

COMMITTEE REPORT
SENATE

FURTHER:

5/21/84

Date 5/21/84

Mr. President

The Committee on FINANCE considered 13007

and attached a letter of intent

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation



Official Business

Alaska State Legislature

Senate

Committee on Finance

Pouch V
State Capitol
Juneau, Alaska 99811

LETTER OF INTENT

SENATE FINANCE COMMITTEE

It is the intent of the Senate that the Municipal Bond Bank work with the City of Nome and Nome City Schools for the purpose of providing funds for the construction of a new elementary school complex in Nome.

Further, it is the intent of the Senate that the Municipal Bond Bank consider future appropriations from the Legislature when evaluating the financial fitness of the City of Nome.

Introduced: 2/13/84
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 679

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Municipal Bond Bank
7 authority; and providing for an effective date."

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

9 * Section 1. AS 44.85.180(c) is amended to read:

10 (c) Notwithstanding the provisions of (a) and (b) of this
11 section, the total amount of bond bank authority bonds and notes
12 outstanding at any one time, except bonds or notes issued to fund or
13 refund bonds or notes, may not exceed \$300,000,000 [\$200,000,000].

14 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
15 10.070(c).

SENATE LETTER OF INTENT

IT IS THE INTENT OF THE SENATE THAT THE MUNICIPAL BOND
BANK WORK WITH THE CITY OF NOME AND NOME CITY SCHOOLS
FOR THE PURPOSE OF PROVIDING FUNDS FOR THE CONSTRUCTION
OF A NEW ELEMENTARY SCHOOL COMPLEX IN NOME.

FURTHER, IT IS THE INTENT OF THE SENATE THAT THE MUNICIPAL
BOND BANK CONSIDER FUTURE APPROPRIATIONS FROM THE LEGISLATURE
WHEN EVALUATING THE FINANCIAL FITNESS OF THE CITY OF NOME.



name w/ fiscal

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Page 1 of 2

Revision Date _____

REQUEST
 Bill/Resolution No: HB 679
 Title: Relating to the Municipal Bond Bank Authority
 Sponsor: Governor
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Revenue
 Program Category Affected: _____
 BRU, Program of Subprogram(s) Affected: Municipal Bond Bank Authority

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	*	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	*	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	*	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

*The passage of this legislation will ultimately require full funding of \$10 million. At this time, it is difficult to determine if the Bank will have requests to bond into this limit in FY 85.

ANALYSIS: Attach a separate page for analysis.

Prepared By: Marcy Rehfeld
 Division: Revenue

Phone: 465-2300
 Date: 02/10/84

Approved by Commissioner: [Signature]
 Agency: DOR

Date: 2/10/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Page 2 of 2 HB 679

IV. Analysis for Municipal Bond Bank Authority

Additional increase in bonding authority from \$200 million to \$300 million will require an appropriation for funds leveraging of \$10.0 million. Ten percent of the FY 85 borrowing must be backed up by leveraging reserves. As an example, a \$50.0 million bond sale program will require \$5.0 million in appropriation.

Net earnings on the appropriated reserves to the Bond Bank are returned to the General Fund on an annual basis. Attached are the annual amounts returned to date.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Page 1 of 2

Revision Date _____

REQUEST
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Title: Relating to the Municipal
Bond Bank Authority
Sponsor: Governor
Requestor: _____
Date of Request: _____

FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected: _____
BRU, Program of Subprogram(s) Affected:
Municipal Bond Bank Authority

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	*	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	*	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	*	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

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ANALYSIS: Attach a separate page for analysis.

Prepared By: Marcy Rehfeld
Division: Revenue

Phone: 465-2300
Date: 6/10/84

Approved by Commissioner: *Paul O'Leary*
Agency: DOR

Date: 2/10/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
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Financial Information

Operating Appropriations

Operations of the Bank are not funded by State of Alaska General Fund appropriation. Operational funds are provided by fees and charges and interest earned on investments. The Legislature, however, does review and approve the operational budget. Surpluses earned over and above the budgeted expenditure level are donated to the general fund. A history of operational appropriations is provided below.

General Fund Appropriations to Fund Operations and Surpluses Earned and Refunded to the State

FY-1976 Original General Fund appropriation	(\$ 24,000)
FY-1977 General Fund appropriation	(60,000)
FY-1978 General Fund appropriation	—
FY-1979 General Fund appropriation	—
FY-1980 General Fund appropriation	—
FY-1981 General Fund appropriation	—
FY-1982 General Fund appropriation	—
TOTAL operating appropriations to date	(\$ 84,000)
FY-1977 Surplus refunded to State	\$ 15,872
FY-1978 Surplus refunded to State	118,955
FY-1979 Surplus refunded to State	110,759
FY-1980 Surplus refunded to State	160,619
FY-1981 Surplus refunded to State	1,140,697
FY-1982 Surplus refunded to State	1,111,785
FY-1983 Surplus refunded to State	1,207,617
Net Surplus to State since inception	4,467,540

Capital Appropriations

The capital appropriation is utilized to establish a reserve fund which remains intact; not depleted or consumed in any way. The reserve fund is normally used to leverage debt in a ten to one ratio. For every \$1.0 million placed in the reserve fund, \$10 million of outside capital is attracted to the State. While no capital appropriations were received in fiscal year 1982, an additional \$1.8 million was received for fiscal year 1984.