

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 51
 (S) Publish Date: 1/31/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Alaska Municipal Bond Bank BRU Alaska Bond Bank Authority
Authority Limits Component Alaska Bond Bank Authority
 Sponsor Rules Committee
 Requester Governor Component No. 108

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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						
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CHANGE IN REVENUES ()						
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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						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would increase the Alaska Municipal Bond Bank's total borrowing limit from \$300 million to \$500 million and increase the amount of revenue bonds that may be issued in any one fiscal year from \$50 million to \$75 million.

The increase in the borrowing limit to \$500 million is needed as the Bond Bank expects to reach the existing limit in FY04, if not sooner. If all of the loan applications that have been submitted to the Bond Bank were funded immediately, the existing \$300 million cap would be filled and additional projects could not be funded. An inability to fund loans to communities will cost these communities -- and possibly the state in reimbursement costs -- in increased costs of issuance and interest expense.

The increase from \$50 million to to \$75 million in annual revenue bond authority is needed in FY03 because the Bond Bank has issued, or has requests to issue, \$56 million in revenue bonds by the end of March 2003. A failure to approve the increase in the revenue bond limit will potentially result in the City of Valdez needing to issue two series of revenue bonds over two fiscal years, increasing the cost of issuing these bonds by approximately \$100,000, or delaying funding of the city's project until July 1, 2003.

As the Bond Bank is self-supporting, and has sufficient assets to fund reserves, the increases in statutory authorization would not have any fiscal impact.

Prepared by: Deven Mitchell, State Debt Manager Phone 465-5469
 Division Treasury Division Date/Time 1/29/03 2:23 PM
 Approved by: Larry Persily, Deputy Commissioner Date 1/29/2003
 Agency Department of Revenue