

Offered: 4/21/83
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 319 (L&C)

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 Authority; and providing for an effective date."

7

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

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* Section 1. 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 treasurer.

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The powers of the bond bank authority are vested in the directors,

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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

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same manner as if the meeting were held in a single location; (2)

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participants and members of the public in attendance can hear and have

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the same right to participate in the meeting as if the meeting were

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conducted in person; and (3) copies of pertinent reference materials,

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statutes, regulations, and audio-visual materials are reasonably

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available to participants and to the public. A meeting by an

1 electronic medium as provided in this subsection has the same legal
2 effect as a meeting in person.

3 * Sec. 2. AS 44.85.100(b) is amended to read:

4 (b) The bond bank authority shall include in the report required
5 by (a) of this section an estimate of the amount of revenue bonds of
6 the bond bank authority to be issued during the fiscal year following
7 the fiscal year in which the report is submitted [12-MONTH PERIOD].
8 The bond bank authority may not issue revenue bonds, other than re-
9 funding bonds, in excess of \$50,000,000 during any fiscal year [12-
10 MONTH PERIOD] beginning after June 30, 1981, unless the legislature,
11 by law, approves the estimate required by this subsection for that
12 fiscal year [12-MONTH PERIOD].

13 * Sec. 3. AS 44.35.180(c) is amended to read:

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

18 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
19 10.070(c).

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

REQUEST

Bill/Rescission 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 Rehfeld
 Division: Commissioner's Office
 Approved by Commissioner: [Signature]
 Department: Revenue

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

HB 319

IV. ANALYSIS:

Page 272

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.

BILL SHEFFIELD
GOVERNOR

JUN 22 1983



HB 319

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 22, 1983

The Honorable Don Bennett
Senator
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Sackett:

The Alaska Municipal Bond Bank was established to assist municipalities in obtaining financing for capital improvements. To continue to provide this service, House Bill 319 must be approved by the Legislature.

On May 3, 1983, the Bond Bank closed a bond issue of \$26,985,000 for the City and Borough of Juneau and the City of Unalaska at an interest cost of 8.56 percent and 9.35 percent, respectively. With the closing of this issue, the Bond Bank's outstanding debt has reached its maximum capacity of \$150,000,000. It was necessary to reduce Juneau's request by \$6,000,000, Unalaska's by \$1,000,000, and delete a request by Nome for \$1,000,000 because of the above limit.

In addition to the balance for Juneau, Unalaska, and Nome, we currently have preliminary inquiries from the following municipalities for near term funding:

Homer	\$ 6,000,000	Water Line
Homer	3,000,000	Port Facility
Ketchikan	15,000,000	School
Ketchikan	3,000,000	Fire and Dock
Kake	1,000,000	Port Facility
Fairbanks	4,000,000	Utility (Revenue)
Bethel	1,000,000	Community Center
Soldotna	1,200,000	Fire Department
		Renovation
Unalaska	1,500,000	Sewer

Hon. Don Bennett

2

June 22, 1983

House Bill 319 would increase the maximum bonding capacity of the Bond Bank from the current \$150,000,000 to \$200,000,000, as well as giving the Bank the option of issuing revenue bonds of up to \$50,000,000 if requested, with the maximum capacity of the Bank continuing to be \$200,000,000.

I would appreciate your support of this legislation and my \$3,000,000 request in the capital budget for the Bond Bank's Reserve Fund. If you have any questions on this matter, please call.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield
Governor

Max

APR 11 1983

CHAIRMAN:
LANCE ANDERSON

BOARD MEMBERS:
ROBERT HEATH
MARK LEWIS
WINTHROP HOVEY
LARRY URBACH



601 WEST FIFTH AVENUE
SUITE 430
ANCHORAGE, ALASKA 99501
(907) 274-7366

EXECUTIVE DIRECTOR:
PERRY T. DAVIS

ALASKA MUNICIPAL BOND BANK AUTHORITY

April 7, 1983

Hon. John C. Sackett
Labor and Commerce Committee
State Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

The Alaska Municipal Bond Bank was established to assist municipalities in obtaining financing for capital improvements.

To continue to provide this service, House Bill No. 319 must be approved by the Legislature and signed by the Governor.

We will close on May 3, 1983 a bond issue of \$26,985,000 for the City and Borough of Juneau and the City of Unalaska at an interest cost of 8.56% and 9.35% respectively.

The above issue brings our outstanding debt to our maximum capacity of \$150,000,000. It was necessary to reduce Juneau's request by \$6,000,000, Unalaska's by \$1,000,000 and delete a request by Nome for \$1,000,000 because of the above limit.

In addition to the balance for Juneau, Unalaska and Nome, we currently have preliminary inquiries from the following municipalities for near term funding:

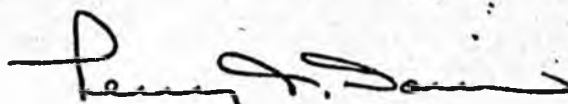
Homer	\$ 6,000,000	Water Line
Homer	3,000,000	Port Facility
Ketchikan	15,000,000	School
Ketchikan	3,000,000	Fire and Dock
Lake	1,000,000	Port Facility
Fairbanks	4,000,000	Utility (Revenue)
Bethel	1,000,000	Community Center
Soldotna	1,200,000	Fire Department
		Renovation

April 7, 1983
Page Two

I have written all members on the House and Senate Labor and Commerce Committees, Speaker Hayes and President Kerttula, and have enclosed a copy of the Bond Bank's 1982 Annual Report.

Your support of this bill and an appropriation to the Bond Bank's Reserve Fund is urgently needed.

Sincerely,



Perry T. Davis
Executive Director

PTD/dlc

Enclosure

BILL SHEFFIELD
GOVERNOR



HB 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:

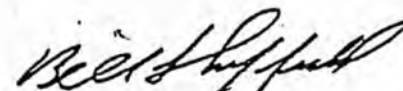
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the Alaska Municipal Bond Bank Authority.

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