

CS FOR SENATE BILL NO. 195(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 5/2/03

Referred: Finance

Sponsor(s): SENATORS GARY STEVENS, Olson

A BILL

FOR AN ACT ENTITLED

1 **"An Act giving notice of and approving, and authorizing the entry into and issuance of**
2 **certificates of participation for, the upgrade, expansion, and replacement of certain**
3 **jails; and providing for an effective date."**

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

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

7 NOTICE OF THE ISSUANCE OF CERTIFICATES OF PARTICIPATION AND
8 OTHER FINANCING. (a) The state bond committee is authorized to provide for the
9 issuance of certificates of participation in one or more series in the aggregate principal
10 amount of \$16,000,000, plus costs of required reserves and costs of issuance, to pay for the
11 costs for expansion of municipal jails described in sec. 2 of this Act. The estimated total cost
12 of construction, acquisition, and equipping the projects is \$16,000,000, which shall be paid
13 from the proceeds of the certificates of participation issued under this section. The estimated
14 aggregate annual amount of rental obligations under the lease-financing agreements is

1 \$1,600,000. The total payments for the full term of the certificates of participation are
 2 estimated to be \$24,000,000. In this subsection, "cost of construction" includes credit
 3 enhancement and underwriting expenses, rating agency fees, bond counsel fees, financial
 4 advisor fees, printing fees, trustee fees, advertising fees, capitalized interest, interest earnings
 5 used for lease payments, and other costs of issuance, and costs of required reserves.

6 (b) The state bond committee may contract for credit enhancement, underwriting,
 7 credit ratings, bond counsel, financial advisor, printing, advertising fees, and trustee services
 8 that the committee considers necessary in financing the projects described in sec. 2 of this
 9 Act.

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

12 MUNICIPAL JAIL FACILITIES. (a) Each of the following projects is approved to
 13 receive \$4,000,000 of the proceeds of the certificates of participation authorized under sec. 1
 14 of this Act, on condition that the municipality in which the project is located contributes a
 15 matching share of at least \$4,000,000, to be used for the upgrade, expansion, or replacement
 16 of the jail facilities:

17 (1) Dillingham Community Jail in the Municipality of Dillingham to replace
 18 the existing 8-bed facility with a new 25-bed facility;

19 (2) Kodiak Community Jail in the Municipality of Kodiak to replace the
 20 existing 16-bed facility with a new 20-bed facility;

21 (3) Kotzebue Community Jail in the Municipality of Kotzebue to add 26 new
 22 beds to its existing 14-bed facility for a total of 40 beds;

23 (4) North Slope Borough Community Jail in the North Slope Borough to
 24 replace the existing 9-bed facility with a new 20-bed facility.

25 (b) Subject to appropriation, the Department of Corrections is authorized to pay the
 26 annual operating costs associated with the addition of new beds at the municipal jail facilities
 27 to the municipalities listed in (a) of this section. The anticipated annual operating costs for
 28 the new beds authorized in (a) of this section are:

29 (1) Dillingham Community Jail - \$850,000 (17 new beds);

30 (2) Kodiak Community Jail - \$350,000 (4 new beds);

31 (3) Kotzebue Community Jail - \$1,100,000 (26 new beds);

1 (4) North Slope Borough Community Jail - \$1,000,000 (11 new beds).

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

4 APPROVAL. This Act constitutes the notice and approval of the projects described in
5 sec. 1 of this Act required by AS 36.30.085.

6 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).