

COMMITTEE REPORT
SENATE

FURTHER:

4/29/86

Date 5/11/86

Mr. President

The Committee on FINANCE considered HB 533

relating to the 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
BHR/Geo.
& Doc
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
Paul F. Frank
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature] NR

[Signature]
Chairman
do pass
Chairman recommendation

Introduced: 1/31/86
Referred: House Special Committee on
State Loans and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 533

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH 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 \$600,000,000. 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 obli-
20 gation of the State of Alaska. A statement of this pledge must be printed
21 on the face of the bonds and must be signed in manual or facsimile form by
22 the governor. The provisions of AS 37.15 do not apply to the bonds. The
23 bonds shall be sold by the Alaska Housing Finance Corporation under AS 18.-
24 56 at public sale in amounts and at times approved by the state bond com-
25 mittee. The guarantee authorized by this section is in addition to the
26 guarantees authorized by sec. 5, ch. 35, SLA 1982; by sec. 1, ch. 81, SLA
27 1983; and by sec. 1, ch. 115, SLA 1984.

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 \$600,000,000 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; in sec. 2, ch. 81, SLA 1983; and in sec. 2, ch. 115, SLA 1984.

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 4, 1986, and shall read substan-
15 tially as follows:

16 PROPOSITION

17 State Guaranteed Veterans Residential
18 Mortgage Bonds \$600,000,000

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 \$600,000,000 for
24 the purpose of purchasing mortgages made for resi-
25 dences for qualifying veterans, as defined by law?

26 Bonds Yes []

27 Bonds No []

28 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).

1/5

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 4/17/86

REQUEST

Bill/Resolution No. : HB 533
Title : AHFC tax exempt bonds

Sponsor : Governor
Requestor : House Finance Committee
Date of Request : 4/17/86

FISCAL DETAIL

Agency Affected : Governor
BRU : Sections/Lt. Gov

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		0				
TRAVEL		0				
CONTRACTUAL		0				
SUPPLIES		0				
EQUIPMENT		0				
LAND & STRUCTURES		0				
GRANTS, CLAIMS		0				
MISCELLANEOUS		0				
TOTAL OPERATING		0				

CAPITAL		0				
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REVENUE		0				
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FUNDING : (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		---				
TOTAL		---				

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Funds needed to pay for the ballot should be absorbed in the division's FY 87 budget or be funded by RSA from AHFC.

Prepared by : Al Adams, Chair Phone : 465-3706
Division : House Finance Committee Date : 4/17/86

Approved by Commissioner : _____ Date : _____
Agency : _____

Distribution (by Agency preparing fiscal note):

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

A/B

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : _____
 Title : Act relating to issuance of tax-exempt state guaranteed bonds by AHFC for Veterans housing
 Sponsor : _____
 Requestor : Governor
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Revenue
 BRU : Alaska Housing Finance Corporation
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

SEE ATTACHED

Prepared by : Mark Cameron Phone : 276-5599
 Division : Alaska Housing Finance Corporation Date : December 29, 1985

Approved by Commissioner : [Signature] Date : 1/2/86
 Agency : _____

Distribution (by Agency preparing fiscal note):

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

12-11-85
12-11-85

The attached bond proposition authorized the issuance of \$600 million state-guaranteed revenue bonds by AHFC to purchase residential loans made to veterans. This proposition will enable the continuation of the Corporation's Veterans Mortgage Program implemented in 1983. A total of \$1,257,000,000 State Guaranteed Veterans bonds have been issued by AHFC through calendar year 1985. The guarantee by the state of Alaska permitted by the favorable passage of bond proposition is necessary under federal law to sell the bonds in the tax-exempt market. Funding of the Veterans Mortgage Program in the tax-exempt market results in a reduction of the state subsidy related to the purchase of the veteran's mortgages by approximately 2/3rds.

It is assumed that the veteran's mortgage loans will be purchased by the Corporation irrespective of the receipt of the tax-exempt bond authorization. Accordingly, there is no fiscal impact on the operating budget.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : Law Log 377-055-86
 Title : _____

 Sponsor : _____
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : _____
 BRU : _____

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

No fiscal impact

Prepared by : Charles T. Borg Phone : 243-0656
 Division : Office of the Adjutant General Date : 12-30-85

Approved by Commissioner : *Charles T. Borg* Date : 12-30-85
 Agency : Department of Military & Veterans Affairs

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
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25 dences for qualifying veterans, as defined by law?

26 Bonds Yes []

27 Bonds No []

28 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

1/30/86

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would place before the voters a bond proposition for the sale of up to \$600,000,000 in state-guaranteed veterans' mortgage bonds. Federal law allows the sale of tax-exempt state-guaranteed mortgage revenue bonds for the purchase of residential mortgages made to qualified veterans. The use of tax-exempt bonds enables the Alaska Housing Finance Corporation to purchase qualified veterans' mortgages at a substantial savings to the state.

Similar bond propositions were presented to the voters in 1982, 1983, and 1984, and on each occasion the propositions were approved by substantial margins.

I recommend your prompt consideration and approval of this bill.

Sincerely,

Bill Sheffield
Bill Sheffield
Governor