

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	SB 97
Fiscal Note Number:	1
(S) Publish Date:	4/4/2017

Identifier: SB097-DOR-TRS-03-24-17
Title: PENSION OBLIGATION BONDS
Sponsor: FINANCE
Requester: (S)FINANCE COMMITTEE

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By: Ryan Williams, Operations Research Analyst
Division: Treasury Division
Approved By: Jerry Burnett, Deputy Commissioner
Agency: Department of Revenue

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

The bill stipulates a new requirement to submit a proposal regarding Pension Obligation Bond (POB) issuance to the Legislative Budget and Audit Committee (LB&A). In addition, new subsections define that 45 days shall elapse before POBs are issued, unless LB&A recommends to proceed with the issuance sooner. If there is a recommendation to not proceed within that 45 day window, the subsidiary corporation shall again review the proposal and provide LB&A with a statement of reasons if moving forward with a POB transaction.

The bill reduces the POB limit from \$5 billion to \$2.5 billion (not to exceed).

The time implications of the LB&A process are not likely to impact ability to take advantage of a favorable interest rate environment, though it is possible.

This legislation will have zero fiscal impact on the department.