

COMMITTEE REPORT  
SENATE

FURTHER:

5/3/84

Date 5/25/84

Mr. President

The Committee on FINANCE considered HB 665

issuance of tax-exempt, state-guaranteed revenue bonds by the Alaska Housing Finance Corporation to finance mortgages for qualifying veterans under AS 18.56; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation *L.O. Thomas 2/1/84*  
*B. Adams 4/20/84*
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_

\_\_\_\_\_

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*

\_\_\_\_\_

\_\_\_\_\_

*[Signature]* - N/A

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\_\_\_\_\_

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\_\_\_\_\_

*[Signature]*  
Chairman

Chairman recommendation

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: HB 665  
 Title: Re: tax-exempt, state-  
guaranteed rev. bonds/AHEC  
 Sponsor: House Rules  
 Requestor: House Finance  
 Date of Request: 4/26/84

FISCAL DETAIL

Agency Affected: Revenue  
 Program Category Affected: \_\_\_\_\_  
AHEC  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 SUPPLIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS		0				
800 MISCELLANEOUS		0				
<b>TOTAL OPERATING</b>		0				
<b>CAPITAL</b>		0				
<b>REVENUE</b>		0				

FUNDING: (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		0				
<b>TOTAL</b>		0				

POSITIONS:

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Al Adams, Chair <sup>APA</sup> Phone: 465-3706  
 Division: House Finance Committee Date: 4/26/84

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

*Al Adams*

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

*Accompanied  
bill into  
committee*

Revision Date: \_\_\_\_\_

REQUEST  
Bill/Resolution No.: HB 665  
Title: \_\_\_\_\_

FISCAL DETAIL  
Agency Affected: Elections  
Program Category Affected: \_\_\_\_\_

Sponsor: \_\_\_\_\_  
Requestor: Governor/ AHFC  
Date of Request: 2/ /84

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		-0-				
200 TRAVEL		-0-				
300 CONTRACTUAL		1.0				
400 SUPPLIES		-0-				
500 EQUIPMENT		-0-				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS		-0-				
800 MISCELLANEOUS		-0-				
TOTAL OPERATING		1.0				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL: This is the cost to the Division for one page in the Official Election Pamphlet.

ANALYSIS: Attach a separate page for analysis

Prepared By: T.P. Thoma, Information Officer Phone: 4611  
Division: of Elections Date: 2/1/84

Approved by Commissioner: [Signature] Date: 2/2/84  
Agency: DOR

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

*Elections*

Introduced. 2/13/84  
Referred: House Special Committee  
on State Loans and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 665

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the issuance of tax-exempt,  
7 state-guaranteed revenue bonds by the Alaska Housing  
8 Finance Corporation to finance mortgages for qualify-  
9 ing veterans under AS 18.56; and providing for an  
10 effective date."

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

12 \* Section 1. For the purpose of assisting the Alaska Housing Finance  
13 Corporation to provide money for the purchase of mortgages made for resi-  
14 dences for qualifying veterans under AS 18.56, tax-exempt revenue bonds of  
15 the Alaska Housing Finance Corporation are unconditionally guaranteed as to  
16 principal and interest by the state in the principal amount of not more  
17 than \$700,000,000. The full faith, credit, and resources of the state are  
18 pledged to the payment of the principal of and interest on these bonds, and  
19 the principal of and interest on the bonds are secured by the general  
20 obligation of the State of Alaska. A statement of this pledge must be  
21 printed on the face of the bonds and must be signed in manual or facsimile  
22 form by the governor. The provisions of AS 37.15 do not apply to the  
23 bonds. The bonds shall be sold by the Alaska Housing Finance Corporation  
24 under AS 18.56 at public sale in amounts and at times approved by the state  
25 bond committee. The guarantee authorized by this section is in addition to  
26 the guarantees authorized by sec. 5, ch. 35, SLA 1982, and by sec. 1, ch.  
27 81, SLA 1983.

28 \* Sec. 2. If the question set out in sec. 4 of this Act is approved by  
29 the qualified voters of the state who vote on the question, the Alaska

1 Housing Finance Corporation may issue not more than the principal amount of  
2 \$700,000,000 of its revenue bonds that are unconditionally guaranteed as to  
3 principal and interest by the state, the proceeds of which are to be ex-  
4 pended by the Alaska Housing Finance Corporation to provide money for the  
5 purchase of mortgages made for residences for qualifying veterans under  
6 AS 18.56. The authorization in this section to issue bonds is in addition  
7 to the authorizations to issue bonds that appear in sec. 6, ch. 35, SLA  
8 1982, and in sec. 2, ch. 81, SLA 1983.

9 \* Sec. 3. As used in this Act, a qualifying veteran is a person who is  
10 a "qualified veteran" as that term is defined or may be subsequently de-  
11 fined under 26 U.S.C. 103A (Mortgage Subsidy Bond Tax Act of 1980).

12 \* Sec. 4. The question of the state guaranty of bonds referred to in  
13 this Act shall be submitted to the qualified voters of the state at the  
14 general election to be held on November 6, 1984, and shall read substan-  
15 tially as follows:

16 PROPOSITION

17 State Guaranteed Veterans Residential

18 Mortgage Bonds \$700,000,000

19 Shall the State of Alaska unconditionally guarantee  
20 as a general obligation of the state, the payment of  
21 principal of and interest on revenue bonds of the  
22 Alaska Housing Finance Corporation issued in the  
23 principal amount of not more than \$700,000,000 for  
24 the purpose of purchasing mortgages made for  
25 residences for qualifying veterans, as defined by  
26 law?

27 Bonds Yes [ ]

28 Bonds No [ ]

29 \* Sec. 5. This Act takes effect immediately in accordance with

1 AS 01.10.070(c).

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STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 13, 1984

The Honorable Joe Hayes  
Alaska House of Representatives  
Pouch V  
Juneau, AK 99811

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting four bills which relate to the Alaska Housing Finance Corporation (AS 18.56).

The first bill includes several substantive proposals. Section 1 enables the Board of Directors to delegate to the executive director the authority to sell an issue of bonds, if the Board establishes the maximum true interest cost for the issue. This proposal will enable the corporation to respond more rapidly to the capital markets. Section 2, in conjunction with the related appropriation provision in an accompanying bill, is intended to clarify the statutory basis for the home ownership assistance program and to repeal the current separate fund for the program. (AS 18.56.091) Section 3 precludes the corporation from purchasing a loan if the borrower has an outstanding housing loan under a state loan program. Section 3 also amends AS 18.56.096 to specify, in accordance with the present practice of the corporation, that the loan-to-value limitation does not apply to a qualified loan which is federally insured or guaranteed. Section 4 amends AS 18.56.098(g)(6) to provide that the interest rate on the first \$90,000 of a qualified mortgage loan will be the same for all borrowers, regardless of whether the loan is purchased with proceeds from a taxable or tax-exempt bond issue. Section 5 makes a technical modification to a financial provision, and sec. 6 authorizes the corporation to issue \$1.5 billion in bonds during FY 85.

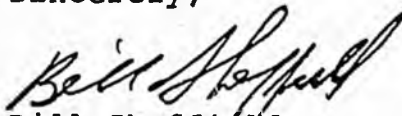
To remove any possible legal concerns, the second bill appropriates to the corporation unrestricted interest repayments as well as certain program receipts which may accrue to the corporation during the next fiscal year. In addition, sec. 2 of the bill transfers the assets of the home ownership fund (AS 18.56.091) to the Alaska Housing Finance revolving fund. (AS 18.56.082.) As proposed in the companion bill, the home ownership fund is abolished. The transfer of assets to the revolving fund, subject to bondholder agreements, will provide the requisite flexibility for the corporation to continue to implement the home ownership assistance program.

The third bill proposes the presentation to the voters of the question of whether to authorize the issuance of \$700,000,000 in state-guaranteed veterans' bonds. Since state-guaranteed veterans' bonds are tax-exempt, the corporation is able to provide benefits to veterans at a substantial savings to the state.

The fourth bill proposes a \$100,000,000 increase in the corporation's bond issuance authorization limit for this fiscal year (FY 84). When the current debt authority limit of \$980,000,000 was established, the purchase of mobile home loans was financed exclusively with state appropriations. The corporation has now designed a program under which the purchase of qualified mobile home loans may be financed through bond proceeds, and the proposed increase in the debt authorization level is necessary to implement this program.

These four bills present a balanced approach to the operations of the corporation. I therefore urge you to consider the legislation relating to the corporation as an integrated package. I add, also, that prompt legislative review and approval is important. In particular, please note that pending federal legislation may restrict, if not preclude, the issuance of tax-exempt veterans' bonds. Legislative approval before any Congressional action may thus allow the state to realize a substantial savings in providing benefits to qualified veterans.

Sincerely,

  
Bill Sheffield  
Governor

# Alaska State Legislature

POUCH V  
JUNEAU, ALASKA 99811  
907/465-4821



REPRESENTATIVE RICK UEHLING  
CHAIRMAN  
REPRESENTATIVE WALT FURNACE  
REPRESENTATIVE NILO KOPONEN  
REPRESENTATIVE JERRY WARD  
REPRESENTATIVE RON WENDE

## House Special Committee on State Loans

### Memorandum

Date: March 28, 1984  
To: Members, House Special Committee on State Loans  
From: Rep. Rick Uehling  
Subject: HB 665, Bond authorization for AHFC

The following is an outline of the provisions of HB 665, which is an act authorizing the issuance of \$700 million worth of tax-exempt housing bonds for veterans. As you may be aware, the Loans Committee passed similar legislation last year, authorizing a \$500 million bond authorization for this program.

At the current time the Alaska Housing Finance Corporation has \$900 million in authorized outstanding debt under this program. The authorization, if approved by the voters, would raise the total level to \$1.6 billion under the Veterans' Home Loan Program.

It is important to remember that these bonds are backed by the full faith and credit of the State of Alaska. Although they are general obligation bonds they are secured by mortgage revenues.

The central question to be asked by the Committee, of each witness, is whether this bond authorization will in any way affect the capacity of the State to issue general obligation bonds for other important projects such as the Knik Arm Crossing, the State office building in Anchorage or the Susitna Project.

ALASKA HOUSING FINANCE CORPORATION  
HB 665

This bill authorizes placement on the November, 1984 ballot of a \$700 million bond proposition for the Veterans Mortgage Program. Prompt legislative consideration is considered important because of pending Congressional action.