

HB

418

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FILE

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 418
(H) Publish Date: 3/11/08

Identifier (file name): 0053-DFG-SF-03-06-08 Dept. Affected: Fish and Game
Title: Sport Fish Hatchery Certificates of Participation RDU: Sport Fisheries
Sponsor: Rules Committee Component: Sport Fisheries
Requester: Governor Component Number: 464

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	70,000.0							
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1163 Certificates of Participation	70,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	70,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This bill authorizes entry into a capital lease to facilitate the issuance of \$70.0 million in Certificates of Participation (COP) to fund a portion of the cost of the new Anchorage Sport Fish Hatchery. With this financing, the Sport Fish Division will construct a \$100.0 million Hatchery in Anchorage as outlined in the proposed bill. The COP funding will be deposited in the Alaska Sport Fishing Construction account of the Fish and Game fund. Please refer to the Department of Revenue fiscal note for financing details.

Prepared by: Tom Lawson, Director
Division: Division of Administrative Services
Approved by: Denby S. Lloyd, Commissioner
Alaska Department of Fish and Game

Phone 465-5999
Date/Time 3/6/08 2:40 PM
Date 3/6/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 418
(H) Publish Date: 2/11/08

Identifier (file name): 0053-DOR-TRE-3-6-08 Dept. Affected: Revenue 04
Title: Sportfish Hatchery Certificates of Participation RDU: Taxation and Treasury
Sponsor: Rules Component: Debt Management
Requester: Governor Palin Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel	15.0							
Contractual	800.0							
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Debt Service		5,100.0	5,100.0	5,100.0	5,100.0	5,100.0	5,100.0	5,100.0
TOTAL OPERATING	815.0	5,100.0	5,100.0	5,100.0	5,100.0	5,100.0	5,100.0	5,100.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		3,600.0	3,600.0	3,600.0	3,600.0	3,600.0	3,600.0
1005 GF/Program Receipts							
Certificate Proceeds	815.0						
Sportfish License Surcharge		1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0
TOTAL	815.0	5,100.0	5,100.0	5,100.0	5,100.0	5,100.0	5,100.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

The bill authorizes entry into a capital lease to facilitate the issuance of \$70 million in Certificates of Participation to fund a portion of the cost of the new Anchorage sportfish hatchery. The bill also allows the use of sport fishing facility surcharge collections to be used for payments for the certificates, and extends the sunset provision on the surcharge to the final repayment of the certificates. Current year surcharge revenue is approximately \$7.4 million. Of that amount \$5.3 million is obligated to existing revenue bond debt service, \$500,000 is spent on operational support in Southeast, and \$1.6 million will be used to redeem bonds more quickly than required. Passage of the bill would redirect that \$1.6 million from early redemption of bonds to payment of the lease on a subordinate lien basis. Upon final maturity of the existing revenue bonds all debt service would be supported by surcharge collections.

Prepared by: Deven Mitchell, Debt Manager Phone: 465-3750
Division: Treasury Date/Time: 3/6/08 12:00 AM
Approved by: Jerry Burnett Date: 3/6/2008
Department of Revenue

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March 6, 2008

The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill providing notice of and authorization for the Department of Administration to enter into a lease-purchase agreement for the construction, the purchase of equipment, and the financing of a fish hatchery in Anchorage to be operated by the Department of Fish and Game; relating to the issuance of certificates of participation for the fish hatchery; authorizing payments for the lease-purchase agreement from sport fishing facility license surcharge fees; and relating to capital lease financing of sport fishing facilities.

The financing mechanism in this bill, along with financing from Chapter 94 SLA 2005, would provide sufficient funds to complete two essential state fish hatcheries, one in Anchorage and one in Fairbanks, as originally envisioned by the Legislature. The new hatcheries would play a vital role in ensuring the sustainability and harvestable surplus of fish in the state. They would aid Alaska in providing an important source of food for many citizens of the state and further the economic engine of a major industry in this state.

The bill sets out the Legislature's findings, intent, and purpose regarding the authorization of the construction and financing of the fish hatchery in Anchorage, the total costs of which are anticipated to be \$100 million. At least \$21 million of that cost would be drawn from the proceeds of sport fishing facility revenue bonds already issued under the authority of AS 37.15.765. Up to \$70 million of that cost would be financed by the issuance of certificates of participation authorized by the bill. The remaining \$9 million of the cost would be financed by investment earnings on the proceeds of sport fishing facility revenue bonds.

The Honorable John Harris

March 6, 2008

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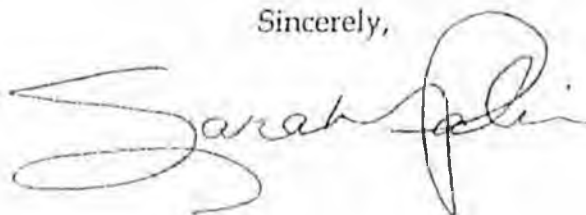
The bill constitutes the legislative notice and approval required by AS 36.30.085 for the Department of Administration to enter into a lease-purchase agreement for the Anchorage fish hatchery. The lease-purchase agreement would be financed by the issuance of certificates of participation, to be issued by the state bond committee, in the amount of up to \$70 million. The certificates of participation would be secured by general fund monies and the sport fishing facility surcharge, subject to appropriation. The fish hatchery in Anchorage would be operated by the Department of Fish and Game.

The bill makes conforming changes to various statutes in Title 16 to reflect the use of capital lease financing to construct the Anchorage fish hatchery.

Finally, the bill provides for an immediate effective date.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sarah Palin". The signature is written in dark ink and is positioned above the printed name and title.

Sarah Palin
Governor

Enclosure