

FISCAL NOTE

**STATE OF ALASKA
2010 LEGISLATIVE SESSION**

| | |
|---------------------|---------|
| Fiscal Note Number: | 2 |
| Bill Version: | SB 269 |
| (S) Publish Date: | 2/10/10 |

| | |
|---|---|
| Identifier (file name): LL 0880-REV-MBBA-2-9-10 | Dept. Affected: Revenue |
| Title Recovery Zone Volume Cap | RDU Taxation and Treasury |
| | Component Alaska Municipal Bond Bank Auth |
| Sponsor Rules by request of the Governor | |
| Requester | Component Number 44 |

| | |
|------------------------------|------------------------|
| Expenditures/Revenues | (Thousands of Dollars) |
|------------------------------|------------------------|

Note: Amounts do not include inflation unless otherwise noted below.

| | Appropriation Required | Information | | | | | |
|-------------------------------|------------------------|-------------|------------|------------|------------|------------|------------|
| | | FY 2011 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| OPERATING EXPENDITURES | | | | | | | |
| Personal Services | | | | | | | |
| Travel | 20.0 | | | | | | |
| Contractual | 60.0 | | | | | | |
| Supplies | | | | | | | |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | | | | | | | |
| TOTAL OPERATING | 80.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | |
|-----------------------------|--|
| CAPITAL EXPENDITURES | |
|-----------------------------|--|

| | |
|-------------------------------|--|
| CHANGE IN REVENUES () | |
|-------------------------------|--|

| | Information | | | | | | |
|-----------------------------|-------------|------------|------------|------------|------------|------------|------------|
| | FY 2011 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
| FUND SOURCE | | | | | | | |
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Bond Bank retained earnings | 80.0 | | | | | | |
| TOTAL | 80.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2010) cost: 15.0

POSITIONS

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

| |
|---|
| ANALYSIS: <i>(Attach a separate page if necessary)</i> |
| The Bill authorizes the Alaska Municipal Bond Bank Authority to reallocate waived recovery zone economic development bond volume cap. The allocations provide issuers a 45% subsidy from the US Treasury on qualified taxable debt of the issuer. In some markets this structure results in a 1.5% reduction in the cost of capital, and up to .5% more reduction than the Build America Bond structure with its 35% subsidy. |
| The allocation process would be conducted within the normal course of business of the Bond Bank. There will be legal counsel and financial advisory service costs to prepare the legal documents required to allocate the economic development bond volume cap. Travel costs will be incurred providing training and advice to municipalities as well as for additional board meetings of the five member Bond Bank board that will be required to ensure timely delivery of the allocations. |

| | |
|---|-----------------------------|
| Prepared by: Deven Mitchell, Executive Director | Phone 465-3750 |
| Division Alaska Municipal Bond Bank | Date/Time 12/28/09 12:00 AM |
| Approved by: Ginger Blaisdell, Director | Date 2-9-10; 4:52pm |
| Administrative Services Division | |