

SB

236

SENATE COMMITTEE REPORT

FURTHER:

4/13/87

DATE TURNED INTO OFFICE _____

Mr. President:

FINANCE

Committee considered _____ SB 236

establishing a special fund within the power project fund for power projects connected to the Fairbanks-Kenai Peninsula Intertie.

and recommended:

replace with CS FOR _____) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous

zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Committee Backup Attached

Chairman signature and recommendation

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and recommended:

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[] or adopt _____ CS FOR _____) [] new title

[] attached amendment(s) and

[] do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

[] letter of intent adopted _____

Committee [] attached or [] a
[] new [] updated or
[] zero

CS SB 206 (Fin)

*Incorporates
SB 109
SB 236*

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS S

Chairman signature and recommendation

[] Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

4/7/87

DATE TURNED INTO OFFICE 4/13/87

Mr. President:

RESOURCES _____ Committee considered _____ SB 236

establishing a special fund within the power project fund for power projects connected to the Fairbanks-Kenai Peninsula Intertie.

and recommended:

replace with CS _____ same title
 new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

[Signature]
Paul Grate

OTHER RECOMMENDATIONS

Jim Duncan - No Rec

[Signature]
Chairman signature and recommendation
do pass

Committee Backup Attached

Introduced: 4/7/87
Referred: Resources
& Finance

5-1000A

1 IN THE SENATE

BY COGHILL AND FAIKS

2 SENATE BILL NO. 236

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a special fund within the power
7 project fund for power projects connected to the
8 Fairbanks-Kenai Peninsula Intertie."

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

10 * Section 1. AS 44.83 is amended by adding a new section to read:

11 Sec. 44.83.173. RAILBELT ENERGY REVOLVING LOAN FUND. (a) There
12 is established as a separate fund within the power project fund the
13 Railbelt energy revolving loan fund, which shall be distinct from any
14 other money or funds of the authority.

15 (b) The authority may make loans from the Railbelt energy re-
16 volving loan fund to utilities connected to the Fairbanks-Kenai Penin-
17 sula Intertie if the requirements of AS 44.83.170 are met.

18 (c) Notwithstanding AS 44.83.170(g), the principal and interest
19 payments on loans from the Railbelt energy revolving loan fund and
20 earnings on money in the Railbelt energy revolving loan fund shall be
21 deposited in the Railbelt energy revolving loan fund.

STATE OF ALASKA 1987 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

FISCAL DETAIL

Bill/Resolution No. : Senate Bill 236
 Title : An Act establishing a special fund within the Power Project Fund for power projects connected to the Fairbanks-Kenai Peninsula Intertie.
 Sponsor : Coghill
 Requestor : (S) Resources
 Date of Request : 4/10/87

Agency Affected : Alaska Power Authority
 BRU : Dept. of Commerce & Economic Development
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		(1,500)*	(1,500)	(1,500)	(1,500)	(1,500)
FEDERAL FUNDS						
OTHER						
TOTAL		(1,500)	(1,500)	(1,500)	(1,500)	(1,500)

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS :

*Impact should be offset by reduced need of General Fund assistance for future Railbelt energy and conservation projects. Analysis based on a \$25 million fund and a reinvestment rate of 6 percent per year (the approximate rate of a high quality one-year CD).

Prepared by : Robert E. LeResche, Executive Director
 Division : Alaska Power Authority

Phone : (907) 465-3575
 Date : 4/10/87

Approved by Commissioner : J. Anthony Smith
 Agency : Dept. of Commerce & Economic Development

Date : 4/10/87

Distribution (by Agency preparing fiscal note) :

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

ALASKA STATE LEGISLATURE

...15th Legislature ..1st Session

SENATE.....BILL..... NO. 236.

By .. COGHILL, FALKS.....

"An Act establishing a special fund within the power project fund for power projects connected to the Fairbanks-Kenai Peninsula Intertie."

Introduced in the Senate4/7....., 19 ..87..

HISTORY IN THE SENATE

19 87

Read first time and referred to Committee on

4 7

Resources & Finance

Reported back with *amended* recommendation that *3 do pass, 1 no pass, absent vote to finance.*

Read second time and

Read third time and

PASSED Effective Date
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reconsideration
Reconsideration not taken up

PASSED Effective Date
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASSED Effective Date
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reconsideration
Reconsideration not taken up

PASSED Effective Date
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Chapter No.

Filed with Lt. Governor

Senator John B. (Jack) Coghill
Alaska State Legislature



Box V
Juneau, Alaska 99811
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North Pole, Alaska 99705
(907) 488-0862

April 21, 1987

MEMORANDUM

TO: Members of the Senate Finance Committee
FROM: Senator Coghill
RE: SB 236, Railbelt Energy Revolving Loan Fund

In its report of January 24, 1987 to the Legislature, the Railbelt Energy Council recommended establishment of an energy project revolving loan fund utilizing monies remaining in the Railbelt Energy Fund after completion of the Bradley Lake Hydroelectric Project and the Kenai Peninsula-Anchorage-Fairbanks Interties. SB 236 sets up such a fund within the existing APA Power Project Fund.

The loans would be made to the interconnected Railbelt utilities in accordance with the existing criteria in AS 44.83.170. The only exception would be that the principal and interest payments and other earnings of the revolving loan fund would be retained by it.

On this latter point, while there has been substantial legal speculation and opinion as to whether retaining of the principal, interest and other earnings in a revolving loan fund violates the dedication of funds principle of the Alaska Constitution, to date there has not been a court case that has definitively resolved the issue. The best that can be said is that retaining the principal only is more defensible than principal and interest, and that retaining of principal, interest, and other earnings appears to be the least defensible case. According to an AG memorandum of July 19, 1985 (copy attached), the AG will continue to defend the practice despite having some reservations about the practice.