

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SSSB 94
 (S) Publish Date: 5/1/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: Maintenance of Public School Facilities BRU: Revenue Operations
 Component: Treasury
 Sponsor: Senator Taylor
 Requester: Senate Health, Education & Social Services Component Number: 121

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 (Marketing & Selling Bonds)						
Contractual (Trustee/Paying Agent)	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 (FHWA)						
1003 GF Match						
1004 GF	50.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Project Fund Investment Earnings						
TOTAL	50.0	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)

This legislation authorizes the Department of Revenue to sell 20% of the state's portion of the Master Tobacco Settlement Agreement to the Northern Tobacco Securitization Corporation (a subsidiary of the Alaska Housing Finance Corporation) in exchange for the bond proceeds that NTSC is able to generate (less the costs of issuing the bonds and funding of a debt service reserve). The sale will provide funding of at least \$58,145,522 for school maintenance projects statewide after funding a debt service reserve fund and costs of issuance. Bonds will be issued with tax-exempt status, an anticipated term of approximately 22 years, but with the ability to extend term to a maximum of over 30 years if revenues are lower than forecast. To the extent there are residual settlement revenues following the repayment of these bonds, those revenues will revert to the state upon final payment of the bonds.

The \$50,000 in contractual expenses will cover the Department of Revenue's legal and financial services for negotiating the sale of the settlement proceeds.

Prepared by: Deven Mitchell, Debt Manager Phone 465-3750
 Division: Treasury Division Date/Time 4/30/01 10:00 AM
 Approved by: Larry Persily, Deputy Commissioner Date 04/30/2001
 Agency: Department of Revenue

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