

**MINUTES**  
**SENATE FINANCE COMMITTEE**  
**May 15, 2005**  
**3:17 p.m.**

**CALL TO ORDER**

Co-Chair Green convened the meeting at approximately [3:17:55 PM](#).

**PRESENT**

Senator Lyda Green, Co-Chair  
Senator Gary Wilken, Co-Chair  
Senator Fred Dyson  
Senator Bert Stedman  
Senator Lyman Hoffman

**Also Attending:** CHERYL FRASCA, Director, Office of Management and Budget, Office of the Governor; TOM BOUTIN, Deputy Commissioner, Department of Revenue

**Attending via Teleconference:** There were no teleconference participants.

**SUMMARY INFORMATION**

SB 121-STATE OF AK CAPITAL CORP.; BONDS

The Committee heard from the Office of Management and Budget and the Department of Revenue. The bill was reported from Committee.

SB 122-AMERADA HESS INCOME; CAPITAL INCOME ACCT.

The Committee heard from the Office of Management and Budget and the Department of Revenue. The bill was reported from Committee.

SB 97-SUPPLEMENTAL APPROPRIATIONS/CBR

This bill was scheduled but not heard.

SB 46-APPROP: CAPITAL BUDGET

This bill was scheduled but not heard.

#sb121  
#sb122

[3:18:21 PM](#)

SENATE BILL NO. 121

"An Act establishing the State of Alaska Capital Corporation; authorizing the issuance of bonds by the State of Alaska Capital Corporation to finance capital improvements in the state; and providing for an effective date."

This was the second hearing for this bill in the Senate Finance Committee.

CHERYL FRASCA, Director, Office of Management and Budget, Office of the Governor, spoke to this bill and SB 122. SB 121 would establish a corporation through which the State could issue bonds using the proceeds of the commonly referred to "Amerada Hess" settlement the State received in the 1990s. She indicated the background information describing this proposal [copy on file] and how the corporation would operate. She also noted that the Department of Revenue detailed the process to the Committee at the previous hearing.

Ms. Frasca continued that SB 122 would establish the capital income account into which the earnings from the Amerada Hess settlement would be deposited. From this account, the proposed corporation would pay the debt service on issued bonds.

[3:19:30 PM](#)

Co-Chair Green recalled the extensive discussion on this proposal.

[3:19:33 PM](#)

TOM BOUTIN, Deputy Commissioner, Department of Revenue, indicated he had nothing to add.

[3:19:50 PM](#)

Co-Chair Wilken offered a motion to report the bill from Committee with individual recommendations and accompanying fiscal note.

There was no objection and SB 121 MOVED from Committee with fiscal note #1 for \$16,492,900 from the Department of Revenue.

[3:20:05 PM](#)

SENATE BILL NO. 122

"An Act establishing the Alaska capital income account within the Alaska permanent fund; relating to deposits into the account; relating to certain transfers regarding the Amerada Hess settlement to offset the effects of inflation on the Alaska permanent fund; and providing for an effective date."

This was the second hearing for this bill in the Senate Finance Committee.

Co-Chair Green established the Committee had no further questions and that no one was present to testify.

[3:20:18 PM](#)

Co-Chair Wilken offered a motion to report the bill from Committee with individual recommendations and accompanying fiscal note.

Without objection SB 122 MOVED from Committee with zero fiscal note #1 from the Department of Revenue.

AT EASE [3:20:33 PM](#) / [5:02:35 PM](#)

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#### **ADJOURNMENT**

Co-Chair Green adjourned the meeting at 05:02 PM