

SENATE BILL NO. 194

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 5/4/05

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing financing for certain public transportation projects; giving notice
2 of and approving the entry into, and the issuance of revenue obligations that provide
3 participation in, lease-financing agreements for those transportation projects; and
4 providing for an effective date."

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

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

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

PROJECT	ALLOCATION
(1) Anchorage: Glenn Highway congestion	\$ 37,500,000

1	(2) Anchorage: Tudor-Bragaw intersection improvements	9,000,000
2	(3) Copper River Highway rehabilitation	5,000,000
3	(4) Dalton Highway Washington Creek Bridge	5,000,000
4	(5) Fairbanks North Star Borough: University-Geist intersection	5,000,000
5	(6) Fairbanks: Shaw Creek Bridge on Richardson Highway	3,500,000
6	(7) Fairbanks: Richardson Highway Northbound Chena	16,000,000
7	(#1364) Overflow Bridge	
8	(8) Kenai Peninsula Borough: Kalifornsky Beach Road	19,000,000
9	rehabilitation	
10	(9) Matanuska-Susitna Borough: Multi-modal alternate	2,000,000
11	Parks Highway and Alaska Railroad corridors	
12	(10) Matanuska-Susitna Borough: Palmer-Wasilla Highway	6,000,000
13	expansion	
14	(11) Richardson Highway passing lane additions	7,500,000
15	mileposts 265 - 341	

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

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

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

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

28 (b) The legislature intends that federal money in the form of apportionments from the
29 Federal Highway Administration for federal highway grants will provide enough revenue to
30 the general fund to make substantially all of the lease payments; however, if that revenue
31 source is insufficient, the payments may be made from any other valid revenue source, subject

1 to appropriation.

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

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

8 (b) The state bond committee is authorized to provide for the issuance of revenue
9 obligations in one or more series in the aggregate principal amount of \$116,620,000 for the
10 costs of construction of the projects described in sec. 1 of this Act. The principal amount
11 includes the estimated cost of \$115,500,000 for constructing, acquiring, and equipping the
12 projects described in sec. 1 of this Act; and an amount for the cost of issuing the revenue
13 obligations of \$1,120,000. The estimated annual amount of rental obligations under the lease-
14 financing agreements is \$11,475,000. The estimated total lease payments for the full term of
15 the lease-financing agreements is \$172,125,000.

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

19 (d) 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 uncodified 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.** This Act takes effect July 1, 2005.