

CS FOR SENATE BILL NO. 279(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 2/13/04

Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act authorizing and relating to the issuance of bonds by the Alaska Housing**
2 **Finance Corporation for safe and clean water and hygienic sewage disposal facility**
3 **capital projects and other capital projects; providing for the repayment of the bonds**
4 **and bond costs; relating to the dividend paid to the state by the Alaska Housing Finance**
5 **Corporation; and providing for an effective date."**

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

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

9 LEGISLATIVE INTENT. AS 18.56.089(c) provides for the payment of an annual
10 dividend from the Alaska Housing Finance Corporation to the state and appropriation by the
11 legislature of the dividend for capital projects. The legislature intends by this Act to finance
12 village safe and clean water and hygienic sewage disposal facilities under AS 46.07, to
13 provide required matching money for federal grants for the projects, and to finance other

1 capital projects from the proceeds of bonds issued by the Alaska Housing Finance
 2 Corporation authorized by this Act. The legislature also intends by this Act that the amount
 3 of the dividend from the corporation under AS 18.56.089(c) be reduced by the amount of
 4 principal and interest payments on, and costs of, those bonds.

5 * **Sec. 2.** AS 18.56.089(c) is amended to read:

6 (c) The corporation shall make a dividend available to the state each fiscal
 7 year. The corporation shall pay the dividend for a current fiscal year to the state
 8 before the end of that fiscal year. The legislature may appropriate the dividend for
 9 capital projects. The corporation shall notify the commissioner of revenue of the
 10 amount of each dividend under this subsection for inclusion in the state operating
 11 budget and shall also notify the commissioner when each dividend is available for
 12 payment to the state. The amount of the dividend for a current fiscal year is calculated
 13 as follows:

14 (1) the lesser of \$103,000,000 or 75 percent of the net income of the
 15 corporation for the base fiscal year;

16 (2) minus the amount of money from the corporation used during that
 17 current fiscal year for bond repayment and other costs related to the bonds issued
 18 under

19 (A) ch. 26, SLA 1996, up to a maximum of \$1,000,000;

20 (B) sec. 10(b), ch. 130, SLA 2000;

21 (C) sec. 1, ch. 1, SSSLA 2002;

22 **(D) sec. 4 of this Act;** and

23 (3) minus any appropriation of unrestricted unencumbered money of
 24 the corporation during the current fiscal year, other than an appropriation for the
 25 corporation's operating budget.

26 * **Sec. 3.** The uncodified law of the State of Alaska enacted by sec. 2(a), ch. 76, SLA 2003
 27 is amended to read:

28 (a) Notwithstanding the amount of the annual dividend under AS 18.56.089(c),
 29 [ADDED BY SEC. 1 OF THIS ACT], the dividend is calculated as follows for the following
 30 years:

31 (1) fiscal year 2004:

1 (A) \$103,000,000;

2 (B) minus the amount of money from the Alaska Housing Finance
3 Corporation used during fiscal year 2004 for bond repayments and other costs related
4 to the bonds issued under

5 (i) ch. 26, SLA 1996, up to maximum of \$1,000,000;

6 (ii) sec. 2, ch. 129, SLA 1998;

7 (iii) sec. 10(b), ch. 130, SLA 2000;

8 (iv) sec. 1, ch. 1, SSLA 2002;

9 **(v) sec. 4 of this Act;** and

10 (C) minus any appropriation of unrestricted, unencumbered money of
11 the corporation during fiscal year 2004, other than an appropriation for the
12 corporation's operating budget;

13 (2) fiscal year 2005:

14 (A) \$103,000,000;

15 (B) minus the amount of money from the Alaska Housing Finance
16 Corporation used during fiscal year 2005 for bond repayments and other costs related
17 to the bonds issued under

18 (i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;

19 (ii) sec. 2, ch. 129, SLA 1998;

20 (iii) sec. 10(b), ch. 130, SLA 2000;

21 (iv) sec. 1, ch. 1, SSSLA 2002;

22 **(v) sec. 4 of this Act;** and

23 (C) minus any appropriation of unrestricted, unencumbered money of
24 the corporation during fiscal year 2005, other than an appropriation for the
25 corporation's operating budget;

26 (3) fiscal year 2006:

27 (A) \$103,000,000;

28 (B) minus the amount of money from the Alaska Housing Finance
29 Corporation used during fiscal year 2006 for bond repayments and other costs related
30 to the bonds issued under

31 (i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;

1 (ii) sec. 2, ch. 129, SLA 1998;

2 (iii) sec. 10(b), ch. 130, SLA 2000;

3 (iv) sec. 1, ch. 1, SSSLA 2002;

4 **(v) sec. 4 of this Act;** and

5 (C) minus any appropriation of unrestricted, unencumbered money of
6 the corporation during fiscal year 2006, other than an appropriation for the
7 corporation's operating budget;

8 (4) fiscal year 2007:

9 (A) the lesser of \$103,000,000 or 95 percent of the net income of the
10 Alaska Housing Finance Corporation for fiscal year 2005;

11 (B) minus the amount of money from the Alaska Housing Finance
12 Corporation used during fiscal year 2007 for bond repayments and other costs related
13 to the bonds issued under

14 (i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;

15 (ii) sec. 10(b), ch. 130, SLA 2000;

16 (iii) sec. 1, ch. 1, SSSLA 2002;

17 **(iv) sec. 4 of this Act;** and

18 (C) minus any appropriation of unrestricted, unencumbered money of
19 the corporation during fiscal year 2007, other than an appropriation for the
20 corporation's operating budget;

21 (5) fiscal year 2008:

22 (A) the lesser of \$103,000,000 or 85 percent of the net income of the
23 Alaska Housing Finance Corporation for fiscal year 2006;

24 (B) minus the amount of money from the Alaska Housing Finance
25 Corporation used during fiscal year 2008 for bond repayments and other costs related
26 to the bonds issued under

27 (i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;

28 (ii) sec. 10(b), ch. 130, SLA 2000;

29 (iii) sec. 1, ch. 1, SSSLA 2002;

30 **(iv) sec. 4 of this Act;** and

31 (C) minus any appropriation of unrestricted, unencumbered money of

1 the corporation during fiscal year 2008, other than an appropriation for the
2 corporation's operating budget.

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

5 BOND AUTHORIZATION AND PROVISIONS. (a) Notwithstanding the limitation
6 in AS 18.56.090 or other provisions of law, the Alaska Housing Finance Corporation is
7 authorized to issue bonds in an amount sufficient to finance \$19,818,300 in capital
8 improvements for village safe and clean water and hygienic sewage disposal facilities either
9 directly or as matching money required by grants for those purposes, and \$5,181,700 to
10 finance other capital projects. AS 18.56.110 - 18.56.190 apply to bonds issued under this
11 section.

12 (b) The Alaska Housing Finance Corporation shall make the proceeds of bonds issued
13 under (a) of this section available to government departments, agencies, and other government
14 entities identified in appropriations of the bond proceeds as necessary to accommodate the
15 construction schedule for each of the projects for which the bond proceeds are appropriated.
16 All income realized by the Alaska Housing Finance Corporation on the bond proceeds may be
17 used by the corporation solely for payments of the principal of and interest on the bonds or
18 other costs related to the bonds.

19 (c) The Alaska Housing Finance Corporation shall determine the amount of
20 unrestricted revenue necessary, after payments under (b) of this section, for the payment of
21 costs related to the bonds and notify the legislature.

22 (d) The amount determined under (c) of this section necessary for the payment of all
23 costs associated with or related to the bonds, including principal and interest payments, shall
24 reduce the amount of the Alaska Housing Finance Corporation's dividend to the state under
25 AS 18.56.089, as amended by sec. 2 of this Act.

26 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).