

CS FOR SENATE BILL NO. 306(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 5/2/96

Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the financing of adult and juvenile correctional facilities;
2 providing for the issuance of general obligation bonds in the amount of
3 \$121,650,000 for the purpose of paying the cost of design, construction, and
4 other capital improvement of state correctional facilities; giving notice and
5 approval for a lease of a replacement jail facility in Anchorage; and providing
6 for an effective date."

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

8 * **Section 1.** For the purpose of paying the cost of design, construction, and other capital
9 improvement of correctional facilities of the state, general obligation bonds of the state in the
10 principal amount of not more than \$121,650,000 shall be issued and sold. The full faith,
11 credit, and resources of the state are pledged to the payment of the principal of and interest
12 and redemption premium, if any, on the bonds. The bonds shall be issued under the
13 provisions of AS 37.15 as those provisions read at the time of issuance.

1 * **Sec. 2.** If the issuance of the bonds is authorized by the qualified voters of the state, a
2 special fund of the state to be known as the “State Correctional Facility Construction Fund”
3 shall be established, to which shall be credited the proceeds of the sale of the bonds described
4 in sec.1 of this Act except for the accrued interest and premiums.

5 * **Sec. 3.** The amount of \$121,650,000 is appropriated from the "State Correctional Facility
6 Construction Fund" to the Department of Transportation and Public Facilities to be allocated
7 among the following projects in the amounts listed, which include the cost of issuance of the
8 bonds, subject to reallocation between projects in accordance with AS 37.07.080(e):

9	(1) Palmer Correctional Center	\$13,050,000
10	(2) Hiland Mountain (Eagle River) Correctional Center	1,000,000
11	(3) Yukon-Kuskokwim (Bethel) Correctional Center	5,000,000
12	(4) Mat-Su Pretrial (Palmer) Correctional Center	6,000,000
13	(5) Fairbanks Correctional Facility	10,250,000
14	(6) North Slope Borough (Barrow) Correctional Facility	15,000,000
15	(7) Lemon Creek (Juneau) Correctional Center	9,000,000
16	(8) Wildwood (Kenai) Correctional Center	29,200,000
17	(9) McLaughlin Youth Center (Anchorage)	15,350,000
18	(10) Mat-Su Youth Facility	7,600,000
19	(11) Fairbanks Youth Facility	5,000,000
20	(12) Ketchikan Youth Facility	4,000,000
21	(13) Kotzebue Jail	1,200,000

22 * **Sec. 4.** The amount withdrawn from the public facility planning fund for the purpose of
23 advance planning for the improvements financed under this Act shall be reimbursed to the
24 fund from the proceeds of the sale of bonds authorized by this Act.

25 * **Sec. 5.** The unexpended and unobligated balance of the appropriation made in sec. 3 of
26 this Act lapses under AS 37.25.020 and is appropriated to the state bond committee to redeem
27 bonds sold under the Act or to pay rebatable arbitrage if necessary. The amounts expended
28 from the general fund to pay the principal, interest, and redemption premium on bonds issued
29 under this Act shall be reimbursed to the general fund from the appropriation made under this
30 section to the extent that the money is not needed to redeem the bonds.

31 * **Sec. 6.** The question whether the bonds authorized in this Act are to be issued shall be

1 submitted to the qualified voters of the state at the next general election and shall read
2 substantially as follows:

3 PROPOSITION

4 State General Obligation Correctional Facility
5 Construction Bonds \$121,650,000

6 Shall the State of Alaska issue its general obligation bonds in the
7 principal amount of not more than \$121,650,000 for the purpose of
8 paying the cost of design, construction, and other capital improvement
9 of adult and juvenile correctional facilities? The annual operating cost
10 of the facilities is estimated at \$31,516,353. Between 1997 and 2013
11 the average annual debt service for bonds is estimated at \$11,049,977.

12 Bonds Yes []

13 Bonds No []

14 * **Sec. 7.** NOTICE AND APPROVAL OF LEASE AGREEMENT. To provide for a
15 replacement jail facility in the Municipality of Anchorage in order to relieve overcrowding of
16 existing correctional facilities, the Department of Administration, on behalf of the Department
17 of Corrections, may enter into a lease agreement under AS 33.30.031 for a replacement jail
18 facility with the Municipality of Anchorage that will house persons who are committed to the
19 custody of the commissioner of corrections. The approval given by this subsection is subject
20 to the following limitations:

21 (1) the anticipated annual lease obligation for the initial term of the lease may
22 not exceed \$6,010,000; and

23 (2) the total lease payments for the full term of the agreement may not exceed
24 \$100,000,000.

25 * **Sec. 8.** Sections 1 - 6 of this Act take effect on the date that the municipal clerk of the
26 Municipality of Anchorage certifies to the revisor of statutes that an ordinance authorizing the
27 issuance of municipal revenue bonds to finance the design and construction of a replacement
28 jail facility has become law.

29 * **Sec. 9.** Section 7 of this Act takes effect on the date that the lieutenant governor certifies
30 to the revisor of statutes that a majority of the votes cast on a proposition appearing on the
31 1996 general election ballot favor the issuance of general obligation bonds for the design,

1 construction, and other capital improvement of state correctional facilities.