

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	HB 74
Fiscal Note Number:	1
(H) Publish Date:	2/18/2021

Identifier: 0713-DOR-AHFC-1-15-2021
Title: AHFC WATER & SEWER
BONDS/TRANSPORTATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Revenue
Appropriation: Alaska Housing Finance Corporation
Allocation: AHFC Operations
OMB Component Number: 110

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
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

1004 Gen Fund (UGF)	(6,900.0)		(6,900.0)	(6,900.0)	(6,900.0)	(6,900.0)	(6,900.0)
Total	(6,900.0)	0.0	(6,900.0)	(6,900.0)	(6,900.0)	(6,900.0)	(6,900.0)

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) 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If yes, by what date are the regulations to be adopted, amended or repealed?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.

Prepared By: James Wiedle, Budget Director
Division: Alaska Housing Finance Corporation
Approved By: Brian Fechter, Administrative Services Director
Agency: Department of Revenue

Phone: (907)330-8359
Date: 01/15/2021 04:30 PM
Date: 01/15/2021

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION**Analysis**

The proposed legislation authorizes the issuance of \$101,630.0 in bonds by the Alaska Housing Finance Corporation (AHFC) for safe and clean water and hygienic sewage disposal facility capital projects and highway and airport transportation projects.

Under AS 18.56.089(2)(a), activities of the corporation that relate to the issuance of obligations and the repayment of debt obligations are exempt from the provisions of the Executive Budget Act. These costs are included in the bond authorizations of the bill. Debt service and other costs associated with bonds issued under this legislation will be paid from the annual AHFC dividend to the state general fund under AS 18.56.089(c). This bond issuance will result in a reduction in the annual dividend, reflected on page one of the fiscal note as a reduction in UGF revenue of \$6.9 million. The term of the bonds is expected to be 15-20 years.

The \$6.9 million estimated for annual debt service and other costs is based on a number of assumptions, including future interest rates and bond ratings. Operational costs for issuing and monitoring these bonds will be done with existing personnel and within the authorized operating budget for FY2022 and beyond. No new budget authorizations are necessary with this fiscal note.