

CS FOR SENATE BILL NO. 73(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/6/05

Referred: Today's Calendar

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

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a lease-purchase agreement for the construction, equipping, and**
2 **financing of a state virology laboratory to be operated by the Department of Health and**
3 **Social Services; relating to the issuance of certificates of participation for the**
4 **laboratory; relating to the use of certain investment income for certain construction and**
5 **equipment costs for the laboratory; 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 INTENT. It is the intent of the legislature that the amount of money to be used for the
10 construction and equipping of a new state virology laboratory is \$24,200,000. Of that
11 amount, it is the intent of the legislature that

12 (1) \$24,000,000 shall come from the proceeds of the certificates of
13 participation to be issued by the state bond committee under sec. 2 of this Act; and

1 (2) \$200,000 shall come from the investment income earned on the proceeds
2 of the sale of the certificates of participation described in sec. 2 of this Act.

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

5 NOTICE AND APPROVAL OF ENTRY INTO AND FINANCING OF A LEASE-
6 PURCHASE AGREEMENT. (a) Subject to annual appropriation, the Department of
7 Administration is authorized to enter into a lease-purchase agreement for a state virology
8 laboratory to be constructed under the lease-purchase agreement and to be operated by the
9 Department of Health and Social Services.

10 (b) The state bond committee is authorized to provide for the issuance of certificates
11 of participation in one or more series in the aggregate principal amount of \$24,000,000 for
12 the construction of a state virology laboratory under the lease-purchase agreement authorized
13 in (a) of this section. The remaining balance of the construction and equipping costs shall be
14 paid from investment income of \$200,000 earned on the proceeds of the sale of the
15 certificates of participation. The estimated total cost of construction, acquisition, and other
16 costs of the project is \$24,200,000. The estimated annual amount of rental obligations under
17 the lease-purchase agreement is \$2,375,000. The estimated total lease payment for the full
18 term of the lease-purchase agreement is \$35,572,890. In this subsection, "cost of
19 construction" includes credit enhancement and underwriting expenses, rating agency fees,
20 bond counsel fees, financial advisor fees, printing fees, advertising fees, capitalized interest,
21 and interest earnings used for lease payments.

22 (c) The state bond committee may contract for credit enhancement, underwriting,
23 credit ratings, bond counsel, financial advisor, printing, advertising, and trustee services that
24 the committee considers necessary in financing the project described in this section.

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

27 APPROVAL OF AGREEMENT. Section 2 of this Act constitutes the approval
28 required by AS 36.30.085.

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