

HOUSE CS FOR CS FOR SENATE BILL NO. 147(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/4/05

Referred: Rules

Sponsor(s): SENATORS SEEKINS, Wilken, Ben Stevens, Cowdery

REPRESENTATIVE Hawker

A BILL

FOR AN ACT ENTITLED

1 "An Act providing for a sport fishing facility surcharge on sport fishing licenses;
2 providing for the construction and renovation of state sport fishing facilities and for
3 other projects beneficial to the sport fish resources of the state as a public enterprise;
4 and authorizing the issuance of revenue bonds to finance those projects."

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

6 * **Section 1.** AS 16.05.100 is amended to read:

7 **Sec. 16.05.100. Fish and game fund established.** There is created a
8 revolving "fish and game fund," which shall be used exclusively for the following:

9 (1) to carry out the purposes and provisions of this title, except
10 AS 16.51 and AS 16.52, or other duties that may be delegated by the legislature to the
11 commissioner or the department;

12 **(2) to pay the principal and interest on revenue bonds issued under**
13 **AS 37.15.765 - 37.15.799 to finance the construction and renovation of fisheries**
14 **rehabilitation, enhancement, and development projects that benefit sport fishing;**

1 **and**

2 **(3)** [AND (2)] to carry out **the** [SUCH] purposes and objectives within
3 the scope of this title except AS 16.51 and AS 16.52 as may be directed by the donor
4 of any such funds.

5 * **Sec. 2.** AS 16.05.130 is amended by adding new subsections to read:

6 (e) Money accruing to the state from the sport fishing facility surcharge
7 imposed under AS 16.05.340(j) shall be deposited in a separate account known as the
8 Alaska sport fishing enterprise account within the fish and game fund. Money in the
9 enterprise account shall be allocated to sport fishing facilities intended to directly
10 benefit license purchasers. Money in the enterprise account may be pledged to pay the
11 principal and interest on revenue bonds issued under AS 37.15.765 - 37.15.799. The
12 commissioner shall seek authority for the transfer of amounts determined under
13 AS 37.15.783 from the enterprise account to the redemption fund established in
14 AS 37.15.770.

15 (f) Proceeds received from the sale of bonds issued under AS 37.15.765 -
16 37.15.799, other than the proceeds used to pay the cost of issuance and administration
17 and the proceeds deposited in the bond reserve account, shall be deposited in a special
18 account in the fish and game fund to be known as the Alaska sport fishing construction
19 account. The construction account serves as a capital construction fund that shall be
20 used for any purpose for which bonds may be issued, including the payment of cost of
21 issuance and administration and arbitrage rebate. The commissioner also may transfer
22 money in the construction account to the redemption fund. Upon completion of the
23 purposes for which the bonds are issued, the commissioner shall transfer any
24 unexpended and unobligated bond proceeds to the Alaska fish and game revenue bond
25 redemption fund to pay outstanding principal, interest, or redemption premium, if any,
26 owing on the bonds.

27 * **Sec. 3.** AS 16.05.340(i) is amended to read:

28 (i) If the commissioner determines that residents of the state are entitled to
29 obtain licenses for sport fishing, including sport fishing for anadromous king salmon,
30 in Yukon, Canada, for the same fees that are charged to residents of Yukon for
31 comparable sport fishing licenses, the commissioner may adopt regulations

1 authorizing residents of Yukon to receive

2 (1) nonresident annual sport fishing licenses for the fees [FEE] charged
3 to residents under (a) and (j) of this section for a resident sport fishing license; and

4 (2) nonresident anadromous king salmon annual tags for the fee
5 charged to residents under (a) of this section for a resident anadromous king salmon
6 tag.

7 * **Sec. 4.** AS 16.05.340 is amended by adding a new subsection to read:

8 (j) In addition to the fees for a sport fishing license set out in (a) and (d) of this
9 section, each person who purchases a sport fishing license shall pay a sport fishing
10 facility surcharge as set out in this subsection for the purpose of providing funding for
11 sport fishing facilities. A person who is eligible for a \$5 resident hunting, trapping,
12 and sport fishing license under (a)(6) of this section or a free license under
13 AS 16.05.341 is exempt from payment of the surcharge imposed under this subsection.
14 The surcharge authorized by this subsection shall take effect on the date established by
15 regulation by the commissioner. The authority of the department to collect the
16 surcharge under this subsection terminates on December 31 of the calendar year in
17 which the principal amount of the bonds issued under AS 37.15.765 - 37.15.799,
18 together with the interest on them and any interest owing on unpaid installments of
19 interest, and all other obligations with respect to the bonds, are fully met and
20 discharged. The amount of the surcharge attached to each sport fishing license must
21 be clearly disclosed on the sport fishing license. The amount of the sport fishing
22 facility surcharge to be paid for each sport fishing license is

- 23 (1) resident sport fishing license \$ 9
- 24 (2) resident hunting and sport fishing license..... 9
- 25 (3) resident hunting, trapping, and sport fishing license 9
- 26 (4) nonresident 14-day sport fishing license30
- 27 (5) nonresident seven-day sport fishing license25
- 28 (6) nonresident three-day sport fishing license 15
- 29 (7) nonresident one-day sport fishing license..... 10
- 30 (8) nonresident annual sport fishing license.....45
- 31 (9) special nonresident military small game and sport fishing

1 license..... 8.50
 2 (10) special nonresident military sport fishing license..... 8.50

3 * **Sec. 5.** AS 37.15 is amended by adding new sections to read:

4 **Article 5A. Sport Fishing Facility Revenue Bonds.**

5 **Sec. 37.15.765. Bond authorization.** (a) For purposes of providing the
 6 money to be used to construct and renovate sport fishing facilities under
 7 AS 16.05.092, including the costs of bond issuance and administration, the issuance
 8 and sale of revenue bonds of the state is authorized, subject to (b) of this section. The
 9 bonds are to be issued by the state bond committee, as provided in AS 37.15.765 -
 10 37.15.799, as part of the sport fisheries rehabilitation, enhancement, and development
 11 program under AS 16.05.092, a public enterprise of the state. The net proceeds of the
 12 sale of the bonds remaining after payment of costs of issuance and administration and
 13 any making deposits to the bond reserve account described in AS 37.15.770(b) shall
 14 be paid into the Alaska sport fishing construction account of the fish and game fund.
 15 The bond proceeds shall be segregated and accounted for separately. Accrued interest
 16 paid on the bonds shall be deposited in the bond redemption fund established under
 17 AS 37.15.770.

18 (b) The state bond committee may not issue more than \$69,000,000 in revenue
19 bonds, excluding refunding bonds issued under AS 37.15.790.

20 (c) The bonds do not constitute a general obligation of the state.
21 Authorization for the bonds by the voters of the state or the legislature is not required.

22 (d) The state bond committee may enter into agreements with other state
23 agencies as necessary or convenient to implement AS 37.15.765 - 37.15.799.

24 (e) The state bond committee may contract for the services of underwriters,
25 paying agents, trustees, bond printers, rating agencies, bond insurance, credit
26 enhancement providers, accountants, financial advisors, and bond counsel, and other
27 services as are necessary to accomplish the bond issuance and sale.

28 **Sec. 37.15.770. Bond redemption fund established.** (a) There is established
 29 a special fund of the state, known as the Alaska fish and game revenue bond
 30 redemption fund, which is a trust fund for paying and securing the payment of the
 31 principal of and interest and redemption premium, if any, on the bonds and which

1 shall be, at all times, completely segregated and set apart from all other funds of the
 2 state. The committee, on behalf of the state, may obligate and bind the state to set
 3 aside and pay into the bond redemption funds, on a monthly or other periodic basis, as
 4 a first priority, money in the Alaska sport fish enterprise account and, as a subordinate
 5 priority, other money legally available in the fish and game fund, sufficient to pay the
 6 principal of and interest and redemption premium, if any, on the bonds. The bond
 7 redemption fund may be drawn upon only for the purpose of paying the principal of
 8 and interest and redemption premium, if any, on the bonds, together with related
 9 trustee fees, if any.

10 (b) The committee may provide in the bond resolution for the creation of a
 11 bond reserve account within the redemption fund to further secure the repayment of
 12 principal and interest on the bonds. Amounts deposited in the reserve account shall be
 13 derived from bond proceeds or other money legally available from state sources.

14 (c) Money in the bond redemption fund may be invested in the same manner
 15 and on the same conditions as permitted for investment of money belonging to the
 16 state or held in the treasury under AS 37.10.070; however, the committee may agree
 17 with the bondholders to further limit these investments. Earnings on investments must
 18 be retained in the bond redemption fund.

19 **Sec. 37.15.773. Bond terms.** (a) The bonds may be issued and sold at public
 20 or negotiated sale in the manner, in the amounts or series, and at the time or times that
 21 the committee determines. The bonds, or each series of them, shall be sold at the price
 22 and upon the terms, conditions, and covenants set by the committee after considering
 23 market conditions. Interest rates may be fixed or variable.

24 (b) The bonds mature at the time or times fixed by the committee. The bonds
 25 may be subject to redemption before their fixed maturities, in the manner and under
 26 the conditions established by the committee, with or without a premium or premiums.
 27 The bonds may be in denominations determined by the committee and may be issued
 28 in fully or partially registered form. The bonds must be

29 (1) payable as to principal and interest at the place or places
 30 determined by the committee;

31 (2) signed on behalf of the state in the manner provided by the

1 committee;

2 (3) issued under and subject to the terms, conditions, covenants, and
3 protective features safeguarding payment of the bonds and relating to the funding of
4 projects as found necessary by the committee, including covenants requiring the
5 setting aside and maintenance of certain reserves to secure the payment of principal
6 and interest, all under regulations and conditions of the committee.

7 (c) The committee may pledge to the payment of the principal of and interest
8 on bonds issued by the committee part or all of the legally available money or other
9 assets on hand in the Alaska sport fishing enterprise account and, on a subordinate lien
10 basis, other legally available money in the fish and game fund; the proceeds of the sale
11 of bonds; and money on hand in the bond redemption funds. Revenue of the Alaska
12 sport fishing enterprise account and fish and game fund if so pledged, must be paid
13 into the bond redemption fund, as appropriate.

14 (d) If the committee finds it reasonably necessary, the committee may select a
15 trustee or trustees for the holders of the bonds, for the safeguarding and disbursement
16 of any of the money in the bond redemption funds created by AS 37.15.770, or for
17 duties with respect to the enforcement, authentication, delivery, payment, and
18 registration of the bonds as the committee may determine. The committee shall fix the
19 rights, duties, powers, and obligations of the trustee or trustees.

20 (e) In its determination of all matters and questions relating to the issuance
21 and sale of the bonds and the fixing of their maturities, terms, conditions, and
22 covenants as provided in (a) - (d) of this section, the decisions of the committee shall
23 be those that are reasonably necessary for the best interests of the state and its
24 inhabitants and that will accomplish the most advantageous sale of the bonds.
25 Decisions of the committee, as expressed in a bond resolution, are final and are
26 conclusively considered to comply with the requirements of state law.

27 (f) A bond resolution may provide that the bonds issued must contain a recital
28 that they are issued under AS 37.15.765 - 37.15.799, and a bond containing this recital
29 is conclusively considered to be valid and to have been issued in conformity with
30 AS 37.15.765 - 37.15.799.

31 **Sec. 37.15.777. Bond resolution.** The committee shall authorize the issuance

1 of bonds by adopting a resolution and shall prepare all other documents and
 2 proceedings necessary for the issuance, sale, and delivery of the bonds or any part or
 3 series of them. The bond resolution may provide for delegation of authority to
 4 establish the final terms of the bonds, including the terms identified in AS 37.15.773,
 5 upon reasonable conditions established by the committee.

6 **Sec. 37.15.780. Pledge of the state.** The state pledges to and agrees with the
 7 holders of bonds issued by the committee under AS 37.15.765 - 37.15.799 that the
 8 state will not limit or alter the rights and powers vested in the committee by
 9 AS 37.15.765 - 37.15.799 to fulfill the terms of any contract made by the committee
 10 with the holders or in any way impair the rights and remedies of the holders until the
 11 principal amount of the bonds, together with the interest on them with interest on
 12 unpaid installments of interest, are fully met and discharged. The committee may
 13 include this pledge and agreement of the state in a contract with the holders.

14 **Sec. 37.15.783. Amounts required for payments.** The committee shall,
 15 before June 30 of each year or from time to time within the year, as appropriate,
 16 beginning with the year in which the bonds are issued, certify to the commissioner of
 17 revenue and the commissioner of fish and game the amounts required in the current
 18 fiscal year and the next ensuing fiscal year by the bond resolution or resolutions to be
 19 paid out of the Alaska sport fishing enterprise account into the bond redemption fund
 20 and to be paid into and maintained in any reserve fund or account or other fund or
 21 account created by the bond resolution or resolutions, and shall also certify to the
 22 commissioners the last date or dates upon which payments may be made.

23 **Sec. 37.15.787. Purposes and sufficiency of revenue.** The proceeds of
 24 bonds may be used for the purposes described in AS 16.05.092. Bonds may not be
 25 issued unless the committee first finds that revenue to be derived from revenue
 26 dedicated to the Alaska sport fishing enterprise account will be sufficient, together
 27 with other available money, to comply with all covenants of the bond resolutions.

28 **Sec. 37.15.790. Refunding.** (a) The committee may refund the bonds or any
 29 part of them at or before their maturities or redemption dates by the issuance of
 30 refunding revenue bonds of the state if, in the opinion of the committee, refunding is
 31 advantageous to and in the best interest of the state and its inhabitants.

1 (b) The issuance of refunding bonds need not be authorized by the voters of
 2 the state or by an act of the legislature. The committee shall adopt the resolution or
 3 resolutions and prepare all other documents and proceedings necessary for the
 4 issuance, exchange or sale, and delivery of the refunding bonds. All provisions of
 5 AS 37.15.765 - 37.15.799, applicable to revenue bonds are applicable to the refunding
 6 bonds and to the issuance, sale, or exchange of refunding bonds, except as otherwise
 7 provided in this section.

8 (c) Refunding bonds may be issued in a principal amount sufficient to provide
 9 money for the advance or current refunding of all bonds to be refunded and interest on
 10 the refunded bonds and, in addition, for the payment of all costs of issuance and
 11 administration of the refunding bonds. These expenses also include the difference in
 12 amount between the par value of the refunding bonds and any amount less than par for
 13 which the refunding bonds are sold; the premium, if any, necessary to be paid in order
 14 to call or retire the outstanding bonds and the interest accruing on them to date of the
 15 call or retirement; and other such costs. The committee is authorized to incur such
 16 expenses.

17 (d) The committee may contract with a refunding trustee to hold the proceeds
 18 of refunding bonds in trust until the proceeds, together with earnings on the proceeds,
 19 are applied to pay the principal of, premium, if any, and interest on the bonds to be
 20 refunded. Until the refunding bond proceeds are applied, the proceeds may be
 21 invested in direct obligations of, or obligations guaranteed by, the United States or an
 22 agency or corporation of the United States whose obligations constitute direct
 23 obligations of, or obligations guaranteed by, the United States.

24 **Sec. 37.15.793. Bonds as legal investments.** The bonds are legal investments
 25 for all banks, trust companies, savings banks, savings and loan associations, and other
 26 persons carrying on a banking business, all insurance companies and other persons
 27 carrying on an insurance business, and all executors, administrators, trustees, and other
 28 fiduciaries. The bonds may be accepted as security for deposits of all money of the
 29 state and its political subdivisions.

30 **Sec. 37.15.799. Definitions.** In AS 37.15.765 - 37.15.799,

31 (1) "Alaska sport fishing construction account" means the Alaska sport

1 fishing construction account established in the fish and game fund under
2 AS 16.05.130(f);

3 (2) "Alaska sport fishing enterprise account" means the Alaska sport
4 fishing enterprise account established in the fish and game fund under
5 AS 16.05.130(e);

6 (3) "bond redemption fund" means the Alaska fish and game revenue
7 bond redemption fund established in AS 37.15.770;

8 (4) "bond resolution" means the resolution or resolutions adopted by
9 the committee under AS 37.15.777 authorizing the issuance of bonds;

10 (5) "bonds" means the revenue bonds authorized in AS 37.15.765 -
11 37.15.799;

12 (6) "commissioner of revenue" means the principal executive officer of
13 the Department of Revenue as provided in AS 44.25.010, or a successor;

14 (7) "commissioner of fish and game" means the principal executive
15 officer the Department of Fish and Game as provided in AS 44.39.010, or a successor;

16 (8) "committee" means the state bond committee created in
17 AS 37.15.110 or any other committee, body, department, or officer of the state that
18 succeeds to the rights, powers, duties, and obligations of the state bond committee by
19 lawful act of the legislature;

20 (9) "costs of issuance and administration" means all costs associated
21 with issuance and administration of Alaska sport fishing facility revenue bonds, and
22 refunding bonds, including costs of bond printing, official statements, financial
23 advisors, travel costs, rating agencies, bond insurance, letters and lines of credit for
24 credit enhancement, underwriters, legal services, paying agents, bonds registrars, bond
25 and escrow trustees, arbitrage rebate, and all other costs, including administrative
26 costs, both direct and indirect.

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

29 DUTY OF COMMISSIONER OF REVENUE TO NOTIFY AND REVISOR'S
30 INSTRUCTIONS. (a) The commissioner of revenue shall notify the lieutenant governor and
31 the revisor of statutes of the date that the principal amount of the bonds issued under

1 AS 37.15.765 - 37.15.799, enacted by sec. 5 of this Act, together with the interest on them
2 and any interest owing on unpaid installments of interest, and all other obligations with
3 respect to the bonds, are fully met and discharged.

4 (b) The revisor of statutes shall replace the pertinent text of AS 16.05.340(j), enacted
5 by sec. 4 of this Act, with the calendar year of the date provided under (a) of this section.