS 14.11.100(o) is amended to read:

6 (o) The total amount of school construction projects approved for
 7 reimbursement by the department under (a)(10) of this section

8 (1) may not exceed **\$190,644,901** [\$180,064,912]; and

9 (2) after June 30, 1998, and until July 1, 2004, shall be allocated as
 10 follows:

11 (A) \$77,897,000 to projects in a municipality with a public
 12 school enrollment of 25,000 or more students in fiscal year 2000, as
 13 determined under AS 14.17.500;

14 (B) \$14,571,000 to projects in a municipality with a public
 15 school enrollment of at least 15,000 but less than 25,000 students in fiscal year
 16 2000, as determined under AS 14.17.500;

17 (C) \$14,143,000 to projects in a municipality with a public
 18 school enrollment of at least 10,000 but less than 15,000 students in fiscal year
 19 2000, as determined under AS 14.17.500;

20 (D) \$7,429,000 to projects in a municipality with a public
 21 school enrollment of at least 7,500 but less than 10,000 students in fiscal year
 22 2000, as determined under AS 14.17.500;

23 (E) \$20,712,912 to projects in a municipality with a public
 24 school enrollment of at least 5,000 but less than 7,500 students in fiscal year
 25 2000, as determined under AS 14.17.500;

26 (F) \$2,660,000 to projects in a municipality with a public
 27 school enrollment of at least 2,750 but less than 3,000 students in fiscal year
 28 2000, as determined under AS 14.17.500;

29 (G) \$454,000 to projects in a municipality with a public school
 30 enrollment of at least 2,400 but less than 2,750 students in fiscal year 2000, as
 31 determined under AS 14.17.500;

(H) \$46,869,989 [\$36,290,000] to projects in a municipality with a public school enrollment of at least 2,050 but less than 2,400 students in fiscal year 2000, as determined under AS 14.17.500;

(I) \$329,000 to projects in a municipality with a public school enrollment of at least 1,700 but less than 1,750 students in fiscal year 2000, as determined under AS 14.17.500;

(J) \$286,000 to projects in a municipality with a public school enrollment of at least 650 but less than 725 students in fiscal year 2000, as determined under AS 14.17.500;

(K) \$519,000 to projects in a municipality with a public school enrollment of at least 500 but less than 525 students in fiscal year 2000, as determined under AS 14.17.500;

(L) \$2,224,000 to projects in a municipality with a public school enrollment of at least 425 but less than 482 students in fiscal year 2000, as determined under AS 14.17.500;

(M) \$2,550,000 to projects in a municipality with a public school enrollment of at least 290 but less than 305 students in fiscal year 2000, as determined under AS 14.17.500.

* **Sec. 4.** AS 14.40 is amended by adding a new section to read:

Sec. 14.40.257. Reimbursement for costs of capital projects. (a) Subject to appropriations for the purpose, during each fiscal year, the legislature may appropriate an amount to reimburse the University of Alaska for the cost to be paid by the university during that same fiscal year for the principal and interest on outstanding debt for the project listed in (b) of this section.

(b) An appropriation under this section may be used only for reimbursement of costs incurred for acquisition, construction, and renovation of the following projects and only for reimbursement of total project costs incurred up to the following amounts:

PROJECT

University of Alaska, Anchorage Community and Technical	\$14,000,000
College Center	

1 Juneau Readiness Center/UAS Joint Facility (Juneau) 5,470,000

2 (c) The University of Alaska is authorized to incur debt for the projects listed
3 under (b) of this section. AS 14.40.253 does not apply to the projects listed in (b) of
4 this section or to obligations incurred by the university to finance those projects.

5 * **Sec. 5.** AS 29.60.700 is amended to read:

6 **Sec. 29.60.700. Reimbursement for costs of municipal capital projects**
7 **[PORTS AND HARBORS].** (a) Subject to appropriations for the purpose, during
8 each fiscal year, the Department of Transportation and Public Facilities shall allocate
9 to each municipality an amount to reimburse the costs paid by the municipality during
10 the **immediately preceding** fiscal year [TWO YEARS EARLIER] for the
11 [RETIREMENT OF] principal and interest on outstanding **debt** [GENERAL
12 OBLIGATION BONDS] for projects listed in (b) of this section. An allocation may
13 be made to a municipality only if

14 (1) the **debt was incurred by the municipality** [GENERAL
15 OBLIGATION BONDS WERE ISSUED AFTER JULY 1, 2000, AND] before July 1,
16 **2007** [2003]; **and**

17 (2) the **project or** [PORT OR HARBOR] facility financed with the
18 **debt** [BOND] proceeds is located in the municipality and the **project or** facility is
19 [OWNED AND] operated **or controlled** by the municipality [;

20 (3) OWNERSHIP OF THE PORT OR HARBOR FACILITY
21 FINANCED WITH THE BOND PROCEEDS HAS BEEN TRANSFERRED FROM
22 THE STATE TO THE MUNICIPALITY BY A TRANSFER AGREEMENT UNDER
23 AS 35.10.120; AND

24 (4) THE STATE HAS COMPLETED A BILL OF SALE
25 TRANSFERRING THE PORT OR HARBOR FACILITY FROM THE STATE TO
26 THE MUNICIPALITY].

27 (b) The Department of Transportation and Public Facilities may make an
28 allocation to a municipality under (a) of this section only for reimbursement of costs
29 incurred for the following [PORT AND HARBOR FACILITY] construction and
30 renovation projects and only for reimbursement of total project costs incurred up to the
31 following amounts:

1	PROJECT	
2	[KETCHIKAN	\$ 7,000,000
3	PETERSBURG	3,300,000
4	SITKA	4,038,900
5	KLAWOCK	860,000
6	SELDOVIA	2,500,000
7	WHITTIER	1,835,600]
8	Valdez	3,013,500
9	[CORDOVA	4,337,800]
10	Nome	1,000,000
11	<u>Anchorage (Port of Anchorage expansion)</u>	<u>15,000,000</u>
12	<u>Matanuska-Susitna Borough (deep water port</u>	<u>10,000,000</u>
13	<u>and road upgrade)</u>	
14	<u>Unalaska (LSA small boat harbor)</u>	<u>5,000,000</u>
15	<u>Aleutians East Borough/Akutan</u>	<u>4,000,000</u>
16	<u>(small boat harbor)</u>	
17	<u>Lake and Peninsula Borough/Chignik (dock project)</u>	<u>1,000,000</u>
18	<u>Aleutians East Borough/False Pass (small boat harbor)</u>	<u>2,000,000</u>
19	<u>Fairbanks North Star Borough (Eielson AFB schools,</u>	<u>4,500,000</u>
20	<u>major maintenance and upgrades)</u>	
21	<u>City of Fairbanks (fire headquarters station replacement)</u>	<u>7,500,000</u>
22	<u>Saxman (public safety building)</u>	<u>1,500,000</u>

* Sec. 6. AS 42.45 is amended by adding a new section to article 1 to read:

Sec. 42.45.065. Reimbursement for costs of power projects. (a) Subject to appropriations for the purpose, during each fiscal year, the authority shall allocate to each entity listed in (b) of this section an amount to reimburse the cost paid by the entity during the immediately preceding fiscal year for the principal and interest on outstanding debt for the project listed. An allocation may be made to an entity only if

- (1) the debt was incurred before July 1, 2005; and
- (2) the power project financed with the debt proceeds is owned and operated by the entity.

(b) The authority may make an allocation to an entity under (a) of this section only for reimbursement of costs incurred for construction and renovation of the following power projects and only for reimbursement of total project costs incurred up to the following amounts:

PROJECT

Kodiak Electric Association, Inc. (Nyman Combined Cycle Cogeneration Plant)	\$ 6,000,000
Cordova Electric Cooperative (Power Creek Hydropower Station)	12,000,000
Golden Valley Electric Association (Rock Creek line extension)	700,000
Copper Valley Electric Association, Inc., Valdez (cogeneration projects)	10,000,000
The Four Dam Pool Power Agency (Southeast Intertie, Swan Lake to Tyee Lake)	20,000,000
Metlakatla Power and Light (utility plant and capital additions)	3,000,000

* **Sec. 7.** AS 14.11.100(k) is repealed.

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

TRANSITION. Notwithstanding AS 42.45.065(a), added in sec. 6 of this Act, the allocation made during fiscal year 2003 to each listed entity shall be the amount to reimburse the cost paid by the entity during fiscal years 1999, 2000, 2001, and 2002 for the principal and interest on outstanding debt for the project listed.

* **Sec. 9.** This Act takes effect July 1, 2002.