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319

Introduced: 4/4/83  
Referred: Labor & Commerce

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2

HOUSE BILL NO. 319

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the Municipal Bond Bank Authori-

7

ty; and providing for an effective date."

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

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§\* Section 1. AS 39.25.110(12) is amended to read:

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(12) the executive secretary [AND LEGAL COUNSEL] of the

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Alaska Municipal Bond Bank Authority;

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§\* Sec. 2. AS 39.25.120 is amended by adding a new paragraph to read:

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(19) employees and agents, other than the executive secre-

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tary, of the Alaska Municipal Bond Bank Authority.

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\* Sec. 3. AS 44.85.040 is amended to read:

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Sec. 44.85.040. OFFICERS, [AND] QUORUM, AND MEETINGS. (a) The

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directors shall elect one of their number as chairman. The directors

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shall elect a secretary and a treasurer who need not be directors, and

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the same person may be elected to serve both as secretary and treasur-

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er. The powers of the bond bank authority are vested in the direc-

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tors, and three directors of the bond bank authority constitute a

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quorum. Action may be taken and motions and resolutions adopted by

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the bond bank authority at any meeting by the affirmative vote of at

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least three directors. A vacancy in the directorship of the bond bank

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authority does not impair the right of a quorum to exercise all the

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powers and perform all the duties of the bond bank authority.

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(b) The bond bank authority may meet and transact business by an

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electronic medium if (1) public notice of the time and locations where

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the meeting will be held by an electronic medium has been given in the

*\$ 50,000,000  
BOND  
COUNCIL*

1 same manner as if the meeting were held in a single location; (2)  
2 participants and members of the public in attendance can hear and have  
3 the same right to participate in the meeting as if the meeting were  
4 conducted in person; and (3) copies of pertinent reference materials,  
5 statutes, regulations, and audio-visual materials are reasonably  
6 available to participants and to the public. A meeting by an elec-  
7 tronic medium as provided in this subsection has the same legal effect  
8 as a meeting in person.

9 \* Sec. 4. AS 44.85.070 is amended to read:

10 Sec. 44.85.070. STAFF. The bond bank authority shall employ an  
11 executive secretary who may with the approval of the bond bank author-  
12 ity select and employ additional staff as necessary. Employees and  
13 agents of the bond bank authority other than [LEGAL COUNSEL AND] the  
14 executive secretary are in the partially exempt [CLASSIFIED] service  
15 under AS 39.25. In addition to its staff of regular employees, the  
16 bond bank authority may contract for and engage the services of the  
17 bond counsel, consultants, experts, and financial advisors the bond  
18 bank authority considers necessary for the purpose of developing  
19 information, or conducting studies, investigations, hearings or other  
20 proceedings.

21 Sec. 5. AS 44.85.100(b) is amended to read:

22 (b) The bond bank authority shall include in the report required  
23 by (a) of this section an estimate of the amount of revenue bonds of  
24 the bond bank authority to be issued during the fiscal year following  
25 the fiscal year in which the report is submitted [12-month period].  
26 The bond bank authority may not issue revenue bonds, other than re-  
27 funding bonds during any fiscal year [12-month period] beginning after  
28 June 30, 1981, unless the legislature, by law, approves the estimate  
29 required by this subsection for that fiscal year [12-month period].

IN ACCESS OF 50-MILLION IN ANY  
HB 319

1 \* Sec. 6. AS 44.85.180(c) is amended to read:

2 (c) Notwithstanding the provisions of (a) and (b) of this sec-  
3 tion, the total amount of bond bank authority bonds and notes out-  
4 standing at any one time, except bonds or notes issued to fund or  
5 refund bonds or notes, may not exceed \$200,000,000 [\$150,000,000].

6 \* Sec. 7. This Act takes effect immediately in accordance with AS 01.-  
7 10.070(c).



148 319

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 31, 1983

The Honorable Joe L. Hayes  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

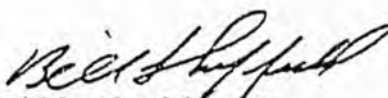
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the Alaska Municipal Bond Bank Authority.

The bill amends AS 39.25.110(12), 39.25.120 and AS 44.85 by deleting the words "legal counsel" and moving the authority's employees, other than the executive secretary (who is in the exempt service, under AS 39.25.110(12)), from the classified service to the partially exempt service (secs. 1, 2, and 4 of the bill), authorizing the authority to hold meetings by an electronic medium (sec. 3), and increasing bonding authorization from \$150,000,000 to \$200,000,000 (sec. 6).

AS 44.85.100(b) currently requires an estimate of the amount of bonds to be issued for the "following 12-month period." The amendment to that section, in sec. 5 of the bill, makes it clear that the estimate is for the fiscal year following the fiscal year in which the estimate is submitted and not for the 12-month period following the submission of the estimate.

Section 6 of the bill increases the limit on the total amount of outstanding bonds and notes from \$150,000,000 to \$200,000,000. The authority currently has only \$18,000,000 left under its present statutory limitation, and it estimates that at least \$60,000,000 worth of issues are now being developed. The increase to a \$200,000,000 limit would allow the authority to operate for at least another year without the necessity for an additional adjustment to the statutory limit.

Sincerely,

  
Bill Sheffield  
Governor

*10*

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I. REQUEST

Bill/Resolution No.: HB 319  
 Title: Alaska Municipal Bond Bank Authority  
 Sponsor: Governor  
 Requestor: Office of Management & Budget

II. FISCAL DETAIL

Agency Affected: Revenue  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program of Subprogram(s), Affected: \_\_\_\_\_  
Alaska Bond Bank Authority

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                         | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 |
|-------------------------|-------|-------|-------|-------|-------|-------|
| OPERATING               |       |       |       |       |       |       |
| 100 PERSONAL SERVICES   |       |       |       |       |       |       |
| 200 TRAVEL              |       |       |       |       |       |       |
| 300 CONTRACTUAL         |       |       |       |       |       |       |
| 400 COMMODITIES         |       |       |       |       |       |       |
| 500 EQUIPMENT           |       |       |       |       |       |       |
| 600 LAND & STRUCTURES   |       |       |       |       |       |       |
| 700 GRANTS, CLAIMS, ETC |       |       |       |       |       |       |
| TOTAL OPERATING         | -0-   | -0-   | -0-   | -0-   | -0-   |       |
| CAPITAL                 |       |       |       |       |       |       |
| REVENUE                 |       |       |       |       |       |       |

FUNDING: (Thousands of Dollars)

GENERAL FUND \_\_\_\_\_  
 FEDERAL FUNDS \_\_\_\_\_  
 OTHER (Specify Source) \_\_\_\_\_

POSITIONS:

FULL-TIME \_\_\_\_\_  
 PART-TIME \_\_\_\_\_  
 TEMPORARY \_\_\_\_\_

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Mary Reibel  
 Division: Commissioner's Office  
 Approved by Commissioner: [Signature]  
 Department: Revenue

Phone: 465-2301  
 Date: 3/31/82  
 Date: 3/31/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor

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IV. ANALYSIS:

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Additional increase in bonding authority from \$150 million to \$200 million in Section 6 will require an appropriation for funds leveraging. Ten percent of the FY 84 borrowings must be backed up by leveraging reserves. A \$30 million bond sale program will require \$3.0 million in appropriations.

We have asked for \$3.0 million in the Governor's Capital Budget to provide the reserve account for the \$30.0 million worth of bonds.

STATE OF ALASKA

WALT FURNACE, CHAIRMAN  
RICK JEHLING, VICE CHAIRMAN  
JOHN COWDERY  
NILLO E. KOPONEN  
HUGH MALONE  
JOHN RINGSTAD  
RON WENDTE



POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3892

50-MILLION  
AUTHORIZATION  
RESERVE FUND  
15-MILLION

HOUSE LABOR AND COMMERCE COMMITTEE

April 19, 1983

To: Representative Walt Furnace, Chairman  
House Labor & Commerce Committee

From: *Jefferson B. Barry*  
Jefferson B. Barry  
Professional Aide

Re: House Bill 319

Introductory Analysis

- A-RATING  
MUNICIPAL  
BOND BANK  
G.O. BONDS  
- REVENUE BONDS  
- FOR UTILITIES  
- 3-MILLION DOLLARS  
- 30-MILLION IN  
- 150-MILLION IN  
BONDS

House Bill 319 was introduced by the Governor and relates to the Muncicipal Bond Bank. The bill increases the bonding authorization by \$50 million to \$200 million, allow meetings to be conducted electronically, clarify reporting, and placing the employees of the authority in the partially exempt service.

\*Section 1 of the bill deletes the words AND LEGAL COUNSEL from the current law. This means that if the authority were to hire (as staff) legal counsel that they would not be in the exempt service, but would be in the partially exempt service of the State Personnel Act.

\*Section 2 of the bill places the employees in the partially exempt service.

\*Section 3 of the bill provides a new section, AS 44.85.040 (b) which would allow the authority to meet and transact business by an electronic medium. This method of conducting meetings has been used by other agencies,

including Legislative Council, and potentially could be a cost effective and timely method of conducting meetings.

\*Section 4 of the bill relates to staff. Last year, the authority requested to have these employee classifications placed in the partially exempt service through HB694. The testimony of the authority was that there were only employees of the authority (executive director and executive secretary) and there was no anticipation by the authority of hiring more employees in the next year. Legal work, financial advising, etc. was all done on contract and the authority was planning on continuing this method.

The legislature did not place the employee classifications in the partially exempt service for three main reasons. First, if employees are performing work which is of a nature to legitimately place them in the partially exempt service there is a mechanism for classifying them partially exempt under AS 39.25.130. Article XII, Section 7 of the Alaska Constitution requires the state to have a personnel system based on merit. Second, in view of declining state revenues, it was felt the authority should not, or have the potential to, become political in nature and scope. It was perceived that if all employees served at the pleasure of the Governor, then all employees would report, analyze, recommend, and testify consistent with the Governor's policy rather than on a sound fiduciary basis. The potential was that if the fiscal experts under contract made recommendations or advised action contrary to the Governor's policy, they could be replaced by in-house employees who serve at the pleasure of the Governor. Third, since there were no employees in these classifications and no stated intent to hire any, the legislature did not want to encourage additions to the bureaucracy, especially by providing positions which could be filled by political patronage.

\*Section 5 of the bill is clarifying language which makes it clear that the estimate contained in the required report is for the following fiscal year.

\*Section 6 of the bill increases the limit on the total of outstanding bonds and notes to \$200,000,000 from \$150,000,000.