

CS FOR SENATE BILL NO. 236(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 2/3/06

Referred: Rules

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

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to subsidiary corporations of the Alaska Housing Finance Corporation**
2 **and to the dividend paid to the state by the Alaska Housing Finance Corporation; and**
3 **providing for an effective date."**

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

5 * **Section 1.** AS 18.56.086 is amended to read:

6 **Sec. 18.56.086. Creation of subsidiaries.** The corporation may create
7 subsidiary corporations for the purpose of financing or facilitating the financing of
8 school construction, facilities for the University of Alaska, [OR] facilities for ports
9 and harbors, or other capital projects. A subsidiary corporation created under this
10 section may be incorporated under AS 10.20.146 - 10.20.166. The corporation may
11 transfer assets of the corporation to a subsidiary created under this section. A
12 subsidiary created under this section may borrow money and issue bonds as evidence
13 of that borrowing and has all the powers of the corporation that the corporation grants
14 to it. Unless otherwise provided by the corporation, the debts, liabilities, and

1 obligations of a subsidiary corporation created under this section are not the debts,
2 liabilities, or obligations of the corporation.

3 * **Sec. 2.** AS 18.56.089(c) is amended to read:

4 (c) The corporation shall make a dividend available to the state each fiscal
5 year. The corporation shall pay the dividend for a current fiscal year to the state before
6 the end of that fiscal year. The legislature may appropriate the dividend for capital
7 projects. The corporation shall notify the commissioner of revenue of the amount of
8 each dividend under this subsection for inclusion in the state operating budget and
9 shall also notify the commissioner when each dividend is available for payment to the
10 state. The amount of the dividend for a current fiscal year is calculated as follows:

11 (1) the lesser of \$103,000,000 or 75 percent of the **adjusted change in**
12 **net assets** [NET INCOME] of the corporation for the base fiscal year;

13 (2) minus the amount of money from the corporation used during that
14 current fiscal year for bond repayment and other costs related to the bonds issued
15 under

16 (A) ch. 26, SLA 1996, up to a maximum of \$1,000,000;

17 (B) sec. 10(b), ch. 130, SLA 2000;

18 (C) sec. 1, ch. 1, SSSLA 2002;

19 (D) sec. 4, ch. 120, SLA 2004; and

20 (3) minus any appropriation of unrestricted unencumbered money of
21 the corporation during the current fiscal year, other than an appropriation for the
22 corporation's operating budget.

23 * **Sec. 3.** AS 18.56.089(d) is amended by adding a new paragraph to read:

24 (4) "adjusted change in net assets" means the change in net assets from
25 the base fiscal year, adjusted for capital expenditures incurred during the base fiscal
26 year.

27 * **Sec. 4.** The uncodified law of the State of Alaska enacted in sec. 2, ch. 76, SLA 2003, as
28 amended by sec. 3, ch. 120, SLA 2004, is amended to read:

29 Sec. 2. TRANSITION: PHASE-IN OF AMOUNT OF DIVIDEND. (a)
30 Notwithstanding the amount of the annual dividend under AS 18.56.089(c), the
31 dividend is calculated as follows for the following years:

1 (1) fiscal year 2004:

2 (A) \$103,000,000;

3 (B) minus the amount of money from the Alaska Housing
4 Finance Corporation used during fiscal year 2004 for bond repayments and
5 other costs related to the bonds issued under

6 (i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;

7 (ii) sec. 2, ch. 129, SLA 1998;

8 (iii) sec. 10(b), ch. 130, SLA 2000;

9 (iv) sec. 1, ch. 1, SSSLA 2002;

10 (v) sec. 4, **ch. 120, SLA 2004** [OF THIS ACT]; and

11 (C) minus any appropriation of unrestricted, unencumbered
12 money of the corporation during fiscal year 2004, other than an appropriation
13 for the corporation's operating budget;

14 (2) fiscal year 2005:

15 (A) \$103,000,000;

16 (B) minus the amount of money from the Alaska Housing
17 Finance Corporation used during fiscal year 2005 for bond repayments and
18 other costs related to the bonds issued under

19 (i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;

20 (ii) sec. 2, ch. 129, SLA 1998;

21 (iii) sec. 10(b), ch. 130, SLA 2000;

22 (iv) sec. 1, ch. 1, SSSLA 2002;

23 (v) sec. 4, **ch. 120, SLA 2004** [OF THIS ACT]; and

24 (C) minus any appropriation of unrestricted, unencumbered
25 money of the corporation during fiscal year 2005, other than an appropriation
26 for the corporation's operating budget;

27 (3) fiscal year 2006:

28 (A) \$103,000,000;

29 (B) minus the amount of money from the Alaska Housing
30 Finance Corporation used during fiscal year 2006 for bond repayments and
31 other costs related to the bonds issued under

- 1 (i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;
 2 (ii) sec. 2, ch. 129, SLA 1998;
 3 (iii) sec. 10(b), ch. 130, SLA 2000;
 4 (iv) sec. 1, ch. 1, SSSLA 2002;
 5 (v) sec. 4, **ch. 120, SLA 2004** [OF THIS ACT]; and

6 (C) minus any appropriation of unrestricted, unencumbered
 7 money of the corporation during fiscal year 2006, other than an appropriation
 8 for the corporation's operating budget;

9 (4) fiscal year 2007:

10 (A) the lesser of \$103,000,000 or 95 percent of the **adjusted**
 11 **change in net assets** [NET INCOME] of the Alaska Housing Finance
 12 Corporation for fiscal year 2005;

13 (B) minus the amount of money from the Alaska Housing
 14 Finance Corporation used during fiscal year 2007 for bond repayments and
 15 other costs related to the bonds issued under

- 16 (i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;
 17 (ii) sec. 10(b), ch. 130, SLA 2000;
 18 (iii) sec. 1, ch. 1, SSSLA 2002;
 19 (iv) sec. 4, **ch. 120, SLA 2004** [OF THIS ACT]; and

20 (C) minus any appropriation of unrestricted, unencumbered
 21 money of the corporation during fiscal year 2007, other than an appropriation
 22 for the corporation's operating budget;

23 (5) fiscal year 2008:

24 (A) the lesser of \$103,000,000 or 85 percent of the **adjusted**
 25 **change in net assets** [NET INCOME] of the Alaska Housing Finance
 26 Corporation for fiscal year 2006;

27 (B) minus the amount of money from the Alaska Housing
 28 Finance Corporation used during fiscal year 2008 for bond repayments and
 29 other costs related to the bonds issued under

- 30 (i) ch. 26, SLA 1996, up to a maximum of \$1,000,000;
 31 (ii) sec. 10(b), ch. 130, SLA 2000;

- 1 (iii) sec. 1, ch. 1, SSSLA 2002;
- 2 (iv) sec. 4, ch. 120, SLA 2004 [OF THIS ACT]; and
- 3 (C) minus any appropriation of unrestricted, unencumbered
- 4 money of the corporation during fiscal year 2008, other than an appropriation
- 5 for the corporation's operating budget.
- 6 (b) For purposes of this section, "adjusted change in net assets" ["NET
- 7 INCOME"] has the meaning set out in AS 18.56.089(d).
- 8 * **Sec. 5.** AS 18.56.089(d)(3) is repealed.
- 9 * **Sec. 6.** This Act takes effect July 1, 2006.