

Introduced: 1/13/81
Referred: State Affairs, Transportation and Finance

1 IN THE SENATE

BY FAHRENKAMP AND BENNETT

2 SENATE BILL NO. 37 (efd added)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to international airport revenue
7 bonds; and providing for an effective date."

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

9 * Section 1. AS 37.15.410 is amended to read:

10 Sec. 37.15.410. BOND AUTHORIZATION. For the purpose of providing
11 part or all of the money to be used, with or without any grants or
12 other money which may become available, the issuance and sale of revenue
13 bonds of the state in the total principal sum of not to exceed
14 \$34,825,000 [\$43,325,000] is authorized to acquire, equip, construct
15 and install the additions, improvements, extensions and facilities
16 authorized in AS 37.15.510. The principal of and interest on these
17 bonds shall be paid out of and secured by the gross revenues derived by
18 the state from the ownership, lease, use and operation of the airports,
19 and of all the facilities of them and out of any other revenues or
20 money which the state legislature may provide exclusive of any state
21 tax or license.

22 Sec. 2. This Act takes effect immediately in accordance with AS. 01.10.-
23 070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB37
 Title An act relating to international airport revenue bonds
 Requested by Senator Fahrenkamp Date 2/26/81

II. FISCAL DETAIL

Agency Affected DOT/PF
 Program Category Affected Transportation
 BRU, Program, or Subprogram(s) Affected IARF

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)


	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Bond (Revenue)		(8,500.)				
IARF		8,500.				

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

An additional bill will be submitted by the Governor to appropriate the funds from the IARF account.

IV. DATE 3/4/81 PREPARED BY John Bates 
 AGENCY DOT/PF
 PHONE 465-3900
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

TO: Art Peterson
Assistant Attorney General
Department of Law

DATE: March 4, 1981

FILE NO:

TELEPHONE NO:

FROM:

Ronald D. Lehr, Director *Tom*
Division of Budget and Management
Office of the Governor

SUBJECT: Request to Amend International
Airports Revenue Bond Authorization
and a 1979 Appropriation for
Fairbanks International Airport

Please prepare for the Governor's introduction the bills necessary to accomplish the following:

1. Reduce the authorization for issuance of International Airports Revenue Bonds by \$8,500,000. This authorization was originally made by Chapter 68, SLA 1979.
2. Amend Chapter 69, SLA 1979 so that the \$8,500,000 appropriation will be made from the International Airports Revenue Fund rather than the International Airports Construction Fund.

The net effect desired from these two changes is to provide a direct appropriation from the IARF as a substitute for the revenue bonds which have been authorized but never issued. The Department of Transportation and Public Facilities has indicated that an adequate balance is available in the IARF to accomplish this, and that the additional bond authorization is no longer required.

I have included for your review suggested wording to be included, assuming that two separate bills will be required.

It should be noted that DOT/PF has several contracts outstanding which are funded by the Chapter 69, SLA 1979 appropriation.

For additional information on this request contact Dick Brant, telephone 465-2266.

Attachments

Attachment I: Suggested Wording for a bill to reduce International
Airport Revenue Bond Authorization

* Section 1. AS 37.15.410 is amended to read:

Sec. 37.15.410. BOND AUTHORIZATION. For the purpose of providing part or all of the money to be used, with or without any grants or other money which may become available, the issuance and sale of revenue bonds of the state in the total principal sum of not to exceed \$34,825,000 [\$43,325,000] is authorized to acquire, equip, construct and install the additions, improvements, extensions and facilities authorized in AS 37.15.510. The principal of and interest on these bonds shall be paid out of and secured by the gross revenues derived by the state from the ownership, lease, use and operation of airports, and of all the facilities of them and out of any other revenues or money which the state legislature may provide exclusive of any state tax or license.

*Sec. 2. This act takes effect immediately in accordance with AS 01.10.070(c).

Attachment II: Suggested Wording for a bill to amend the 1979 appropriation for Fairbanks International Airport

* Section 1. Section 1, Chapter 69, SLA 1979 is amended to read:

Section 1. For the purpose of carrying out the provisions of AS 37.15.410 - 37.15.550, there is appropriated from the International Airports Revenue Fund [International Airports Construction Fund] the sum of \$8,500,000 for the acquisition, construction, and equipping of airport facilities as authorized by AS 37.15.510 at Fairbanks International Airport.

* Sec. 2. This act takes effect immediately in accordance with AS 01.10.070(c).

MEMORANDUM

State of Alaska

TO: Ron Lehr, Director
Budget & Management Division
Office of the Governor

DATE: January 13, 1981

FILE NO:

RECEIVED

JAN 14 1981

TELEPHONE NO:

BUDGET AND MANAGEMENT

FROM: Robert W. Ward
Commissioner
Department of Transportation
and Public Facilities

SUBJECT: CH 68 & 69 SLA 79 and
International Airport
Revenue Bonds

In 1979 the Legislature authorized \$8.5 million in improvements to the Fairbanks International Airport. To fund these projects, Chapter 69 SLA 79 authorized the expenditure of funds and Chapter 68 SLA 79 authorized the issue of International Airport Revenue Fund Bonds.

Because market conditions precluded issuing the bonds at the 10% interest limit established by law and because adequate funds are available in the IARF to cover the \$8.5 million needed for construction, the bond authorization is no longer needed.

The following amendments are required:

1. Amend AS 37.15.410 by deleting (\$43,325,000) and inserting \$34,825,000. This is the amount authorized prior to Chapter 68/SLA 79.
2. Amend Chapter 69 SLA 79 Sec. 1 to read "...There is appropriated from the International Airport Revenue Fund"
3. Amend Chapter 69 SLA 79 Sec. 2 to read "This act takes effect immediately in accordance with AS 01.10.070 c"

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

MEMORANDUM

TO: File

FROM: Jay Hogan
Director
Legislative Finance

DATE: March 18, 1981

SUBJECT: SB 37

SB 37 reduces the statutory authorization to sell revenue bonds to the amount previously authorized before the passage of Chapter 68, SLA 1979 (copy attached).

Chapter 69, SLA 1979 appropriated the \$8.5 million in increased bond authorization. It would probably be wise to repeal Chapter 69, SLA 1979 based on the following:

- (1) It appropriates the proceeds of the authorization rescinded/reduced in SB 37.
- (2) Through the effective date clause, Chapter 69 was linked to Chapter 68, thus establishing a joint fund or sale requirement.

Attachments



LAWS OF ALASKA

1979

Source

SB 203

Chapter No.

68

AN ACT

Authorizing the issuance and sale of an additional \$8,500,000 in revenue bonds for international airports; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 10

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: May 18, 1979
Actual Effective Date: May 19, 1979

AN ACT

Authorizing the issuance and sale of an additional
\$8,500,000 in revenue bonds for international airports,
and providing for an effective date."

* Section 1. AS 37.15.410 is amended to read:

Sec. 37.15.410. BOND AUTHORIZATION. For the purpose of providing part or all of the money to be used, with or without any grants or other money which may become available, the issuance and sale of revenue bonds of the state in the total principal sum of not to exceed \$43,325,000 [\$34,825,000] is authorized to acquire, equip, construct and install the additions, improvements, extensions and facilities authorized in AS 37.-15.510. The principal of and interest on these bonds shall be paid out of and secured by the gross revenues derived by the state from the ownership, lease, use and operation of the airports, and of all the facilities of them and out of any other revenues or money which the state legislature may provide exclusive of any state tax or license.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).



LAWS OF ALASKA

1979

Source

SB 202

Chapter No.

69

AN ACT

Making a special appropriation from the International Airports Construction Fund for the Fairbanks International Airport; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 11

Approved by the Governor: May 18, 1979
Actual Effective Date: May 19, 1979

AN ACT

Making a special appropriation from the International Airports Construction Fund for the Fairbanks International Airport, and providing for an effective date.

* Section 1. For the purpose of carrying out the provisions of AS 37.15.410 - 37.15.550, there is appropriated from the International Airports Construction Fund the sum of \$8,500,000 for the acquisition, construction, and equipping of airport facilities as authorized in AS 37.15.510 at Fairbanks International Airport.

* Sec. 2. This Act takes effect on the effective date of a version of an Act entitled "An Act authorizing the issuance and sale of an additional \$8,500,000 in revenue bonds for international airports."