

SENATE CS FOR CS FOR HOUSE BILL NO. 234(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

**Offered: 5/6/01
Referred: Rules**

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the tobacco use education and cessation fund and to smoking**
2 **education and cessation programs; relating to funding the tobacco use education and**
3 **cessation fund; relating to financing of construction and major maintenance of public**
4 **school facilities, facilities for the University of Alaska, and facilities for ports and**
5 **harbors; authorizing the commissioner of revenue to sell the right to receive a portion of**
6 **the anticipated revenue from a tobacco litigation settlement to the Northern Tobacco**
7 **Securitization Corporation; relating to the deposit of certain anticipated revenue from a**
8 **tobacco litigation settlement; authorizing the issuance of bonds by the Northern**
9 **Tobacco Securitization Corporation with proceeds to finance public school construction**
10 **and major maintenance, facilities for the University of Alaska, and facilities for ports**
11 **and harbors; and providing for an effective date."**

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

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

3 INTENT. The legislature intends to provide for the required investment, and intends
4 transfer of ultimate ownership of and responsibility for the state-owned harbor facilities to
5 local municipalities.

6 * **Sec. 2.** AS 37.05 is amended by adding a new section to read:

7 **Sec. 37.05.580. Tobacco use education and cessation fund.** (a) There is
8 created as a special account in the general fund the tobacco use education and
9 cessation fund consisting of appropriations made to the tobacco use education and
10 cessation fund. The purpose of the tobacco use education and cessation fund is to
11 provide a source to finance the comprehensive smoking education, tobacco use
12 prevention, and tobacco control program authorized by AS 44.29.020(a)(15).

13 (b) The legislature may make appropriations from the tobacco use education
14 and cessation fund for the comprehensive smoking education, tobacco use prevention,
15 and tobacco control program established under AS 44.29.020(a)(15).

16 (c) Nothing in this section creates a dedicated fund.

17 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 **SALE OF RIGHT TO RECEIVE ANTICIPATED SPECIAL REVENUE.** (a) The
20 commissioner of revenue is authorized to sell to the Northern Tobacco Securitization
21 Corporation, a subsidiary corporation of the Alaska Housing Finance Corporation created
22 under AS 18.56.086, the right to receive 40 percent annually of the revenue derived from the
23 settlement of State of Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915 CI (Alaska
24 Super. 1997). The sale of the right to receive revenue under this subsection is in addition to
25 the sale of the right to receive revenue under sec. 9, ch. 130, SLA 2000.

26 (b) The proceeds to the state of the sale of the right to receive revenue under (a) of
27 this section are anticipated to be at least \$89,683,207.

28 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
29 read:

30 **BOND AUTHORIZATION AND PROVISIONS.** (a) The Northern Tobacco
31 Securitization Corporation is authorized to issue revenue bonds in principal amounts

1 sufficient to acquire the right to receive revenue described in sec. 3 of this Act from the
 2 commissioner of revenue at a price agreed upon by the Northern Tobacco Securitization
 3 Corporation and the commissioner of revenue. The bonds may be special, limited obligations
 4 of the Northern Tobacco Securitization Corporation secured solely by the right to receive
 5 revenue sold to the Northern Tobacco Securitization Corporation under sec. 3 of this Act, and
 6 the Northern Tobacco Securitization Corporation may include in agreements with the
 7 bondholders a pledge of the right to receive that revenue and the promise of the state to honor
 8 that pledge. A pledge made under this section is subject to the provisions of AS 18.56.120,
 9 and bonds issued under this section are subject to the provisions of AS 18.56.170, in each case
 10 as though "corporation" in those statutes were to mean the Northern Tobacco Securitization
 11 Corporation.

12 (b) Subject to agreements with bondholders and appropriation, the Northern Tobacco
 13 Securitization Corporation shall make the proceeds of the bonds issued under (a) of this
 14 section available to the

15 (1) Department of Education and Early Development to pay for expenditures
 16 described in (c)(1) of this section, including reimbursement to the Department of Education
 17 and Early Development for the expenditures;

18 (2) University of Alaska to pay for expenditures described in (c)(2) of this
 19 section, including reimbursement to the University of Alaska for the expenditures; and

20 (3) Department of Transportation and Public Facilities to pay for expenditures
 21 described in (c)(3) of this section, including reimbursement to the Department of
 22 Transportation and Public Facilities for the expenditures.

23 (c) The proceeds of bonds issued under (a) of this section shall be used by the

24 (1) Department of Education and Early Development to pay for construction,
 25 renovation, and improvement of public schools as follows:

26 PROJECT

27 Southwest Region - Togiak School Replacement	\$29,182,163
28 Bering Strait - Golovin School Phase III	9,888,192
29 Petersburg City - Fascia/Soffit Repair and Replacement	116,236
30 Yukon-Koyukuk - Nulato Structural Repairs	314,387
31 Bering Strait - Shishmaref School Roof Replacement/	8,342,525

1	Renovation, Phase III	
2	Iditarod Area - Blackwell School Heating Renovation/ 3 Site Repair	173,754
4	Sitka City Borough - Blatchley Exterior Renovation/Repair	346,500
5	Chatham - Angoon Elementary School Major Maintenance	2,066,257
6	Skagway City - Skagway Major Maintenance	35,598
7	Pribilof Island - St. George School Remodel	4,513,164
8	Southwest Region - Clarks Point School Generator Building	35,989
9		<hr/>
10	TOTAL	\$55,014,765

11 (2) University of Alaska to pay for construction and renovation of university
12 facilities as follows:

13	PROJECT	
14	University of Alaska - Anchorage	
15	Science/Biomedical Facilities Renovations/ 16 Classroom Renovation/Housing Safety Upgrades/ 17 Pool Replacement	\$10,990,800
18	Kodiak - Vocational/Technical Classroom 19 Rehabilitation and Completion	400,000
20	University of Alaska - Southeast	
21	Egan Classroom	\$ 2,500,000
22	Ketchikan - Robertson/Hamilton Technical 23 Education Complex Remodel	1,500,000
24	Matanuska-Susitna Ortner Warehouse Replacement	654,000
25	University of Alaska - Fairbanks	
26	Museum Expansion	4,000,000
27	Bristol Bay Campus Addition	1,000,000
28		<hr/>
29	TOTAL	\$ 21,044,800

30 (3) Department of Transportation and Public Facilities to pay for construction
31 and renovation of port and harbor facilities as follows:

1	PROJECT	
2	Ketchikan - Thomas Basin Harbor, Ryus Float,	3,938,000
3	Bar Harbor South, Bar Harbor North,	
4	Hole-in-the-Wall Harbor, Knudson Cove Harbor	
5	Sitka - Thomsen Harbor, Crescent Harbor, Sealing	2,234,500
6	Cove Harbor	
7	Anchorage - Intermodal Marine Facility - Harbor	6,000,000
8	Dock and Supporting Facilities Improvement	
9	Pelican - Pelican Boat Harbor	1,451,142
10		
11	TOTAL	<u>\$ 13,623,642</u>

12 (d) In this section, "Northern Tobacco Securitization Corporation" means the
13 subsidiary corporation of the Alaska Housing Finance Corporation created under
14 AS 18.56.086.

15 * **Sec. 5.** Section 1(b), ch. 130, SLA 2000, is repealed.

16 * **Sec. 6.** This Act takes effect July 1, 2001.