

AMENDMENT #2

BERKOWITZ
MEYER
Gardner
Cissna

OFFERED IN THE HOUSE

TO: CSSB 73(FIN) am

1 Page 1, line 5, following "laboratory;":

2 Insert "authorizing financing for certain public transportation projects; giving
3 notice of and approving the entry into, and the issuance of revenue obligations that
4 provide participation in, lease-financing agreements for those transportation projects;"

5

6 Page 2, line 29:

7 Delete all material and insert:

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

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

15	PROJECT	ALLOCATION
16	(1) Anchorage: Glenn Highway congestion	\$ 37,500,000
17	(2) Anchorage: Lake Otis and Tudor intersection improvements	4,300,000
18	(3) Fairbanks: Gaffney Road upgrade	6,250,000
19	(4) Matanuska-Susitna Borough: Upgrade Old Glenn Highway	6,000,000
20	Plumley Road to City of Palmer	
21	(5) Matanuska-Susitna Borough: Palmer-Wasilla Highway	6,000,000
22	expansion	
23	(6) Richardson Highway passing lane additions	5,000,000

1 mileposts 265 - 341

2 (7) Glacier Highway: road extension 5,000,000

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

5 DELEGATION OF AUTHORITY FOR LEASE-FINANCING AGREEMENTS. The
6 Department of Transportation and Public Facilities is delegated the Department of
7 Administration's authority under AS 36.30.085 to enter into lease-financing agreements in
8 connection with the issuance of revenue obligations to finance the state transportation projects
9 described in sec. 4 of this Act.

10 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 LEASE-FINANCING PAYMENTS. (a) The lease payments owed under lease-
13 financing agreements executed under sec. 5 of this Act are subject to annual appropriation by
14 the legislature.

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

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

21 NOTICE OF THE ENTRY INTO AND FINANCING OF REVENUE
22 OBLIGATIONS. (a) Subject to annual appropriation, the Department of Transportation and
23 Public Facilities is authorized to enter into lease-financing agreements for the issuance of
24 revenue obligations for the state transportation projects described in sec. 4 of this Act.

25 (b) The state bond committee is authorized to provide for the issuance of revenue
26 obligations in one or more series in the aggregate principal amount of \$71,175,000 for the
27 costs of construction of the projects described in sec. 4 of this Act. The principal amount
28 includes the estimated cost of \$70,050,000 for constructing, acquiring, and equipping the
29 projects described in sec. 4 of this Act; and an amount for the cost of issuing the revenue
30 obligations of \$1,125,000. The estimated annual amount of rental obligations under the lease-
31 financing agreements is \$6,130,000. The estimated total lease payments for the full term of

1 the lease-financing agreements is \$98,080,000.

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

9 (d) The state bond committee may contract for credit enhancement, underwriting,
10 credit ratings, bond counsel, financial advisor, printing, and trustee services that the
11 committee considers necessary in financing the projects described in sec. 4 of this Act.

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

15 (f) In this section,

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

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

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

24 NOTICE AND APPROVAL OF AGREEMENTS. Section 7 of this Act constitutes
25 the notice and approval of lease-financing agreements to finance the transportation projects
26 described in sec. 4 of this Act that is required by AS 36.30.085.

27 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
28 read:

29 STATE TRANSPORTATION PROJECTS IN METROPOLITAN PLANNING
30 AREAS. If an amount allocated in sec. 2 of this Act for a state transportation project in a
31 metropolitan planning area is not sufficient to complete the project, it is the intent of the

1 legislature that the metropolitan planning organization for the metropolitan planning area
2 include the project in the organization's transportation improvement program and fund the
3 project to completion.

4 * **Sec. 10.** Sections 4 - 9 of this Act take effect July 1, 2005.

5 * **Sec. 11.** Sections 1 - 3 of this Act take effect immediately under AS 01.10.070(c)."