

AMENDMENT #6

OFFERED IN THE HOUSE  
TO: CSHB 275(FIN)

*Rep. Meyer*

1 Page 1, line 6, through the end of the bill:

2 Delete all material.

3 Insert new bill sections to read:

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

6 TRANSPORTATION PROJECT ALLOCATION. The Department of Transportation  
7 and Public Facilities shall allocate the net proceeds derived from the sale of revenue  
8 obligations authorized in sec. 4 of this Act for construction or acquisition of the following  
9 state transportation projects among those projects as follows, subject to reallocation among  
10 the projects under AS 37.07.080(e):

11	PROJECT	ALLOCATION
12	(1) Anchorage: Glenn Highway congestion	\$ 37,500,000
13	(2) Anchorage: Lake Otis and Tudor intersection improvements	4,300,000
14	(3) Anchorage: Raspberry Road extension	2,400,000
15	(4) Fairbanks: Gaffney Road upgrade	6,250,000
16	(5) Fairbanks: Cartwright Road extension	3,650,000
17	(6) Kenai Peninsula Borough: Kalifornsky Beach Road	10,000,000
18	rehabilitation	
19	(7) Matanuska-Susitna Borough: Palmer-Wasilla Highway	6,000,000
20	expansion	
21	(8) Richardson Highway passing lane additions	5,000,000
22	mileposts 265 - 341	
23	(9) Prince of Wales: Hollis to Klawock pavement	5,000,000

1	(10) Sitka: Rocky Gutierrez Airport access	3,500,000
2	improvements	
3	(11) Kodiak: Rezanof Drive rehabilitation and intersection	4,300,000
4	safety improvements	
5	(12) Nome: city streets, phase 2	5,000,000
6	(13) Glacier Highway: road extension	5,000,000

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

9           DELEGATION OF AUTHORITY FOR LEASE-FINANCING AGREEMENTS. The  
10 Department of Transportation and Public Facilities is delegated the Department of  
11 Administration's authority under AS 36.30.085 to enter into lease-financing agreements in  
12 connection with the issuance of revenue obligations to finance the state transportation projects  
13 described in sec. 1 of this Act.

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

16           LEASE-FINANCING PAYMENTS. (a) The lease payments owed under lease-  
17 financing agreements executed under sec. 2 of this Act are subject to annual appropriation by  
18 the legislature.

19           (b) The legislature intends that federal money in the form of apportionments from the  
20 Federal Highway Administration for federal highway grants will provide revenue that may be  
21 appropriated for the lease payments; however, if that revenue source is insufficient, the  
22 payments may be appropriated from any other valid revenue source.

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

25           NOTICE OF THE ENTRY INTO AND FINANCING OF REVENUE  
26 OBLIGATIONS. (a) Subject to annual appropriation, the Department of Transportation and  
27 Public Facilities is authorized to enter into lease-financing agreements for the issuance of  
28 revenue obligations for the state transportation projects described in sec. 1 of this Act.

29           (b) The state bond committee is authorized to provide for the issuance of revenue  
30 obligations in one or more series in the aggregate principal amount of \$99,400,000 for the  
31 costs of construction of the projects described in sec. 1 of this Act. The principal amount

1 includes the estimated cost of \$97,900,000 for constructing, acquiring, and equipping the  
2 projects described in sec. 1 of this Act; and an amount for the cost of issuing the revenue  
3 obligations of \$1,500,000. The estimated annual amount of rental obligations under the lease-  
4 financing agreements is \$8,561,000. The estimated total lease payments for the full term of  
5 the lease-financing agreements is \$136,976,000.

6 (c) The average annual debt service on revenue obligations to be issued under this Act  
7 may not exceed 25 percent of the most recent annual obligation authority received by the  
8 State of Alaska from the Federal Highway Administration for the state's federal highway  
9 program. As further protection for the holders of the revenue obligations, the resolution of the  
10 state bond committee authorizing the issuance of the revenue obligations authorized under  
11 this Act shall include the same percentage limitation on the average annual debt service for all  
12 outstanding revenue obligations payable from the State of Alaska's federal highway program.

13 (d) The state bond committee may contract for credit enhancement, underwriting,  
14 credit ratings, bond counsel, financial advisor, printing, and trustee services that the  
15 committee considers necessary in financing the projects described in sec. 1 of this Act.

16 (e) There is created the 2005 state transportation project fund. The proceeds of the  
17 revenue obligations issued under this Act shall be deposited into the 2005 state transportation  
18 project fund.

19 (f) In this section,

20 (1) "costs of construction" includes credit enhancement and underwriting  
21 expenses, rating agency fees, bond counsel fees, financial advisor fees, printing fees, trustee  
22 fees, and interest earnings used for lease payments;

23 (2) "revenue obligation" means a certificate of participation in the right to  
24 receive a payment under a lease-financing agreement made to finance the costs of  
25 construction or acquisition of a state transportation project.

26 \* **Sec. 5.** The uncoded law of the State of Alaska is amended by adding a new section to  
27 read:

28 NOTICE AND APPROVAL OF AGREEMENTS. Section 4 of this Act constitutes  
29 the notice and approval of lease-financing agreements to finance the transportation projects  
30 described in sec. 1 of this Act that is required by AS 36.30.085.

31 \* **Sec. 6.** The uncoded law of the State of Alaska is amended by adding a new section to

1 read:

2 STATE TRANSPORTATION PROJECTS IN METROPOLITAN PLANNING  
3 AREAS. If an amount allocated in sec. 1 of this Act for a state transportation project in a  
4 metropolitan planning area is not sufficient to complete the project, it is the intent of the  
5 legislature that the metropolitan planning organization for the metropolitan planning area  
6 include the project in the organization's transportation improvement program and fund the  
7 project to completion.

8 \* Sec. 7. This Act takes effect July 1, 2005."