

SENATE BILL NO. 301

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 3/10/08

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act providing notice of and authorization for the Department of Administration to
2 enter into a lease-purchase agreement for the construction, the purchase of equipment,
3 and the financing of a fish hatchery in Anchorage to be operated by the Department of
4 Fish and Game; relating to the issuance of certificates of participation for the fish
5 hatchery; authorizing payments for the lease-purchase agreement from sport fishing
6 facility license surcharge fees; relating to capital lease financing of sport fishing
7 facilities; and providing for an effective date."

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

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

11 FINDINGS, INTENT, AND PURPOSE. (a) The legislature finds that
12 (1) sport fishing is an important part of the lifestyle of this state, and
13 contributes more than \$1 billion a year to the state's economy;

1 (2) sport fish hatcheries play an important part in fisheries management in this
2 state by enhancing existing fisheries and creating new, easily accessible roadside fisheries that
3 reduce pressure on wild stocks;

4 (3) the two existing hatcheries in Anchorage provide fish for stocking at more
5 than 300 sites throughout the southcentral and interior regions of this state;

6 (4) the ability of these hatcheries to produce fish to meet existing demand was
7 put in jeopardy when nearby military bases shut down their power plants that had been a vital
8 source of heat at no cost for accelerating fish growth;

9 (5) in 2005, the legislature recognized that the best way for the Department of
10 Fish and Game to continue to provide sport fish for anglers of this state was to build new
11 hatcheries in Fairbanks and Anchorage and authorized the issuance of revenue bonds to
12 finance their construction through the enactment of ch. 94, SLA 2005;

13 (6) the state bond committee issued revenue bonds under ch. 94, SLA 2005
14 and at least \$21,000,000 of the proceeds of those bonds are currently assigned to a new fish
15 hatchery to be located in Anchorage; and

16 (7) the capital investment in sport fish hatcheries authorized by ch. 94, SLA
17 2005 and this Act would solidify the heritage of recreational angling in this state well into the
18 future.

19 (b) It is the intent of the legislature that the assignment of revenue bond money
20 received through ch. 94, SLA 2005 along with the proceeds of the certificates of participation
21 to be issued by the state bond committee under sec. 5 of this Act, including any investment
22 income earned, be used to construct the fish hatchery in Anchorage. It is also the intent of the
23 legislature that the amount of money to be used for the construction and equipping of the new
24 fish hatchery in Anchorage is \$100,000,000. Of that amount, it is further the intent of the
25 legislature that

26 (1) at least \$21,000,000 shall come from the Alaska sport fishing construction
27 account (AS 16.05.130(f));

28 (2) approximately \$9,000,000 shall come from the investment income earned
29 on the proceeds of the sale of the bonds described in (a) of this section; and

30 (3) up to \$70,000,000 shall come from the proceeds of the certificates of
31 participation to be issued by the state bond committee described in sec. 5 of this Act.

1 (c) The purpose of secs. 5 and 6 of this Act is to provide notice of and authorize the
 2 Department of Administration to enter into a lease-purchase agreement for the construction
 3 of, the purchase of equipment for, and the financing of a fish hatchery in Anchorage.

4 * **Sec 2.** AS 16.05.100 is amended to read:

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

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

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

13 [AND]

14 (3) **to make lease payments for capital leases that finance the**
 15 **construction and renovation of fisheries rehabilitation, enhancement, and**
 16 **development projects that benefit sport fishing; and**

17 (4) to carry out the purposes and objectives within the scope of this
 18 title except AS 16.51 and AS 16.52 as may be directed by the donor of any such funds.

19 * **Sec. 3.** AS 16.05.130(e) is amended to read as follows:

20 (e) Money accruing to the state from the sport fishing facility surcharge
 21 imposed under AS 16.05.340(j) shall be deposited in a separate account known as the
 22 Alaska sport fishing enterprise account within the fish and game fund. Money in the
 23 enterprise account shall be allocated to sport fishing facilities intended to directly
 24 benefit license purchasers. Money in the enterprise account may be pledged to pay the
 25 principal of and interest on revenue bonds issued under AS 37.15.765 - 37.15.799 **and**
 26 **on a subordinate basis may be pledged to the payment of capital leases.** The
 27 commissioner shall seek authority for the transfer of amounts determined under
 28 AS 37.15.783 from the enterprise account to the redemption fund established in
 29 AS 37.15.770.

30 * **Sec. 4.** AS 16.05.340(j) is amended to read:

31 (j) In addition to the fees for a sport fishing license set out in (a) and (d) of this

1 section, each person who purchases a sport fishing license shall pay a sport fishing
 2 facility surcharge as set out in this subsection for the purpose of providing funding for
 3 sport fishing facilities. A person who is eligible for a \$5 resident hunting, trapping,
 4 and sport fishing license under (a)(6) of this section or a free license under
 5 AS 16.05.341 is exempt from payment of the surcharge imposed under this subsection.
 6 The surcharge authorized by this subsection shall take effect on the date established by
 7 regulation by the commissioner. The authority of the department to collect the
 8 surcharge under this subsection terminates on December 31 of the calendar year in
 9 which the principal amount of the bonds issued under AS 37.15.765 - 37.15.799,
 10 together with the interest on them and any interest owing on unpaid installments of
 11 interest, and all other obligations with respect to the bonds, are fully met and
 12 discharged, **and any sport fishing facility capital lease financed by the surcharge is**
 13 **fully paid and no longer outstanding.** The amount of the surcharge attached to each
 14 sport fishing license must be clearly disclosed on the sport fishing license. The amount
 15 of the sport fishing facility surcharge to be paid for each sport fishing license is as
 16 follows:

- 17 (1) resident sport fishing license \$ 9
- 18 (2) resident hunting and sport fishing license 9
- 19 (3) resident hunting, trapping, and sport fishing license..... 9
- 20 (4) nonresident 14-day sport fishing license 30
- 21 (5) nonresident seven-day sport fishing license 25
- 22 (6) nonresident three-day sport fishing license 15
- 23 (7) nonresident one-day sport fishing license 10
- 24 (8) nonresident annual sport fishing license..... 45
- 25 (9) special nonresident military small game and sport
 26 fishing license 9
- 27 (10) special nonresident military sport fishing license 9.

28 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
 29 read:

30 NOTICE AND APPROVAL OF ENTRY INTO AND FINANCING OF A LEASE-
 31 PURCHASE AGREEMENT. (a) Subject to annual appropriation, with the primary sources of

1 repayment intended to be general fund monies and the sport fishing facility surcharge
2 established under AS 16.05.340(j), the Department of Administration is authorized to enter
3 into a lease-purchase agreement for a fish hatchery in Anchorage to be constructed under the
4 lease-purchase agreement and to be operated by the Department of Fish and Game.

5 (b) The state bond committee is authorized to provide for the issuance of certificates
6 of participation in one or more series in the aggregate principal amount of up to \$70,000,000
7 for the construction of a fish hatchery in Anchorage under the lease-purchase agreement
8 authorized in (a) of this section. The anticipated total cost of construction, acquisition, and
9 other costs of the project is \$100,000,000. The anticipated annual amount of rental obligations
10 under the lease-purchase agreement is \$5,100,000. The anticipated total lease payments for
11 the full term of the lease-purchase agreement is \$125,637,000. In this subsection, "cost of
12 construction" includes credit enhancement and underwriting expenses, rating agency fees,
13 bond counsel fees, financial advisor fees, printing fees, advertising fees, capitalized interest,
14 and interest earnings used for lease payments.

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

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

20 NOTICE AND APPROVAL OF AGREEMENT. Section 5 of this Act constitutes the
21 notice and approval required by AS 36.30.085.

22 * **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).