

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 94

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY SENATOR TAYLOR

Introduced: 4/26/01

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the financing of major maintenance of public school facilities;**
2 **authorizing the commissioner of revenue to sell the right to receive a portion of the**
3 **anticipated revenue from a certain tobacco litigation settlement to the Northern Tobacco**
4 **Securitization Corporation; relating to the deposit of certain anticipated revenue from a**
5 **certain tobacco litigation settlement; authorizing the issuance of bonds by the Northern**
6 **Tobacco Securitization Corporation with proceeds to finance public school major**
7 **maintenance; and providing for an effective date."**

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

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

11 SALE OF RIGHT TO RECEIVE ANTICIPATED SPECIAL REVENUE. (a) The
12 commissioner of revenue is authorized to sell to the Northern Tobacco Securitization
13 Corporation, a subsidiary corporation of the Alaska Housing Finance Corporation created

1 under AS 18.56.086, the right to receive 20 percent annually of the revenue derived from the
 2 settlement of State of Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915 CI (Alaska
 3 Super. 1997). The sale of the right to receive revenue under this subsection is in addition to
 4 the sale of the right to receive revenue under sec. 9, ch. 130, SLA 2000.

5 (b) The proceeds to the state of the sale of the right to receive revenue under (a) of
 6 this section are anticipated to be at least \$58,145,522.

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

9 BOND AUTHORIZATION AND PROVISIONS. (a) The Northern Tobacco
 10 Securitization Corporation is authorized to issue revenue bonds in principal amounts
 11 sufficient to acquire the right to receive revenue described in sec. 1 of this Act from the
 12 commissioner of revenue at a price agreed upon by the Northern Tobacco Securitization
 13 Corporation and the commissioner of revenue. The bonds may be special, limited obligations
 14 of the Northern Tobacco Securitization Corporation secured solely by the right to receive
 15 revenue sold to the Northern Tobacco Securitization Corporation under sec. 1 of this Act, and
 16 the Northern Tobacco Securitization Corporation may include in agreements with the
 17 bondholders a pledge of the right to receive that revenue and the promise of the state to honor
 18 that pledge. A pledge made under this section is subject to the provisions of AS 18.56.120,
 19 and bonds issued under this section are subject to the provisions of AS 18.56.170, in each case
 20 as though "corporation" in those statutes were to mean the Northern Tobacco Securitization
 21 Corporation.

22 (b) Subject to agreements with bondholders and appropriation as described in (c) of
 23 this section, the Northern Tobacco Securitization Corporation shall make the proceeds of the
 24 bonds issued under (a) of this section available to the Department of Education and Early
 25 Development to pay or reimburse itself for expenditures described in (c) of this section.

26 (c) Subject to appropriation, the proceeds of bonds issued under (a) of this section
 27 shall be used by the Department of Education and Early Development to finance state grants
 28 under AS 14.11.005 - 14.11.020 in the total amount of \$58,145,522 for the renovation and
 29 improvement of public schools for the following projects in the following amounts:

DISTRICT	PROJECT	AMOUNT
(1) Petersburg City	Fascia/Soffit Repair/Replacement	116,236

1		Recovery of Funds	
2	(2) Yukon-Koyukuk	Nulato Structural Repairs	314,387
3	(3) Bering Strait	Shishmaref School Roof Replacement	8,342,525
4		and Renovation Phase III	
5	(4) Iditarod Area	Blackwell School Heating Renovation/Site	173,754
6		Repair	
7	(5) Sitka City Borough	Blatchley Exterior Renovation/Repair	346,500
8	(6) Chatham	Angoon Elementary School Major	2,066,257
9		Maintenance	
10	(7) Skagway City	Skagway Major Maintenance	35,598
11	(8) Pribilof Island	St. George School Remodel	4,513,164
12	(9) Southwest Region	Clarks Point School Generator Building	35,989
13	(10) Ketchikan	Schoenbar Renovation	4,891,992
14	(11) Yupiit	Akiak School Repairs	177,571
15	(12) Galena	Project Education Food Service Renovation	261,806
16	(13) Southwest Region	Koliganek School Improvement	451,993
17	(14) Juneau City Borough	Juneau-Douglas High School	9,097,138
18		Renovation/ADA Upgrade	
19	(15) Southwest Region	Ekwok, Koliganek, Togiak Schools	122,256
20		Heating System Upgrade	
21	(16) Hoonah City	Hoonah Swimming Pool Sprinkler System	220,476
22	(17) Galena	High School Remodel	167,846
23	(18) Kenai Peninsula	McNeil Canyon Replace Septic System	171,500
24	(19) Kake City	Kake High School Renovation Phase II	175,065
25	(20) Chatham	Angoon High School Major Maintenance	1,730,507
26	(21) North Slope Borough	Tikigaq School Renovation	3,675,502
27	(22) Tanana City	Tanana Kitchen Renovation	438,539
28	(23) Wrangell City	Wrangell Elementary Schools Renovation	1,129,238
29	(24) Lower Yukon	Emmonak Mechanical System Upgrade	574,885
30	(25) Lower Yukon	Alakanuk Mechanical System Upgrade	899,740
31	(26) Iditarod Area	Takotna Community School Water Project	192,374

1	(27) Anchorage	Service High School Phase I Renovation	4,998,000
2	(28) Kenai Peninsula	Seward Middle School Gym Re-roof	278,275
3	(29) Iditarod Area	Innoko River School Bathroom, Shower	46,746
4		and Underfloor Damage Repair	
5	(30) Iditarod Area	McGrath School Heating Design, Boiler	235,200
6		Replacement and Repairs	
7	(31) Kenai Peninsula	Kenai Central High School Reinsulate	385,610
8		Exterior Walls	385,610
9	(32) Alaska Gateway	Tok Multipurpose Recreational Complex	961,612
10		Renovation Project	
11	(33) Delta/Greely	Fort Greely Utility Conversion	2,054,852
12	(34) Iditarod Area	Holy Cross School Bathroom	47,530
13		and Shower Deterioration	
14	(35) Wrangell City	Wrangell Middle School Renovation	164,522
15	(36) Sitka City Borough	Blatchley Domestic Water System Upgrade	667,356
16	(37) Skagway City	Skagway Roof Replacement	174,613
17	(38) Matanuska-Susitna	Fire Alarm Systems, Five Schools	638,647
18	Borough		
19	(39) Fairbanks	Districtwide Fire Protection System	1,193,832
20		Upgrades	
21	(40) Yakutat City Borough	Yakutat High School Gymnasium Structural	70,981
22		Repair	
23	(41) Yukon-Koyukuk	Kaltag School Renovation	2,418,052
24	(42) Matanuska-Susitna	Colony High School, Septic	164,039
25	Borough	System Upgrade	
26	(43) Wrangell City	Wrangell Elementary School and	101,216
27		High School Roof and Exterior Repairs	
28	(44) Northwest Arctic	Shungnak Improvements Phase II	2,740,522
29	(45) Dillingham City	Elementary School Weatherization	105,418
30	(46) Kuspuk	Chuathbaluk Crow Village Sam	375,661
31		School Sewage System Replacement	

