

SB

225

ALASKA STATE LEGISLATURE

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DEFERRED MAINTENANCE TASK FORCE

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Sponsor Statement

Senate Bill 225

Appropriation to Build Alaska Fund

SB 225 appropriates \$1,500,000,000 from the Constitutional Budget Reserve to the Build Alaska Fund. This appropriation would take place at the earliest of a voter approved advisory vote or July 1, 1999. This will allow the legislature the opportunity to repeal the transfer if the voters do not approve of the proposal, prior to it becoming effective.

The interest off this Build Alaska Fund will flow into the general as restricted corporate receipts. This will allow the legislature to make annual decisions on its appropriation. By design, the interest on this fund is not designated for specific purposes. to do so would open questions of designated funds and taxable nature of interest income to the state.

The purpose of this fund is to identify the important nature of maintaining and improving Alaska's infrastructure. It can be viewed as a permanent source of funding for future capital needs without completely limiting legislative discretion.

Section 1. moves \$1.5 million from the Constitutional Budget Reserve to the Build Alaska Fund.

Section 2. ties this appropriation to the establishment of the Public Facilities Financing Corporation (PFFC).

Section 3 sets the effective date at the date of the certification of the public vote for the PFFC or July 1, 1999, which ever is earlier. This allows a vote of the people. If the voters turn it down, the legislature has a full session to repeal it prior to the effective date.