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146

I. REQUEST

Bill/Resolution No.: SB 146  
 Title: An act relating to the State Bonding Act and the coordination of Bond sales.  
 Sponsor: Sturgulewski, P. Fisher, Halford, Gilman  
 Requestor: \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected: DOT/PF  
 Program Category Affected: \_\_\_\_\_

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING		70.0	73.5	77.5	81.4	85.5
100 PERSONAL SERVICES		60.0	63.0	66.2	69.5	73.0
200 TRAVEL						
300 CONTRACTUAL		10.0	10.5	11.3	11.9	12.5
400 COMMODITIES						
500 EQUIPMENT						
600 LANDS & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL OPERATING	-0-	70.0	73.5	77.5	81.4	85.5
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	70.0	73.5	77.5	81.4	85.5

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME	-0-	1	1	1	1	1
PART-TIME						
TEMPORARY						

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

Amounts expended from the appropriation authorizing the funding of the position shall be reimbursed to the general fund from the proceeds of the sale of bonds authorized by the legislature and qualified voters of the State.

IV. ANALYSIS: See Attached for Analysis.

Prepared By: Mavis V. Waarvik Phone: 364-4331  
 Division: Planning and Programming - Southeast Region Date: March 4, 1983

Approved by Commissioner: *[Signature]* Date: March 25, 1983  
 Department: Transportation and Public Facilities

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
- Copy to Requestor (if different for Sponsor)

IV. ANALYSIS:

One full-time staff position will be created by the Bond Committee.

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

POUCH 2  
JUNEAU, ALASKA 99811  
(TELEX 45-328)

April 6, 1983

The Honorable Richard I. Eliason  
Senator  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senator Eliason:

As requested by a member of your staff, we are providing the enclosed position paper on SB 146, "An Act Relating to the State Bonding Act and the Coordination of Bond Sales".

Sincerely,



Daniel A. Casey  
Commissioner

cc: John C. Bates, Director  
Statewide Planning and Programming

Fred J. Seeger, Deputy Commissioner  
Standards and Statewide Programs

Wayne E. Weeks, Manager  
Unit Support

Paula Ramsey, Planner IV  
Unit Support

Emil Notti, Legislative Assistant  
Office of the Governor

Enclosure

DAC:FJS:PR:ag:rw

SB 146 - An act relating to the State Bonding Act and the coordination of Bond Sales.

There are two main objectives that Senate Bill 146 will accomplish.

The first objective the bill accomplishes is to increase the number of members on the State Bond Committee from three to five. This is to be done by adding the Director of the Office of Management and Budget (OMB) and the Commissioner of the Department of Transportation and Public Facilities (DOT/PF) as full fledged members of the committee. At present, the Commissioner of DOT/PF is a non-voting member. By the addition of these two positions, the committee will achieve an overall balance it presently does not have. The Director of the OMB is involved with the entire state budget - both the capital and operating parts - and will be able to contribute an informed viewpoint regarding the existing budgetary status and the direction the budget is expected to take in the future. Since the Department of Transportation and Public Facilities is involved in constructing roads and buildings funded wholly or in part by proceeds of bond sales, it would certainly be beneficial to the committee and to DOT/PF to have the Commissioner be a full fledged member of the committee.

The second major objective this bill accomplishes is that it gives the State Bond Committee the responsibility for defining the total debt status of the State. In the annual report, the State Bond Committee would present Alaska's bonded debt profile and recommend a debt issuance capacity for the next two years. The bonded debt profile is a needed document, especially when considering the separate general obligation debt, revenue bond debt, public corporate debt, and municipal debt for which the state government is ultimately responsible. At the present time, no state agency is responsible for presenting a combined bonded debt profile and analysis. Ultimately, the State of Alaska is responsible for all bonded indebtedness, including public corporation, and a decrease in the ability to make interest or principal payments would reflect directly in Alaska's bond rating and indirectly on future rates of interest.

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. Richard Eliason  
Chairman  
Labor and Commerce Committee  
State Senate  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Chairman:

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:

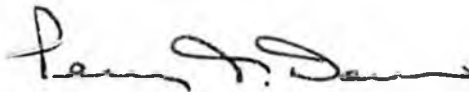
Homer	\$ 6,000,000	Water Line
Homer	3,000,000	Port Facility
Ketchikan	15,000,000	School
Ketchikan	3,000,000	Fire and Dock
Kenai	1,000,000	Port Facility
Fairbanks	4,000,000	Utility (Revenue)
Bethel	1,000,000	Community Center
Soldotna	1,200,000	Fire Department
		Renovation

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,

A handwritten signature in dark ink, appearing to read "Perry T. Davis". The signature is fluid and cursive, with a prominent initial "P".

Perry T. Davis  
Executive Director

PTD/dlc

Enclosure

NOTE REGARDING THE FOLLOWING FRAME(S) ON MICROFILM:  
COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES.  
TITLE PAGE ONLY HAS BEEN FILMED.

**ALASKA MUNICIPAL BOND BANK**

**1982 Annual Report  
And Financial Statements**

SB 146 TITLE & SPONSOR SUMMARY

14:14 5/22/84 PAGE 1 OF 2

AMENDED TITLE:

AN ACT RELATING TO THE STATE BONDING ACT AND THE COORDINATION  
OF BOND SALES

PRIME SPONSOR: STURGULEWSKI.

CO-SPONSORS: FISCHER, P. , HALFORD, GILMAN, RODEY.

CURRENT STATUS: 2/25/83 IN (S) LABOR & COM REFERRAL: FINANCE

SB 146 SENATE ACTION

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DATE	SEQ	PAGE	LEGISLATIVE ACTION
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02/25/83	01	0264	FIRST READING -- COMMITTEE REPORTS LABOR & COMMERCE FINANCE RULES
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INTRODUCTION OF BILLS (Senate)(cont'd)

SB 144 (cont'd)

Amends section relating to court suspensions, revocations and limitations of a driver's licenses (AS 28.15.181) to provide that a violation of the nighttime driving restriction is grounds for the immediate suspension or revocation of a license. The license is to be revoked for a period of not less than 30 days for the first conviction, unless the court determines that the person's ability to earn a living would be severely impaired, and a limitation can be placed on the license which will enable the person to earn a living without excess risk or danger to the public. Upon a second conviction the license shall be revoked for not less than one year. Upon a third or subsequent conviction the license shall be revoked for not less than three years.

Does not provide for an effective date (becomes law 90 days after Governor's approval).

Introduced February 24 and referred to Transportation, then to Judiciary.

Board of  
Marine Pilots  
(cont. exist.)

SENATE BILL NO. 145, by the Labor & Commerce Committee. (See HB 218, page 215, identical).

Introduced February 24 and referred to Labor & Commerce.

State Bonding  
Act  
(amending)

SENATE BILL NO. 146, by Senators Sturgulewski, P. Fischer, Rodey Halford and Gilman. Amends laws governing the issuance of state general obligation bonds (AS 37.15, State Bonding Act).

Amends AS 37.15.040, "Sale of Bonds," to require that the State Bond Committee sell all bonds through a public offering with competitive bidding.

Revises laws relating to the State Bonding Committee (AS 37.15.110 - 140). Places the Committee in the Dept. of Revenue and adds the Commissioner of Transportation & Public Facilities and the Director of the Office of Management and Budget in the Governor's Office as members. Adds section establishing the terms of members (to coincide with the term of member's position as commissioner or director). Adds section on compensation and per diem, to provide that members serve without compensation but are entitled to per diem and travel expenses authorized by law for other boards and commissions. Rewrites section which grants the Committee statutory authority to adopt regulations ("may adopt regulations implementing the provisions of this chapter in accordance with the Administrative Procedure Act").

Deletes current provision which establishes the Commissioner of Commerce & Economic Development as the Chairman and the Commissioner of Revenue as the Secretary of the Committee. Instead allows the committee members to elect the chairman, vice-chairman, and secretary and to prescribe their specific duties by rule.

Allows the Committee to employ personnel, to be in the partially exempt service of state employment as described in AS 39.25.120.

SB 146 (cont'd)

Amends AS 39.25.120 accordingly.

Rewrites section listing the duties of the Committee, expanding significantly over the existing law which only directs the Committee to "adopt the resolution and prepare the documents necessary for the issuance, sale, and delivery of bonds."

New section directs the Committee to coordinate all offerings of general obligation and revenue bonds in order to maximize the state's credit rating and secure the most favorable bond sale terms. Additional duties include: reviewing and making recommendations to the Governor on the security surrounding bond sale offerings; adopting bidding arrangements; adopting regulations for the competitive selection of a financial advisor and a bond counsel and determining the method for computation of fees for payment of each; advising public corporations regarding recommended bidding arrangements for bond offerings and guidelines for the competitive selection and compensation of a financial advisor and a bond counsel; adopting the resolutions and preparing documents for issuance, sale, and delivery of bonds; collecting and compiling information on the issuance of general obligation, revenue, and municipal bonds by the state, public corporations, municipalities, and other public entities in the state; and reporting annually to the governor, legislature, and the public.

Adds new section detailing the subjects to be covered in the Committee's annual report to the Legislature and Governor. Report must be made by the 10th legislative day of each session.

Amends law governing the Alaska Municipal Bond Bank Authority (AS 44.85) by addition of new section which directs the Authority to "consult with the municipalities and the State Bond Committee (AS 37.15) in order to coordinate bond sales in a manner that maximizes the credit of the state in the bond market and enhances the marketability of all bonds sold by public entities in the state."

Does not provide for an effective date (effective 90 days after Governor's signature).

Introduced February 25 and referred to Labor & Commerce and Finance.

Drivers  
(safeguarding  
self-identity)

SENATE BILL NO. 147, by Senator Kerttula. Amends the portion of the Motor Vehicle Code which requires drivers who are involved in accidents to identify themselves and render assistance to injured persons. Currently law reads that a driver who is "involved in an accident resulting in injury to or death of a person or damage to a vehicle which is driven or attended by a person shall give his name, address, and vehicle license number to the person struck or injured, or the operator or occupant, or the person attending, and the vehicle collided with and shall render to any person injured reasonable assistance . . . ."

The bill adds: "However, the operator of a vehicle who desires to safeguard self-identity and address may satisfy this requirement by