

CS FOR HOUSE BILL NO. 44(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/11/09

Referred: Rules

Sponsor(s): REPRESENTATIVES CHENAULT, AND PEGGY WILSON, Harris, Muñoz, Johnson, Gara, Neuman, Millett

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to investments applicable to energy; authorizing the Alaska Permanent**
2 **Fund Corporation to make in-state energy project investments; and authorizing certain**
3 **public corporations to issue bonds for energy projects."**

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

5 *** Section 1.** AS 18.56.089(c) is amended to read:

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

13 (1) the lesser of \$103,000,000 or 75 percent of the adjusted change in
14 net assets of the corporation for the base fiscal year;

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

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

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

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

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

8 **(E) sec. 3 of this Act;** and

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

12 * **Sec. 2.** AS 37.13.120 is amended by adding a new subsection to read:

13 (f) The board may invest an amount not to exceed \$1,000,000,000 of the
 14 assets of the fund in in-state energy project investments, to the extent that in-state
 15 energy project investments are available and the projects are eligible for investment of
 16 fund assets under (a) of this section.

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

19 ALASKA HOUSING FINANCE CORPORATION: LEGISLATIVE
 20 AUTHORIZATION AND APPROVAL OF ENERGY EFFICIENCY AND
 21 CONSERVATION PROGRAM BONDS. (a) The Alaska Housing Finance Corporation is
 22 authorized to issue bonds under the power granted to it in AS 18.56.110 to establish energy
 23 efficiency and conservation programs for all homeowners. The maximum principal amount of
 24 bonds that the Alaska Housing Finance Corporation may issue under this section is
 25 \$100,000,000. The Alaska Housing Finance Corporation may issue the bonds in a single
 26 issuance or in several issuances, without limitation as to number of issuances or timing, and as
 27 the Alaska Housing Finance Corporation determines best furthers the purpose of financing the
 28 programs described in this section. The Alaska Housing Finance Corporation shall negotiate
 29 with interested parties and shall enter into agreements with interested parties to provide
 30 revenue sufficient to accomplish the purposes described in this subsection.

31 (b) This section constitutes the approval required by AS 18.56.110(g) for the issuance

1 of the bonds described in this section.

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

4 ALASKA NATURAL GAS DEVELOPMENT AUTHORITY: LEGISLATIVE
5 AUTHORIZATION AND APPROVAL OF BONDS FOR NATURAL GAS PROJECTS TO
6 ENSURE ENERGY SUFFICIENCY. (a) Subject to (b) of this section, the Alaska Natural
7 Gas Development Authority is authorized to issue bonds under the power granted to it in
8 AS 41.41.300 to acquire a gas supply, develop the Cook Inlet and Fairbanks markets, and
9 plan, permit, and design gas transmission systems to mitigate gas shortfalls, the effect on
10 consumers, and the economy of high cost energy, and ensure energy sufficiency for Alaskans.
11 The maximum principal amount of bonds that the Alaska Natural Gas Development Authority
12 may issue under this section is \$250,000,000. The Alaska Natural Gas Development
13 Authority may issue the bonds in a single issuance or in several issuances, without limitation
14 as to number of issuances or timing, and as the Alaska Natural Gas Development Authority
15 determines best furthers the purpose of financing the projects described in this section. The
16 Alaska Natural Gas Development Authority shall negotiate with interested parties and shall
17 enter into agreements with interested parties to provide revenue sufficient to accomplish the
18 purposes described in this subsection.

19 (b) Bonds may not be issued under (a) of this section without the prior written
20 approval of the Legislative Budget and Audit Committee.

21 (c) This section constitutes the approval required by AS 41.41.320 for the issuance of
22 the bonds described in this section.