

SB 236

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/3/91

FURTHER:

Date of 5-Day Notice: 5-8-91  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 5/19/91

Finance Committee considered SB 236

Appropriation to the Alaska debt retirement fund; repealing an appropriation to the statutory budget reserve fund; efd.

and recommended:

|   |   |
|---|---|
| <input checked="" type="checkbox"/> replace with _____ CS <u>SB 236 (Finance)</u> | <input type="checkbox"/> same title                       |
| <input type="checkbox"/> or adopt _____ CS _____                                  | <input checked="" type="checkbox"/> new title             |
| <input type="checkbox"/> attached amendment(s)                                    | <input type="checkbox"/> technical title change (HB only) |
| <input type="checkbox"/> _____ letter of intent adopted                           |   |

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) \_\_\_\_\_ Dept/Date: \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

APPROVES PREVIOUS:

fiscal note(s) \_\_\_\_\_ Dept/Date: \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

appropriation-no fiscal note

*\$209,166,590*

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

*J. Duca*  
*Al Adams*  
*Lyman Hoffman*  
*Paul B. ...*  
*Kurt ...*  
 1. *Pat ...*

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Co-Chairs: Signatures and Recommendations

CS FOR SENATE BILL NO. 236 (FINANCE)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATE RULES/GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act making reappropriations to the Alaska debt retirement fund; and providing for  
2 an effective date."

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

4 \* Section 1. The sum of \$80,180,490 appropriated from the general fund to the state bond committee  
5 for fiscal year 1992 is reappropriated to the Alaska debt retirement fund (AS 37.15.011).

6 \* Sec. 2. The sum of \$128,986,100 appropriated to the Department of Education for school debt  
7 retirement for fiscal year 1992 is reappropriated to the Alaska debt retirement fund (AS 37.15.011).

8 \* Sec. 3. The appropriations made by this Act are not one-year appropriations and do not lapse.

9 \* Sec. 4. This Act takes effect on the effective date of a version of an Act establishing the Alaska  
10 debt retirement fund enacted before the convening of the Second Regular Session of the Seventeenth  
11 Alaska State Legislature.

7-GS0068ND  
Cook  
5/17/91

→ Original bill would have appropriated any FY91 surplus revenues to the Debt Retirement Fund

→ This C.S. appropriates to the Debt Retirement Fund the amount needed to pay the state's FY 92 debt obligation. This is accomplished through reappropriating funds already appropriated in the front section of the operating budget, effective upon passage of a bill establishing a Debt Retirement Fund.

**PROPOSED CS FOR SENATE BILL NO. 236 (FIN )**

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): SENATE RULES/GOVERNOR

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|                  |                |             |
|------------------|----------------|-------------|
| FY92 obligation: | GO debt        | 68,281,225  |
|                  | lease-purchase | 11,899,265  |
|                  | School debt    | 128,986,100 |
|                  |                | <hr/>       |
|                  |                | 209,166,590 |

**Proposed Technical Amendment to SB 236**

On line 4, delete the words "available for appropriation."

The purpose of the amendment is to make the wording of the bill consistent with the terminology now used by the Department of Administration.

**Proposed Amendment to SB 235**

On page 2, lines 4-5, and page 3, lines 28-29, amend (3) to read:

- (3) if the payments authorized in (1) and (2) of this subsection are satisfied to the extent required by law, the remaining balance of the fund may be appropriated to finance the design and construction of capital projects.

The purpose of the amendment is to clarify the intent that general obligation debt service and municipal school debt reimbursement are to be fully funded from the debt retirement fund before any remaining balance may be appropriated for capital projects.

WALTER J. HICKEL  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

April 3, 1991

The Honorable Richard I. Eliason  
President of the Senate  
P.O. Box V  
Juneau, AK 99811

236

Dear President Eliason:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill appropriating the surplus general fund revenue remaining at the end of fiscal year 1991 to the Alaska debt retirement fund. This bill is one of three legislative measures that make up my Alaska debt retirement fund proposal; the others, which accompany this bill, are a bill statutorily establishing the fund and a proposed constitutional amendment establishing the fund in the Constitution.

The objectives of the Alaska debt retirement fund are discussed in detail in the transmittal letter accompanying the bill mentioned above. Briefly, the fund has two purposes: first, to set aside part of this year's surplus revenue to help pay Alaska's future general obligation debt service and municipal school debt reimbursement; and second, to establish a long-term source of revenue to pay for debt service and to fund capital projects that will broaden Alaska's economic base.

This appropriation bill would reserve the fiscal year 1991 surplus revenue for the long-term benefit of all Alaskans. This revenue surplus is expected to be a one-time event. With the declining production at Prudhoe Bay, we must commit to retiring our debt and building a broader, value-added economy. The Alaska debt retirement fund will serve that purpose. The bill would also repeal a pending appropriation of the fiscal year 1991 general fund surplus to the statutory budget reserve fund (AS 37.05.540). I believe that a redesignation of the purpose of the appropriation will bring more lasting benefits to the state and its political subdivisions than the same money would provide in a general reserve fund.

I urge your support for this appropriation bill.

sincerely,

Handwritten signature of Walter J. Hickel in cursive script.

Walter J. Hickel  
Governor