

**SB**

**279**

**HFIN**

**FILE**



# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 3  
 Bill Version: CSSB 279(FIN)  
 (S) Publish Date: 3/22/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title AHFC Water and Sewer Bonds RDU Alaska Housing Finance Corp.  
 Component Operations  
 Sponsor Rules Committee  
 Requester Governor Component No. 110

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>(6,000.0)</b>	<b>(6,000.0)</b>	<b>(6,000.0)</b>	<b>(6,000.0)</b>	<b>(6,000.0)</b>
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*

Under AS 18.56.089(2)(a), activities of the corporation that relate to the issuance of obligations and the repayment of debt obligations are exempt from the provisions of the Executive Budget Act. These costs are included in the bond authorizations of the bill. Bonds issued under this legislation will be paid from the annual dividend to the state general fund under 18.56.089(c). This bond issuance will result in a reduction in the annual dividend. The term of the bonds is expected to be ten years.

Estimates for debt service and other costs are based on a number of assumptions, including future interest rates and bond ratings. Operational costs for issuing and monitoring these bonds will be done with existing personnel and within the authorized operating budget for FY2005 and beyond. No budget authorizations are necessary with this fiscal note.

Prepared by: Bryan Butcher, Legislative Liaison/Special Assistant Phone 330-8445  
 Division Alaska Housing Finance Corporations Date/Time 3/9/04 8:21 AM  
 Approved by: Tom Boutin, Deputy Commissioner Date 3/9/2004  
 Agency Department of Revenue

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Amendment CSSB 279

Page 3, line 23, Add new section.

(C) minus the amount, up to a maximum of \$5,000,000, by which the appraised value of Block 102 in the Municipality of Anchorage, as improved by the construction of a parking facility for primary use by the visitors and occupants of the Atwood Building, exceeds the unimproved value of Block 80, such valuation to occur only in the event that the Municipality enters into an Agreement for the development of a municipal convention facility on Block 80 and for the associated development of a parking garage on Block 102.

\$1.5 million to  
Harborview Developmental Center

N  
11

Yes  
1111

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 Agency Department of Revenue



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<http://www.ahfc.state.ak.us>

## **Senate Bill 279 – AHFC Water and Sewer Bonds**

Senate Bill 279 will provide \$45 million for village safe and clean water and hygienic sewage disposal facilities projects and other capital projects. The village safe water projects that will be funded with bond proceeds have historically been funded through cash from the Corporation's annual dividend to the State.

Estimated debt service on the \$45 million in bonds, based on current interest rates, is approximately \$6 million per year for 10 years. These debt service payments, per Sections 2 and 4 of the bill, would be deducted from AHFC's annual Dividend provided for by AS 18.56.089(c).

Preliminary indications from rating analysts are that there will be no negative impact upon the Corporation's ratings from this proposed issuance. Those indications are given based upon the passage of this bill and Senate Bill 274, which replaces the Housing Assistance Loan Fund (a rural revolving loan fund) with the Housing Assistance Loan Program (a rural loan program). This bill will allow the Corporation to transfer the loans to the General Account and leverage them to help strengthen the Corporation's General Account.

