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STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

January 30, 1981

The Honorable Charles H. Parr
Chairman
Senate Health, Education and
Social Services Committee
Room 210 - Behrends Building
Juneau, Alaska

Re: Senate Bill No. 22

Dear Senator Parr:

Senate Bill No. 22, an Act authorizing supplemental state aid for retirement of school construction debt, was introduced in the Senate on January 13, 1981 and was referred to the Senate Health, Education and Social Services and Finance Committees.

For the consideration of the Senate Health, Education and Social Services Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Thomas K. Williams, Commissioner of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

cc: The Honorable Bennett
The Honorable J. W. Dankworth
Co-Chairman
Senate Finance Committee

Thomas K. Williams
Commissioner
Department of Revenue

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST SB 22
 Bill/Resolution No. _____
 Title Supplemental state aid to retire school construction debt
 Requested by Senate HESS Committee Date 1/29/81

II. FISCAL DETAIL
 Agency Affected Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, or Subprograms Affected Treasury
 (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		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		355,793				
TOTAL	0	355,793	0	0	0	0

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	0	355,793	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

The outstanding principal balance for school construction bonds appears to have been \$355,793,000 for some 17 school districts as of June 30, 1980. Between that time and the effective date of this Bill, some additional bonds may be issued and some repayments of principal on existing bonds may occur.

OVER \$100,000,000 COULD BE SAVED WITH THE FOLLOWING TECHNICAL CHANGES TO THE BILL:

- p. 1, lines 6-7: change "retirement" to "defeasance"
- p. 1, line 10: change "RETIREMENT" to "DEFEASANCE"
- p. 1, line 11: after "school district" insert "from money appropriated for this purpose"
- p. 1, line 11: after "the amount" insert "necessary to defease the principal balance as of July 1, 1981."

(Analysis continued on page two)

IV. DATE 1/29/81 PREPARED BY *Thomas R. Allison*
 AGENCY Revenue
 PHONE 465-2300
 Director Legislative Finance
 Budget and Management
 Primary Sponsor (List Legislator Name)

FISCAL NOTE FOR SB 22: Analysis (cont.)

p. 1, line 12: delete "outstanding"

p. 1, line 15: change "retire" to "defease"

With these changes only \$250,000,000 would be needed and the practical effect would still be to pay off all existing school construction bonds.