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COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

2/26/81

(5)

Date: _____

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 228

"An Act relating to the retirement of state general obligation bonds."

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST Session

HOUSE BILL NO. 228

By RANBOLPH; ABOOD; ANDERSON
BARNES, BLIRNE, BETTISWOTH,
BYLSMA, FANNING, HALFORD AND
PHILLIPS

'An Act relating to the retire-
ment of state general obliga-
tion bonds.'

Retirement of state general
obligation bonds

Introduced in the House 2/26, 1951

HISTORY IN THE HOUSE

19 51

Feb. 26

Read first time and referred
to Committee on

State Affairs and
Finance

Reported back with
recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed

Signed by Speaker

Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred
to Committee on

Reported back with
recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed

Signed by Pres

Returned to use

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment
thus adopting:
VOTE

Failed to concur in Senate amend-
ment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from
amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

by Governor

Filed with Lt. Governor

Chapter No.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

March 11, 1981

The Honorable Mike Miller
Chairman
House State Affairs Committee
Room 102 - Capitol Building
Juneau, Alaska

Dear Mr. Miller:

Re: House Bill No. 228

House Bill No. 228, an Act relating to the retirement of state general obligation bonds, was introduced in the House on February 26, 1981 and was referred to the House State Affairs and Finance Committees.

For the consideration of the House State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assiatant

RDS/rdh

cc: The Honorable Samuel R. Cotten
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Anselm Staack
Treasury Comptroller
Department of Revenue

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 228

Title Relating to the retirement of state general obligation bonds

Requested by House State Affairs Committee Date 2/26/81

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected Treasury Management

(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)	IN TERMS OF REDUCTION IN GENERAL FUND REVENUES AVAILABLE FOR APPROPRIATION					
	MILLIONS					
GENERAL FUND		570.0	--MONIES USED DO NOT RETURN--			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill would require the Commissioner of Revenue to purchase and retire state general obligation bonds if general fund surplus were available. Because outright purchase can not be done other than at already set payment dates a defeasance approach would be used.

Monies would become permanently unavailable for other use and therefore the effect is similar to an expenditure.

Above includes retirement of all outstanding GO debt as of 6/30/81. Does not include additional opportunity cost of defeasance of post May-1978 issued debt as these could be retired only by use of restricted yield - limited to 1/4% over the interest rate on the bonds (amount approx. \$211.0 million of this type of debt outstanding.)

IV. DATE March 9, 1981

PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Dept. of Revenue/Treasury Division
PHONE 465-2351

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)