

Introduced: 3/5/84  
Referred: Resources and  
Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

SENATE BILL NO. 522

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act specifying how revenues dedicated to the major  
7 projects fund shall be expended; and providing for an  
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. As established in Article IX, Section 17 of the Constitu-  
11 tion of the State of Alaska, the revenues dedicated to the major projects  
12 fund are for financing the construction of hydroelectric and other capital  
13 projects that exceed \$100,000,000 in cost, and an account for the financing  
14 of the power cost assistance fund program. Of the money in the fund:

15 (a) Not less than seventy percent of the annual revenues dedi-  
16 cated to the fund shall be reserved for hydroelectric energy develop-  
17 ment. Hydroelectric energy development consists of capital construc-  
18 tion costs and rate stabilization funds for hydroelectric projects in  
19 the state. The hydroelectric project that will serve the greatest  
20 percentage of the state's population per month and will produce the  
21 greatest number of kilowatt hours shall be the first project funded  
22 under this subsection.

23 (b) Not more than ten percent of the annual revenues dedicated  
24 to the fund shall be used for the power cost assistance program as  
25 provided in AS 44.83.162.-.164. However, at no time may disbursements  
26 to the power cost assistance program fund exceed what is necessary to  
27 provide for power cost stabilization statewide equal to the mean of  
28 the cost per kilowatt hour in Anchorage, Fairbanks, and Juneau as  
29 calculated by the Alaska Public Utility Commission.

1 (c) The Power Cost Assistance Program account shall be used to  
2 fully fund the Power Cost Assistance Program established under AS  
3 44.83.162-164. The Alaska Public Utilities Commission shall calculate  
4 the amount necessary to fully fund the Power Cost Assistance Program  
5 each fiscal year and shall submit through the Alaska Power Authority  
6 the appropriate budget request for consideration by the legislature.

7 (d) During any fiscal year in which the revenues in subsection  
8 (b) are insufficient to meet the obligations in AS 44.83.162-.164, the  
9 legislature may appropriate the amount necessary to satisfy the  
10 obligation in AS 44.83.162-.164.

11 \* Sec. 2. PROJECT AGENCY. The legislature by appropriation or other-  
12 wise shall designate the appropriate agency to administer a project under  
13 the major projects fund.

14 \* Sec. 3. PROJECT PAYBACK. For each project under Article IX, Section  
15 17 of the Constitution of the State of Alaska, the legislature shall  
16 designate a state agency to determine a grace period, if any; rate of  
17 interest, if any; when the project shall begin repayments to the fund; and  
18 public worth or other values of the project and allow a credit for these  
19 values against money appropriated from the fund.

20 \* Sec. 4. REPAYMENT TO MAJOR PROJECT FUND. All repayments and interest  
21 on projects financed from the Fund shall be deposited into the major  
22 projects fund.

23 \* Sec. 5. PRIOR AGREEMENTS. If the executive branch has entered into a  
24 contractual agreement with the project sponsors on a repayment schedule for  
25 a project prior to the enactment of a constitutional amendment creating the  
26 major project fund the agreement satisfies the requirements of this Act.

27 \* Sec. 6. In Article IX, Section 17, the project entitled the Watana  
28 hydroelectric development project shall have a grace period from the date  
29 of operation with a payback period with no interest.

1       \* Sec. 7. Unexpended and unobligated portions of appropriations from  
2 the fund shall lapse back to the major projects fund account from which the  
3 appropriation was made except as otherwise provided in this Act.

4       \* Sec. 8. The appropriations made under Article IX, Section 17 of the  
5 Constitution of the State of Alaska are for capital projects or are other-  
6 wise not one-year appropriations and do not lapse under AS 37.25.010.

7       \* Sec. 9. AS 37.13.120 is amended by adding a new subsection to read:

8               (m) invest and manage the assets of the major projects fund.

9       \* Sec. 10. AS 44.83.398(b)(2) is repealed.

10       \* Sec. 11. This Act takes effect upon passage of a constitutional  
11 amendment creating the major projects fund and a bill appropriating  
12 \$2,535,000,000 for the Watana Dam.