

FISCAL NOTE

Bill Version: CSHB 281 (FIN)

(H) Publish Date: 4/19/00

**STATE OF ALASKA
1999 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected Revenue
 Title Bonds: Public Schools/Univ/Harbors/Bldgs. BRU Revenue Operations
 Component Treasury Division
 Sponsor House Finance Committee
 Requester House Finance Committee Component Serial No. 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel (Marketing & Selling Bonds)						
Contractual	50.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service						
TOTAL OPERATING	50.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	50.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	50.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY00) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Authorizes sale of the state's portion of the \$246 billion national Master Settlement Agreement with cigarette manufacturers to the Alaska Housing Finance Corporation in exchange for the bond proceeds AHFC is able to generate at an investment-grade rating (less costs associated with issuing the bonds and funding of a debt service reserve).

It is anticipated that the state will be able to obtain approximately \$269 million in proceeds from the settlement. Debt service would be based on a 40-year nominal schedule with flexible amortization serial bonds that allow bonds to be paid as funds are received through the settlement. Assuming the first settlement payment available to AHFC for debt service will be received in FY 2002, the settlement will provide \$1.4 million annually for tobacco control, and the bonds will be fully repaid in FY 2020. The residual settlement revenue stream would revert to the state upon final payment of the bonds.

Prepared by Deven Mitchell, Debt Manager Phone 465-3750
 Division Treasury Division Date/Time April 19, 2000
 Approved by Wilson L. Condon Date April 19, 2000
 Commissioner Wilson L. Condon
 Agency Department of Revenue

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