

HOUSE BILL NO. 208

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE EDGMON

Introduced: 4/14/13
Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act authorizing the state bond committee to issue certificates of participation to**
2 **finance the construction and equipping of the Maniilaq Association Kotzebue Primary**
3 **Care Clinic; and authorizing the Department of Administration to enter into a lease-**
4 **purchase agreement for the benefit of the Maniilaq Association."**

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 INTENT. It is the intent of the legislature that the amount of money to be used for
9 construction and equipping of the Maniilaq Association Kotzebue Primary Care Clinic is
10 \$9,700,000 plus investment income. It is the intent of the legislature that

11 (1) \$9,700,000 come from the proceeds of the certificates of participation to
12 be issued by the state bond committee;

13 (2) subject to appropriation, investment income earned on the proceeds of the
14 sale of the certificates of participation be applied to the project;

1 (3) title to the project and the leasehold interest of the state remain with the
2 State of Alaska until the certificates of participation are repaid, at which time title will be
3 transferred to the Maniilaq Association for no additional consideration and the state's
4 leasehold interest shall terminate;

5 (4) the design, construction, operations, and maintenance of the facility be the
6 responsibility of the Maniilaq Association; and

7 (5) issuance of the certificates of participation be contingent on the signing of
8 a memorandum of agreement between the Maniilaq Association and the State of Alaska and
9 payments on the certificates of participation be subject to appropriation.

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

12 NOTICE AND APPROVAL OF ENTRY INTO AND FINANCING OF A LEASE-
13 PURCHASE AGREEMENT. (a) Subject to annual appropriation, the Department of
14 Administration is authorized to enter into a lease-purchase agreement for a primary care clinic
15 to be constructed and equipped under the lease-purchase agreement and to be operated by the
16 Maniilaq Association.

17 (b) The state bond committee is authorized to provide for the issuance of certificates
18 of participation in one or more series in the aggregate principal amount of \$9,700,000 for the
19 construction and equipping of the primary care clinic under the lease-purchase agreement
20 authorized in (a) of this section. The remaining balance of the cost of construction and
21 equipping shall be paid from investment income earned on the proceeds from the sale of the
22 certificates of participation. In this subsection, "cost of construction" includes credit
23 enhancement and underwriting expenses, rating agency fees, bond counsel fees, financial
24 advisor fees, printing fees, advertising fees, capitalized interest, and interest earnings used for
25 lease payments.

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

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

31 APPROVAL OF AGREEMENT. Section 2 of this Act constitutes the approval

1 required by AS 36.30.085 of the agreement described in sec. 2 of this Act.