

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: SCS CSHB 234(FIN)
 (S) Publish Date: 5/7/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Tobacco Settlement Bonds BRU: AHFC
 Component: Operations
 Sponsor: House Finance
 Requester: Senate Finance Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	86,683.2	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	(9,727.0)	(9,855.8)	(8,672.9)	(8,769.1)	(8,884.9)	(9,001.1)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Tobacco Settlement Funds						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Northern Tobacco Securitization Corporation (NTSC) is a subsidiary of AHFC. NTSC is authorized by this legislation to issue bonds to purchase 40 percent of the state's share of the Master Tobacco Settlement Agreement for amounts that will be used to finance schools, harbors and university projects. The purchase of the settlement will be made through an agreement with the Commissioner of Revenue as an asset purchase from the state.

The change in state revenues reflects 40% of the tobacco settlement funds that will no longer belong to the State of Alaska after being sold to the NTSC under this legislation. The change in revenues is as projected by WEFA. In order to achieve the amount of capital expenditures authorized in this bill, it is necessary for the NTSC to purchase the 40% of the state's share of the tobacco settlement in Fiscal Year 2002. The capital expenditures shown in this fiscal note are for tax-exempt public construction projects from the proceeds generated by the sale authorized in this legislation. Appropriation authority is required under AS 37.07 (Executive Budget Act) for those expenditures by state agencies and the University of Alaska.

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 Division: Alaska Housing Finance Corporation Date/Time 5/6/01 7:15 PM
 Approved by: Larry Persily, Deputy Commissioner Date 05/07/2001
 Agency: Department of Revenue

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