

# Fiscal Note

State of Alaska  
2019 Legislative Session

Bill Version:	SB 59
Fiscal Note Number:	2
(S) Publish Date:	2/13/2019

Identifier: 20192001181-DOR-TRSY-2-12-2019  
 Title: REPEAL DEBT REIMBURSEMENT: CAP.  
 PROJECTS  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

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)

	FY2020	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2020 Request	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>OPERATING EXPENDITURES</b>	<b>FY 2020</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2019) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2020) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** no  
*(Supplemental/Capital/New Fund - 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 If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version/comments:

Not applicable, initial version based on the 2-13-19 Governor's FY2020 request.

Prepared By:	Deven Mitchell, Debt Manager	Phone:	(907)465-3750
Division:	Treasury	Date:	02/12/2019 12:00 PM
Approved By:	Brad Ewing, Administrative Services Director	Date:	02/12/19
Agency:	Office of Management and Budget		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2019 LEGISLATIVE SESSION**Analysis**

The legislation discontinues state reimbursement of University, municipalities, or power generation entities annual debt payments. The reimbursement practice was established in 2002 when House Bill 528 became law. The statute authorized the State to reimburse debt payments, dependent on appropriation by the Legislature. The borrowing entities pledged either a revenue pledge credit or general obligation credit to secure bonds or loans. The entities also acknowledged that State reimbursement payments were subject to appropriation and did not constitute a credit pledge of the State. Accordingly, the State's credit does not secure these entities' debt and the State's credit rating will not be impacted by a discontinuation of the state debt reimbursements.