

ALASKA LEGISLATURE

1985

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

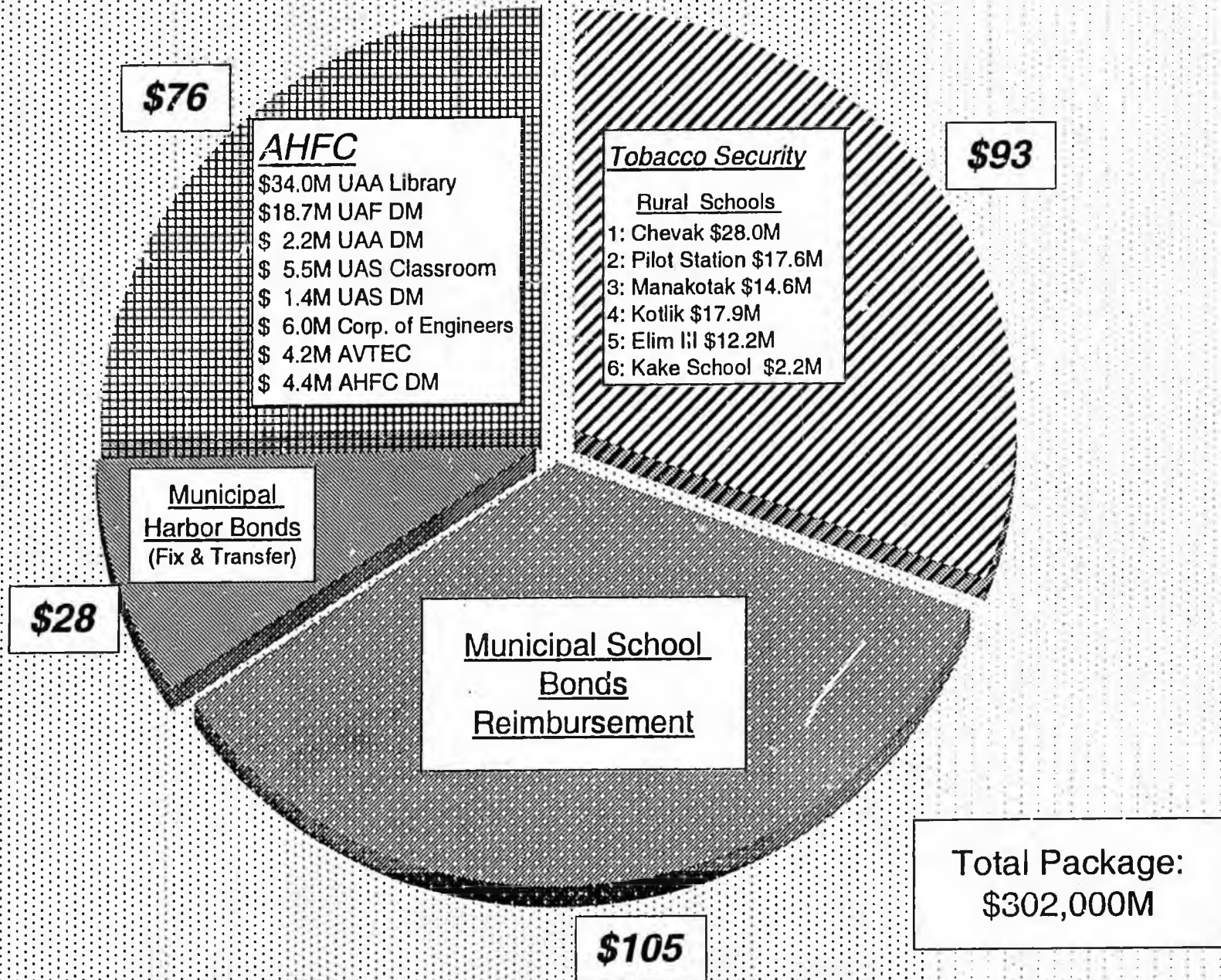
HB

281

SFIN

FILE

Bond Package - HB 281



Bond projects as of 5-1-00

<i>ED</i>	<i>Project Name</i>	Bond Projects	AHFC Bonds	Tobacco Revenue Securitization	Municipal Bond Harbor Transfer (100% reimbursed)	Municipal school bonds (reimbursed at 70/30)
1-2	Ketchikan Harbor Transfer	7,000,000			7,000,000	
	Corp of Engin. - Ketchikan Harbor Study	200,000	200,000			
	Election District 1-2 Schools: District-wide Projects and Deferred Maintenance	1,112,000				1,112,000
	Petersburg Harbor Transfer	3,300,000			3,300,000	
	Corp of Engin. - Wrangell	500,000	500,000			
	Sitka Harbor Transfer	4,040,000			4,040,000	
3-4	Auke Bay Elem Roof Replacement	653,000				653,000
	Marie Drake Roof Replacement	599,000				599,000
	Harborview Elem Gym Replacement	106,000				106,000
	High School Heating/Ventilation	65,000				65,000
	High School Aux Gym Floor Replacement	109,000				109,000
	Floyd Dryden Sch Gym Floor	108,000				108,000
	Gastineau Elem Heating Coil Replacement	133,000				133,000
	Floyd Dryden Middle School Renovation	3,629,000				3,629,000
5-6	Kake City - Kake Elementary School Addition	2,237,000		2,237,000		
	Klawock Harbor Transfer	860,000			860,000	
	Corp of Engin. - Metlakatla - Tamgass	850,000	850,000			
	Corp of Engin. - Ouzinkie	1,300,000	1,300,000			
	Peterson Elem Addition	756,000				756,000
	Kodiak High School	1,106,000				1,106,000
7-9	Peninsula Schools: District-wide Projects and Deferred Maintenance	5,200,000				5,200,000
	Corp of Engin. - Seward Harbor Expansion	2,925,000	2,925,000			
	Seldovia Harbor Transfer	2,500,000			2,500,000	

Bond projects as of 5-1-00

<u>ED</u>	<u>Project Name</u>	<u>Bond Projects</u>	<u>AHFC Bonds</u>	<u>Tobacco Revenue Securitization</u>	<u>Municipal Bond Harbor Transfer (100% reimbursed)</u>	<u>Municipal school bonds (reimbursed at 70/30)</u>
10-25	Bartlett High School, Phase I	3,500,000				3,500,000
	Eagle River/ Chuglak High School	14,563,000				14,563,000
	East High School, Phase I	7,295,000				7,295,000
	Service High School, Phase I	4,998,000				4,998,000
	Wendler Middle School, Phase I	4,231,000				4,231,000
	Denali Elementary, Replacement	8,211,000				8,211,000
	District Wide Projects/ Major Maintenance	11,730,000				11,730,000
	Mat-Su Schools: District-wide Projects and Deferred					
26-28	Maintenance	9,900,000				9,900,000
	Fairbanks Schools: District-wide Projects and Deferred					
29-34	Maintenance	10,200,000				10,200,000
35	Whittier Harbor Transfer	1,835,000			1,835,000	
	Valdez Harbor Transfer	3,013,000			3,013,000	
	Cordova Harbor Transfer	4,337,000			4,337,000	
36	Lwr Yukon - Pilot Station School Replacement	17,654,000		17,654,000		
37	Ambler K-12 Improvements	924,000				924,000
	Kiana K-12 Improvements	1,395,000				1,395,000
	Noorvik K-12 Improvements	13,633,000				13,633,000
38	Kashunamiut - Chevak School Replacement	28,272,000		28,272,000		
	Lwr Yukon - Kotlik School Replacement	17,910,000		17,910,000		
	Bering Straits School - Elim School Phase III	12,146,000		12,146,000		
	Nome Harbor Transfer	1,000,000			1,000,000	
39	Manokotak School Replacement	14,689,000		14,689,000		
	Lake & Peninsula - Pedro Bay School Renovation					
40	/Relocation/Reconstruction	1,557,000				1,557,000
	Corp of Engr. - Perryville Harbor Feasibility	102,000	102,000			
99	Corp of Engineers Program Formulation	100,000	100,000			
	AHFC deferred maintenance projects	4,400,000	4,400,000			

Bond projects as of 5-1-00

<i>ED</i>	<i>Project Name</i>	Bond Projects	AHFC Bonds	Tobacco Revenue Securitization	Municipal Bond Harbor Transfer (100% reimbursed)	Municipal school bonds (reimbursed at 70/30)
	UNIVERSITY					
	University of Alaska - Southeast Deferred Maintenance, Renewal & Replacement, Code Compliance	1,388,000	1,388,000			
4	UAS Classroom Building	5,500,000	5,500,000			
	Department of Education: AVTEC - Seward Student Housing	4,200,000	4,200,000			
7-9						
	University of Alaska - Anchorage Consortium Library	34,000,000	34,000,000			
10-25	UAA Deferred Maintenance	2,200,000	2,200,000			
	University of Alaska - Fairbanks Deferred Maintenance	18,700,000	18,700,000			
29-34						
	Totals	302,871,000	76,365,000	92,903,000	27,885,000	105,713,000

FISCAL NOTE

Version: CSHB 281 (FIN)

(H) Publish Date: 4/19/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected _____ Revenue _____
 Title Bonds: Public Schools/Univ/Harbors/Bldgs. BRU Alaska Housing Finance Corp.
 Component Operations
 Sponsor House Finance Committee
 Requester House Finance Committee Component No. 110

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	(8,536.7)	(17,073.3)	(18,268.3)	(18,281.2)	(19,041.6)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Under AS 18.56.089(2)(A), activities of AHFC that relate to the issuance of obligations and repayment of debt obligations are exempt from provisions of the Executive Budget Act. The costs are included in the bond authorizations in the bill, including cost of issuance, debt service reserves and capitalized interest. Bonds issued under this legislation will be paid from the proceeds of tobacco settlement funds purchased by AHFC or its subsidiary from the state. This will result in a reduction in unrestricted revenues to the treasury (shown above).

Estimates for debt service and other costs are included in the attached spreadsheet. These estimates are based on a number of assumptions, including future interest rates and bond ratings.

Operational costs for issuing and monitoring the bonds will be done with existing personnel and within the authorized operating budget for FY2001 and beyond. No authorizations are necessary with this fiscal note.

Prepared by: John Bitney, Legislative Liaison Phone 330-8445
 Division Alaska Housing Finance Corporation Date/Time 4/19/00 4:15 PM
 Approved by Commissioner Wilson Condon Date 04/19/2000
 Agency Department of Revenue

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BOND DEBT SERVICE REPORT

HB322

State Education Bonds, 2000 Series A
AMFC Tobacco Revenue Bonds

Date	Bond Debt Service			Redeemed Principal	Total Bond Payment	Bond Valuation		
	maturing Principal	Interest Paid	Total Debt Serv			Bond Balance	Unpaid Interest	Accrued Bond-Value
Dec 1, 2000	-	-	-	-	-	339,424,838	-	339,424,838.00
Jun 1, 2001	-	8,536,654	8,536,655.50	-	8,536,655.50	339,424,838	-25,894,758	313,530,079.88
Jun 1, 2002	-	17,073,307	17,073,307.00	-	17,073,307.00	339,424,838	-24,077,470	315,347,368.19
Jun 1, 2003	-	17,073,307	17,073,307.00	-	17,073,307.00	339,424,838	-22,232,505	317,192,332.60
Jun 1, 2004	1,199,000	17,073,307	18,268,307.00	-	18,268,307.00	338,229,838	-20,288,233	317,941,605.61
Jun 1, 2005	1,265,000	17,016,186	18,281,186.00	-	18,281,186.00	336,964,838	-18,176,546	318,790,291.62
Jun 1, 2006	1,319,000	16,934,363	18,249,363.00	792,200	19,041,563.00	334,857,438	-15,898,516	318,959,126.38
Jun 1, 2007	1,309,000	16,763,923	18,068,922.79	3,297,765	21,366,687.79	330,254,893	-13,584,629	316,670,267.80
Jun 1, 2008	8,005,033	16,518,862	24,523,875.25	3,633,297	28,177,172.25	318,596,563	-11,829,019	307,307,844.37
Jun 1, 2009	7,429,743	16,044,658	23,470,400.50	11,264,402	34,734,802.50	299,906,618	-8,782,698	291,123,919.71
Jun 1, 2010	7,024,780	15,323,998	22,348,777.50	12,821,504	35,170,281.50	288,060,134	-6,757,686	273,302,449.83
Jun 1, 2011	6,498,836	14,906,889	21,008,724.50	14,453,995	35,499,719.50	259,107,303	-5,053,586	256,053,917.60
Jun 1, 2012	6,102,273	13,993,029	19,695,297.50	16,272,088	35,967,385.50	236,732,942	-3,492,651	233,240,291.23
Jun 1, 2013	5,677,393	12,970,933	18,248,326.25	17,993,205	36,241,531.25	213,062,366	-2,233,165	210,829,178.79
Jun 1, 2014	5,219,481	11,437,988	16,657,068.50	19,769,157	36,426,225.50	188,073,706	-1,260,863	186,812,862.89
Jun 1, 2015	4,639,980	10,182,352	14,822,331.50	21,701,906	36,524,239.50	161,731,822	-574,629	161,157,196.63
Jun 1, 2016	4,067,735	8,790,356	12,858,110.79	23,833,338	36,711,448.79	133,810,709	-172,843	133,637,866.66
Jun 1, 2017	3,384,331	7,233,939	10,567,859.50	26,446,378	37,014,237.50	106,030,000	-	106,030,000.00
Jun 1, 2018	1,435,000	5,484,153	6,919,152.79	29,330,000	36,269,152.79	73,265,000	-	73,265,000.00
Jun 1, 2019	1,065,000	3,820,173	4,885,173.25	22,280,000	27,165,173.25	49,900,000	-	49,900,000.00
Jun 1, 2020	580,000	2,321,898	2,901,898.25	24,470,000	27,371,898.25	24,850,000	-	24,850,000.00
Dec 1, 2020	-	767,986	767,983.79	24,850,000	25,617,983.79	-	-	-
<hr/> 66,195,605 249,067,021 315,222,626.00 273,249,233 589,691,839.00								

**Note: The entire \$8.5 million debt service payment in FY 2001, and \$8.5 million of the FY 2002 debt service payment will be made from Capitalized Interest and will not result in lost earnings to the State's General Fund.

FISCAL NOTE

Bill Version: CSHB 281 (FIN)

(H) Publish Date: 4/19/00

**STATE OF ALASKA
1999 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction)	_____	Dept. Affected	Revenue
Title	<u>Bonds: Public Schools/Univ/Harbors/Bldgs.</u>	BRU	Revenue Operations
		Component	Treasury Division
Sponsor	<u>House Finance Committee</u>		
Requester	<u>House Finance Committee</u>	Component Serial No.	<u>121</u>

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel (Marketing & Selling Bonds)						
Contractual	50.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service						
TOTAL OPERATING	50.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	50.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	50.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY00) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Authorizes sale of the state's portion of the \$245 billion national Master Settlement Agreement with cigarette manufacturers to the Alaska Housing Finance Corporation in exchange for the bond proceeds AHFC is able to generate at an investment-grade rating (less costs associated with issuing the bonds and funding of a debt service reserve).

It is anticipated that the state will be able to obtain approximately \$269 million in proceeds from the settlement. Debt service would be based on a 40-year nominal schedule with flexible amortization serial bonds that allow bonds to be paid as funds are received through the settlement. Assuming the first settlement payment available to AHFC for debt service will be received in FY 2002, the settlement will provide \$1.4 million annually for tobacco control, and the bonds will be fully repaid in FY 2020. The residual settlement revenue stream would revert to the state upon final payment of the bonds.

Prepared by Deven Mitchell, Debt Manager
 Division Treasury Division
 Approved by Wilson L. Condo.
 Commissioner
 Agency Department of Revenue

Phone 465-3750
 Date/Time April 19, 2000
 Date April 19, 2000

COMMITTEE PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

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Bill History/Action Display



BILL: HB 281 SHORT TITLE: REVENUE BONDS:PUBLIC SCHOOLS/UNIV/HARBORS
 BILL VERSION: CSHB 281(FIN) AM
 SPONSOR(S): FINANCE

CURRENT STATUS: (S) FIN

STATUS DATE: 4/27/00

TITLE: "An Act relating to the financing of construction of public school facilities, facilities for the University of Alaska, and facilities for ports and harbors; authorizing the commissioner of revenue to sell the right to receive a portion of the anticipated revenue from a certain tobacco litigation settlement to the Alaska Housing Finance Corporation; relating to the deposit of certain anticipated revenue from a certain tobacco litigation settlement; authorizing the issuance of bonds by the Alaska Housing Finance Corporation with proceeds to finance public school construction, facilities for the University of Alaska, and facilities for ports and harbors; providing for the creation of subsidiary corporations of the Alaska Housing Finance Corporation for the purpose of financing or facilitating the financing of public school construction, facilities for the University of Alaska, and facilities for ports and harbors; and providing for an effective date."

[Full Text](#) Detailed 2000 fiscal note information currently not available on-line.

Committee Action With Bill History

Jrn-Date	Jrn-Page	Action
1/10/00	<u>1893</u>	(H) READ THE FIRST TIME - REFERRALS
1/10/00	<u>1893</u>	(H) FIN
4/19/00	<u>3325</u>	(H) FIN RPT CS(FIN) NT 7DP 2NR 2AM
4/19/00	<u>3326</u>	(H) DP: DAVIS, PHILLIPS, WILLIAMS,
4/19/00	<u>3326</u>	(H) AUSTERMAN, BUNDE, MULDER, FOSTER;
4/19/00	<u>3326</u>	(H) NR: MOSES, THERRIAULT; AM: DAVIES,
4/19/00	<u>3326</u>	(H) GRUSSENDORF
4/19/00	<u>3326</u>	(H) 2 FISCAL NOTES (REV)
4/20/00	<u>3348</u>	(H) RULES TO CALENDAR 4/20/00
4/20/00	<u>3348</u>	(H) READ THE SECOND TIME
4/20/00	<u>3348</u>	(H) FIN CS ADOPTED UNAN CONSENT
4/20/00	<u>3349</u>	(H) AM NO 1 FAILED Y17 N18 A5
4/20/00	<u>3350</u>	(H) AM NO 2 FAILED Y15 N25
4/20/00	<u>3359</u>	(H) ADVANCED TO THIRD READING 4/21 CALENDAR
4/21/00	<u>3413</u>	(H) READ THE THIRD TIME CSHB 281(FIN)
4/21/00	<u>3413</u>	(H) PASSED Y25 Y13 A2
4, 21/00	<u>3414</u>	(H) EFFECTIVE DATE(S) UNAN CONSENT
4/21/00	<u>3414</u>	(H) BERKOWITZ NOTICE OF RECONSIDERATION
4/24/00	<u>3472</u>	(H) RECONSIDERATION NOT TAKEN UP
4/24/00	<u>3472</u>	(H) TRANSMITTED TO (S)
4/25/00	<u>3484</u>	(S) RETURNED TO HOUSE
4/25/00	<u>3480</u>	(H) RECEIVED FROM SENATE
4/25/00	<u>3497</u>	(H) RESCIND PREVIOUS ACTION UNAN CONSENT
4/25/00	<u>3498</u>	(H) RETURN TO 2ND FOR AM 3 UNAN CONSENT
4/25/00	<u>3498</u>	(H) AM NO 3 ADOPTED UNAN CONSENT
4/25/00	<u>3501</u>	(H) AUTOMATICALLY IN THIRD READING
4/25/00	<u>3501</u>	(H) HELD IN THIRD READING TO 4/26 CALENDAR
4/26/00	<u>3535</u>	(H) READ THIRD TIME AGAIN CSHB 281(FIN) AM
4/26/00	<u>3536</u>	(H) MOTION TO TABLE FAILED Y13 N26 E1
4/26/00	<u>3536</u>	(H) POSTPONE DEBATE TO 4/28 FLD Y13 N26 E1
4/26/00	<u>3537</u>	(H) PASSED Y29 N10 E1
4/26/00	<u>3538</u>	(H) EFFECTIVE DATE(S) SAME AS PASSAGE

4/26/00	<u>3543</u>	(H)	NOTICE OF RECONSIDER RULED OUT OF ORDER
4/26/00	<u>3550</u>	(H)	RETRANSMITTED TO (S)
4/27/00		(S)	READ THE FIRST TIME - REFERRALS
4/27/00		(S)	FIN
4/27/00		(S)	REFERRED TO FINANCE

Similar Subject Match or Exact Subject Match

BONDS & BONDING

CAPITAL PROJECTS

CONSTRUCTION

MARINE FACILITIES

PUBLIC CORPORATIONS

PUBLIC WORKS

REVENUE

SCHOOL DISTRICTS

TOBACCO

UNIVERSITIES

Bill Root:

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Senate CS for HB281
May 1, 2000

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To	S FINANCE SEC.	From	BETH LAPEL		
Co./Dept.		Co.	EDUCATION		
Phone #		Phone #	2003		
Fax #	2107	Fax #			

For the record, I am Bruce Johnson, Deputy Commissioner of Education. With me today is Eddy Jeans, Finance Officer for EED.

The Department appreciates:

- **The funding for the first 6 new construction projects; and**
- **The overall financial support for school construction/major maintenance package.**

However, the Senate CS totally ignores the prioritization of major maintenance projects established by the Department.

- **While not a perfect system, all the projects listed on the CIP list have been thoughtfully conceived, reviewed, and approved as necessary projects.**
- **Moreover, this bill is inherently wrong as it funds "unknown" projects in various urban communities while ignoring such critical needs as:**
 - **Schools without functional kitchens to prepare hot meals;**
 - **School without running water;**
 - **Schools without functional toilets due to lack of running water;**
 - **Schools with foundations deteriorating so badly that temporary jacks are holding the school in place.**

It is outrageous to overlook these critical needs while providing funds for projects "yet to be identified." I would submit that if many of the maintenance projects identified on the Department list are not addressed soon, the state will face, not major maintenance projects, but more expensive school replacement projects.

And in the meantime, many Alaskan students will continue to attend school in unsafe, questionable school environments.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/27/00

REPORTED OUT OF
SFC 5/1/00

FURTHER:

DATE TURNED
IN TO OFFICE: 1 May 00

Finance Committee considered

CS FOR HOUSE BILL NO. 281(FIN) am

REVENUE BONDS:PUBLIC SCHOOLS/UNIV/HARBORS

and recommends:

- be replaced with S CS CS HB 281 (FIN)
- adopt previous _____ CS _____
- attached amendment(s) _____
- adopt Letter of Intent by _____
- further referral to the _____ Committee

CS
forthcoming

- Senate Bill:
- same title
 - new title
- House Bill:
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>		✓	
<i>[Signature]</i>	✓	<i>[Signature]</i>			✓
<i>[Signature]</i>	✓	<i>[Signature]</i>	X		
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
forthcoming			
f/n			
Revenue			
ATFC			

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
Revenue (Treasury)	4/19/00		50.0

APPROPRIATION -- NO FISCAL note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SCS HB281(FIN)

Revision Date/Time (Note if correction) _____ Dept. Affected _____ Revenue _____
 Title Revenue Bonds: Schools/University BRU Alaska Housing Finance Corp.
 Component Operations
 Sponsor House Finance Committee
 Requester Senate Finance Committee Component No. 110

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	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
Contractual	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
Equipment	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
Grants & Claims	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
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES				0.0	0.0	0.0
-----------------------------	--	--	--	------------	------------	------------

CHANGE IN REVENUES ()	0.0	(6,600.0)	(14,700.0)	(11,300.0)	(9,600.0)	(9,800.0)
-------------------------------	------------	------------------	-------------------	-------------------	------------------	------------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

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 in the bill, including the cost of issuance, debt service reserves, and capitalized interest. Bonds issued under this legislation will be paid from the proceeds of tobacco settlement funds purchased by AHFC or its subsidiary from the State of Alaska. This will result in a reduction in annual unrestricted revenues to the treasury (shown above).

Estimates for debt service and other costs 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 FY2001 and beyond. No budget authorizations are necessary with this fiscal note.

Prepared by: John Bitney, Legislative Liaison Phone 330-8445
 Division Alaska Housing Finance Corporation Date/Time 5/1/00 7:12 PM
 Approved by Commissioner Wilson Condon Date 05/01/2000
 Agency Department of Revenue

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FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. SCS HB281(FIN)

Revision Date/Time (Note if correction) _____	Dept. Affected _____	Revenue _____
Title <u>Revenue Bonds: Schools/University</u>	BRU _____	<u>Alaska Housing Finance Corp.</u>
Sponsor <u>House Finance Committee</u>	Component <u>Operations</u>	
Requester <u>Senate Finance Committee</u>	Component No. <u>110</u>	

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	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
Contractual	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
Equipment	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
Grants & Claims	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
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
	0.0	0.0	0.0	0.0	0.0	0.0

CHANGE IN REVENUES ()						
	0.0	(6,600.0)	(14,700.0)	(1,300.0)	(9,600.0)	(9,800.0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

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 in the bill, including the cost of issuance, debt service reserves, and capitalized interest. Bonds issued under this legislation will be paid from the proceeds of tobacco settlement funds purchased by AHFC or its subsidiary from the State of Alaska. This will result in a reduction in annual unrestricted revenues to the treasury (shown above).

Estimates for debt service and other costs 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 FY2001 and beyond. No budget authorizations are necessary with this fiscal note.

Prepared by: <u>John Bitney, Legislative Liaison</u>	Phone <u>330-8445</u>
Division <u>Alaska Housing Finance Corporation</u>	Date/Time <u>5/1/00 7:12 PM</u>
Approved by Commissioner <u>Wilson Condon</u>	Date <u>05/01/2000</u>
Agency <u>Department of Revenue</u>	

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**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. SCS HB281(FIN)

Revision Date/Time (Note if correction)	Dept. Affected	Revenue
Title <u>Revenue Bonds: Schools/University</u>	BRU	<u>Alaska Housing Finance Corp.</u>
	Component <u>Operations</u>	
Sponsor <u>House Finance Committee</u>		
Requester <u>Senate Finance Committee</u>	Component No. <u>110</u>	

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	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
Contractual	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
Equipment	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
Grants & Claims	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
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES				0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	(6,600.0)	(14,700.0)	(11,300.0)	(9,600.0)	(9,800.0)
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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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

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 in the bill, including the cost of issuance, debt service reserves, and capitalized interest. Bonds issued under this legislation will be paid from the proceeds of tobacco settlement funds purchased by AHFC or its subsidiary from the State of Alaska. This will result in a reduction in annual unrestricted revenues to the treasury (shown above).

Estimates for debt service and other costs 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 FY2001 and beyond. No budget authorizations are necessary with this fiscal note.

Prepared by: <u>John Bitney, Legislative Liaison</u>	Phone <u>330-8445</u>
Division <u>Alaska Housing Finance Corporation</u>	Date/Time <u>5/1/00 7:12 PM</u>
Approved by Commissioner <u>Wilson Condon</u>	Date <u>05/01/2000</u>
Agency <u>Department of Revenue</u>	

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SENATE CS FOR CS FOR HOUSE BILL NO. 281(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): **HOUSE FINANCE COMMITTEE**

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the financing of construction of public school facilities,
2 facilities for the University of Alaska, and facilities for ports and harbors;
3 authorizing the commissioner of revenue to sell the right to receive a portion of
4 the anticipated revenue from a certain tobacco litigation settlement to the Alaska
5 Housing Finance Corporation; relating to the deposit of certain anticipated revenue
6 from a certain tobacco litigation settlement; authorizing the issuance of bonds by
7 the Alaska Housing Finance Corporation with proceeds to finance public school
8 construction, facilities for the University of Alaska, public housing facilities of the
9 Alaska Housing Finance Corporation, and facilities for ports and harbors;
10 providing for the creation of subsidiary corporations of the Alaska Housing
11 Finance Corporation for the purpose of financing or facilitating the financing of
12 public school construction, facilities for the University of Alaska, and facilities for

1 ports and harbors; and providing for an effective date."

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

3 * Section 1. The uncodified law of the State of Alaska is amended by adding a new
4 section to read:

5 INTENT. (a) In connection with the authorization contained in sec. 10(b) of this Act,
6 the legislature restates and reaffirms its intent as expressed in sec. 1, ch. 129, SLA 1998, that
7 the sum of withdrawals for repayment of bonds under sec. 10(b) of this Act and for all other
8 purposes described in sec. 1, ch. 129, SLA 1998, should not exceed the Alaska Housing
9 Finance Corporation's net income for the preceding fiscal year, which the Alaska Housing
10 Finance Corporation projects to be \$103,000,000 for each of the fiscal years beginning with
11 2000 through 2008, for a total during that nine-year period of \$927,000,000.

12 (b) It is the intent of the legislature that the portion of the revenue that is not sold to
13 the Alaska Housing Finance Corporation under sec. 9(a) of this Act be deposited into the
14 general fund, and that at least \$1,400,000 of the amount deposited in the general fund be used
15 for smoking education and cessation programs administered by the state.

16 * Sec. 2. AS 14.11.100(a) is amended to read:

17 (a) During each fiscal year, the state shall allocate to a municipality that is a
18 school district the following sums:

19 (1) payments made by the municipality during the fiscal year two years
20 earlier for the retirement of principal and interest on outstanding bonds, notes, or other
21 indebtedness incurred before July 1, 1977, to pay costs of school construction;

22 (2) 90 percent of

23 (A) payments made by the municipality during the fiscal year
24 two years earlier for the retirement of principal and interest on outstanding
25 bonds, notes, or other indebtedness incurred after June 30, 1977, and before
26 July 1, 1978, to pay costs of school construction;

27 (B) cash payments made after June 30, 1976, and before July 1,
28 1978, by the municipality during the fiscal year two years earlier to pay costs
29 of school construction;

30 (3) 90 percent of

1 (A) payments made by the municipality during the fiscal year
2 two years earlier for the retirement of principal and interest on outstanding
3 bonds, notes, or other indebtedness incurred after June 30, 1978, and before
4 January 1, 1982, to pay costs of school construction projects approved under
5 AS 14.07.020(a)(11);

6 (B) cash payments made after June 30, 1978, and before July 1,
7 1982, by the municipality during the fiscal year two years earlier to pay costs
8 of school construction projects approved under AS 14.07.020(a)(11);

9 (4) subject to (h) and (i) of this section, up to 90 percent of

10 (A) payments made by the municipality during the current fiscal
11 year for the retirement of principal and interest on outstanding bonds, notes, or
12 other indebtedness incurred after December 31, 1981, and authorized by the
13 qualified voters of the municipality before July 1, 1983, to pay costs of school
14 construction, additions to schools, and major rehabilitation projects that exceed
15 \$25,000 and are approved under AS 14.07.020(a)(11);

16 (B) cash payments made after June 30, 1982, and before July 1,
17 1983, by the municipality during the fiscal year two years earlier to pay costs
18 of school construction, additions to schools, and major rehabilitation projects
19 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

20 (C) payments made by the municipality during the current fiscal
21 year for the retirement of principal and interest on outstanding bonds, notes, or
22 other indebtedness to pay costs of school construction, additions to schools, and
23 major rehabilitation projects that exceed \$25,000 and are submitted to the
24 department for approval under AS 14.07.020(a)(11) before July 1, 1983, and
25 approved by the qualified voters of the municipality before October 15, 1983,
26 not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of
27 average daily membership of the municipality is more than 7 percent but less
28 than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily
29 membership of the municipality is 12 percent or more; payments made by a
30 municipality under this subparagraph on total project costs that exceed the
31 amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this

1 subsection;

2 (5) subject to (h) - (j) of this section, 80 percent of

3 (A) payments made by the municipality during the fiscal year
4 for the retirement of principal and interest on outstanding bonds, notes, or other
5 indebtedness authorized by the qualified voters of the municipality

6 (i) after June 30, 1983, but before March 31, 1990, to
7 pay costs of school construction, additions to schools, and major
8 rehabilitation projects that exceed \$25,000 and are approved under
9 AS 14.07.020(a)(11); or

10 (ii) before July 1, 1989, and reauthorized before
11 November 1, 1989, to pay costs of school construction, additions to
12 schools, and major rehabilitation projects that exceed \$25,000 and are
13 approved under AS 14.07.020(a)(11); and

14 (B) cash payments made after June 30, 1983, by the
15 municipality during the fiscal year two years earlier to pay costs of school
16 construction, additions to schools, and major rehabilitation projects that exceed
17 \$25,000 and are approved by the department before July 1, 1990, under
18 AS 14.07.020(a)(11);

19 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments
20 made by the municipality during the fiscal year for the retirement of principal and
21 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
22 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay
23 costs of school construction, additions to schools, and major rehabilitation projects that
24 exceed \$200,000 and are approved under AS 14.07.020(a)(11);

25 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments
26 made by the municipality during the fiscal year for the retirement of principal and
27 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
28 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay
29 costs of school construction, additions to schools, and major rehabilitation projects;

30 (8) subject to (h), (i), (j)(2) - (4), and (n) of this section and after
31 projects funded by the bonds, notes, or other indebtedness have been approved by the

1 commissioner, 70 percent of payments made by the municipality during the fiscal year
2 for the retirement of principal and interest on outstanding bonds, notes, or other
3 indebtedness authorized by the qualified voters of the municipality on or after July 1,
4 1995, but before July 1, 1998, to pay costs of school construction, additions to schools,
5 and major rehabilitation projects that exceed \$200,000 and are approved under
6 AS 14.07.020(a)(11);

7 (9) subject to (h), (i), (j), and (n) of this section and after projects
8 funded by the bonds, notes, or other indebtedness have been approved by the
9 commissioner, 70 percent of payments made by the municipality during the fiscal year
10 for the retirement of principal and interest on outstanding bonds, notes, or other
11 indebtedness authorized by the qualified voters of the municipality on or after July 1,
12 1998, but before July 1, 2004, to pay costs of school construction, additions to
13 schools, and major rehabilitation projects that exceed \$200,000 and are approved under
14 AS 14.07.020(a)(11);

15 (10) subject to (h), (i), (j), and (p) of this section, and after projects
16 funded by the bonds, notes, or other indebtedness have been approved by the
17 commissioner, 70 percent of payments made by the municipality during the fiscal
18 year for the retirement of principal and interest on outstanding bonds, notes, or
19 other indebtedness authorized by the qualified voters of the municipality on or
20 after June 30, 1998, to pay costs of school construction, additions to schools, and
21 major rehabilitation projects that exceed \$200,000, are approved under
22 AS 14.07.020(a)(11), and are not reimbursed under (n) of this section.

23 * Sec. 3. AS 14.11.100(h) is amended to read:

24 (h) An allocation under (a)(4), (5), (6), (7), (8), [OR] (9), or (10) of this
25 section for school construction begun after July 1, 1982, shall be reduced by the
26 amount of money used for the construction of residential space, hockey rinks,
27 planetariums, saunas, and other facilities for single purpose sporting or recreational
28 uses that are not suitable for other activities and by the money used for construction
29 that exceeds the amount needed for construction of a facility of efficient design as
30 determined by the department. An allocation under (a)(4), (5), (6), (7), (8), [OR] (9),
31 or (10) of this section may not be reduced by the amount of money used for

1 construction of a small swimming pool, tank, or water storage facility used for water
2 sports. However, an allocation shall be reduced by the difference between the amount
3 of money used to construct a swimming pool that exceeds the standards adopted by
4 the department and the amount of money that would have been used to construct a
5 small swimming pool, tank, or water storage facility, as determined by the
6 commissioner.

7 * Sec. 4. AS 14.11.100(i) is amended to read:

8 (i) For the purposes of (a)(4) - ~~(10)~~ [(9)] of this section,

9 (1) an indebtedness for bonds is incurred after the bonds are sold;

10 (2) reimbursement for a cash payment may only be made after the
11 payment is made to a vendor; and

12 (3) payments may not be made for costs that are incurred under a
13 contract after the contract has been released.

14 * Sec. 5. AS 14.11.100(j) is amended to read:

15 (j) Except as provided in (l) of this section, the state may not allocate money
16 to a municipality for a school construction project under (a)(5), (6), (7), [OR] (9), or
17 (10) of this section unless the municipality complies with the requirements of (1) - (4)
18 of this subsection, the project is approved by the commissioner before the local vote
19 on the bond issue for the project or for bonds authorized after March 31, 1990, but on
20 or before April 30, 1993, the bonds are approved by the commissioner before
21 reimbursement by the state, and the local vote occurs before July 1, 1987, or after June
22 30, 1988. In approving a project under this subsection, and to the extent required under
23 (8) of this section, the commissioner shall require

24 (1) the municipality to include on the ballot for the bond issue, for
25 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated
26 total cost of each project including estimated total interest, estimated annual operation
27 and maintenance costs, the estimated amounts that will be paid by the state and by the
28 municipality, and the approximate amount that would be due in annual taxes on
29 \$100,000 in assessed value to retire the debt;

30 (2) that the bonds may not be refunded unless the annual debt service
31 on the refunding issue is not greater than the annual debt service on the original issue;

1 (3) that the bonds must be repaid in approximately equal annual
2 principal payments or approximately equal debt service payments over a period of at
3 least 10 years;

4 (4) the municipality to demonstrate need for the project by establishing
5 that the school district has

6 (A) projected long-term student enrollment that indicates the
7 district has inadequate facilities to meet present or projected enrollment;

8 (B) facilities that require repair or replacement in order to meet
9 health and safety laws or regulations or building codes;

10 (C) demonstrated that the project will result in a reduction in
11 annual operating costs that economically justifies the cost of the project; or

12 (D) facilities that require modification or rehabilitation for the
13 purpose of improving the instructional program.

14 * Sec. 6. AS 14.11.100 is amended by adding a new subsection to read:

15 (p) The total amount of school construction projects approved for
16 reimbursement by the department under (a)(10) of this section

17 (1) may not exceed \$151,019,000; and

18 (2) after June 30, 1998, and until July 1, 2004, shall be allocated as
19 follows:

20 (A) \$77,897,000 to projects in a municipality with a public
21 school enrollment of 25,000 or more students in fiscal year 2000, as determined
22 under AS 14.17.500;

23 (B) \$14,571,000 to projects in a municipality with a public
24 school enrollment of at least 15,000 but less than 25,000 students in fiscal year
25 2000, as determined under AS 14.17.500;

26 (C) \$14,143,000 to projects in a municipality with a public
27 school enrollment of at least 10,000 but less than 15,000 students in fiscal year
28 2000, as determined under AS 14.17.500;

29 (D) \$7,429,000 to projects in a municipality with a public
30 school enrollment of at least 7,500 but less than 10,000 students in fiscal year
31 2000, as determined under AS 14.17.500;

1 (E) \$7,717,000 to projects in a municipality with a public
2 school enrollment of at least 5,000 but less than 7,500 students in fiscal year
3 2000, as determined under AS 14.17.500;

4 (F) \$2,660,000 to projects in a municipality with a public school
5 enrollment of at least 2,750 but less than 3,000 students in fiscal year 2000, as
6 determined under AS 14.17.500.

7 (G) \$454,000 to projects in a municipality with a public school
8 enrollment of at least 2,400 but less than 2,750 students in fiscal year 2000, as
9 determined under AS 14.17.500;

10 (H) \$22,790,000 to projects in a municipality with a public
11 school enrollment of at least 2,050 but less than 2,400 students in fiscal year
12 2000, as determined under AS 14.17.500;

13 (I) \$329,000 to projects in a municipality with a public school
14 enrollment of at least 1,700 but less than 1,750 students in fiscal year 2000, as
15 determined under AS 14.17.500;

16 (J) \$286,000 to projects in a municipality with a public school
17 enrollment of at least 650 but less than 725 students in fiscal year 2000, as
18 determined under AS 14.17.500;

19 (K) \$519,000 to projects in a municipality with a public school
20 enrollment of at least 500 but less than 525 students in fiscal year 2000, as
21 determined under AS 14.17.500;

22 (L) \$2,224,000 to projects in a municipality with a public
23 school enrollment of at least 425 but less than 482 students in fiscal year 2000,
24 as determined under AS 14.17.500.

25 * Sec. 7. AS-18.56 is amended by adding a new section to read:

26 **Sec. 18.56.086. Creation of subsidiaries.** The corporation may create
27 subsidiary corporations for the purpose of financing or facilitating the financing of
28 school construction, facilities for the University of Alaska, or facilities for ports and
29 harbors. A subsidiary corporation created under this section may be incorporated
30 under AS 10.20.146 - 10.20.166. The corporation may transfer assets of the
31 corporation to a subsidiary created under this section. A subsidiary created under this

1 section may borrow money and issue bonds as evidence of that borrowing and has all
 2 the powers of the corporation that the corporation grants to it. Unless otherwise
 3 provided by the corporation, the debts, liabilities, and obligations of a subsidiary
 4 corporation created under this section are not the debts, liabilities, or obligations of the
 5 corporation.

6 * **Sec. 8.** AS 29.60 is amended by adding a new section to read:

7 **Article 9. Reimbursement for Costs of Bonds.**

8 **Sec. 29.60.700. Reimbursement for costs of ports and harbors.** (a) Subject
 9 to appropriations for the purpose, during each fiscal year, the Department of
 10 Transportation and Public Facilities shall allocate to each municipality an amount to
 11 reimburse the costs paid by the municipality during the fiscal year two years earlier
 12 for the retirement of principal and interest on outstanding general obligation bonds for
 13 projects listed in (b) of this section. An allocation may be made to a municipality only
 14 if

15 (1) the general obligation bonds were issued after July 1, 2000, and
 16 before July 1, 2003;

17 (2) the port or harbor facility financed with the bond proceeds is
 18 located in the municipality and the facility is owned and operated by the municipality;

19 (3) ownership of the port or harbor facility financed with the bond
 20 proceeds has been transferred from the state to the municipality by a transfer
 21 agreement under AS 35.10.120; and

22 (4) the state has completed a bill of sale transferring the port or harbor
 23 facility from the state to the municipality.

24 (b) The Department of Transportation and Public Facilities may make an
 25 allocation to a municipality under (a) of this section only for reimbursement of costs
 26 incurred for the following port and harbor facility construction and renovation projects
 27 and only for reimbursement of total project costs incurred up to the following amounts:

28 **PROJECT**

29 Ketchikan	\$ 7,000,000
30 Petersburg	3,300,000
31 Sitka	4,038,900

1	Klawock	860,000
2	Seldovia	2,500,000
3	Whittier	1,835,600
4	Valdez	3,013,500
5	Cordova	4,337,800
6	Nome	1,000,000

7 * Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section
8 to read:

9 SALE OF RIGHT TO RECEIVE ANTICIPATED SPECIAL REVENUE. (a) The
10 commissioner of revenue is authorized to sell to the Alaska Housing Finance Corporation the
11 right to receive 40 percent annually of the revenue derived from the settlement of State of
12 Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915CI (Alaska Super. 1997).

13 (b) The proceeds to the state of the sale of the right to receive revenue under (a) of
14 this section are anticipated to be at least \$93,000,000.

15 * Sec. 10. The uncodified law of the State of Alaska is amended by adding a new section
16 to read:

17 BOND AUTHORIZATION AND PROVISIONS. (a) Notwithstanding the limitation
18 in AS 18.56.090 or other provisions of law, the Alaska Housing Finance Corporation or a
19 subsidiary corporation created under AS 18.56.086 is authorized to issue revenue bonds in
20 principal amounts sufficient to acquire the right to receive revenue described in sec. 9 of this
21 Act from the commissioner of revenue at a price agreed upon by the Alaska Housing Finance
22 Corporation and the commissioner of revenue. The bonds may be special, limited obligations
23 of the Alaska Housing Finance Corporation or of the subsidiary corporation secured solely by
24 the right to receive revenue sold to the Alaska Housing Finance Corporation under sec. 9 of
25 this Act, and the Alaska Housing Finance Corporation or the subsidiary corporation may
26 include in agreements with the bondholders a pledge of the right to receive that revenue and
27 the promise of the state to honor that pledge.

28 (b) In addition to the authorization provided by (a) of this section, and notwithstanding
29 the limitation contained in AS 18.56.090 or other provisions of law, the Alaska Housing
30 Finance Corporation is authorized to issue an amount of bonds sufficient to finance
31 construction of public school facilities, facilities for the University of Alaska, public housing

1 facilities of the Alaska Housing Finance Corporation, and facilities for ports and harbors
 2 described under (e)(2) of this section. The bonds issued under this subsection are secured
 3 solely by the revenue of the Alaska Housing Finance Corporation.

4 (c) Bonds issued under (b) of this section may be further secured by a capital reserve
 5 fund described in AS 18.56.125. AS 18.56.110 - 18.56.190 apply to bonds issued under this
 6 section.

7 (d) Subject to agreements with bondholders and appropriation as described in (e) of
 8 this section, the Alaska Housing Finance Corporation shall make the proceeds of the bonds
 9 issued under

10 (1) (a) of this section available to the Department of Education and Early
 11 Development to pay for expenditures described in (e)(1) of this section, including
 12 reimbursement to the Department of Education and Early Development for the expenditures;
 13 and

14 (2) (b) of this section available to the

15 (A) University of Alaska to pay for expenditures described in (e)(2)(A)
 16 of this section, including reimbursement to the University of Alaska for the
 17 expenditures;

18 (B) Department of Transportation and Public Facilities to pay for
 19 expenditures described in (e)(2)(B) of this section, including reimbursement to the
 20 Department of Transportation and Public Facilities for the expenditures; and

21 (C) Department of Education and Early Development to pay for
 22 expenditures authorized in (e)(2)(C) of this section; and

23 (D) Alaska Housing Finance Corporation to pay for public housing
 24 facilities described under (e)(2)(D) of this section.

25 (e) Subject to appropriation, the proceeds of bonds issued under

26 (1) (a) of this section shall be used by the Department of Education and Early
 27 Development to pay for construction, renovation, and improvement of public schools as
 28 follows:

29 PROJECT

30 Lower Yukon - Pilot Station School Replacement \$17,654,000

31 Lower Yukon - Kotlik School Replacement 17,911,000

1	Kashunamiut - Chevak School Replacement	28,273,000
2	Bering Strait Schools	
3	Elim School, Phase III	12,147,000
4	Southwest Region Schools	
5	Manokotak School Replacement	14,689,000
6	Kake - Elementary School Addition	2,237,000
7		<hr/>
8	TOTAL	\$92,911,000

(2) (b) of this section shall be used by the

(A) University of Alaska to pay for construction and renovation of university facilities as follows:

PROJECT

University of Alaska - Southeast

Deferred Maintenance, Renewal and Replacement,	\$ 1,388,000
Code Compliance	

Classroom Building	5,500,000
--------------------	-----------

University of Alaska - Anchorage

Consortium Library	34,000,000
--------------------	------------

Deferred Maintenance, Renewal and Replacement,	2,200,000
Code Compliance	

University of Alaska - Fairbanks

Deferred Maintenance, Renewal and Replacement,	18,700,000
--	------------

Code Compliance	<hr/>
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TOTAL	\$ 61,788,000
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(B) Department of Transportation and Public Facilities to pay for construction and renovation of port and harbor facilities as follows:

PROJECT

CORPS OF ENGINEERS MATCH

Program Formulation	100,000
---------------------	---------

Ketchikan Harbor Study	200,000
------------------------	---------

Wrangell	500,000
----------	---------

1	Metlakatla - Tamgass	850,000
2	Ouzinkie	1,300,000
3	Seward Harbor Expansion	2,925,000
4	Perryville Harbor Feasibility	<u>102,000</u>
5	TOTAL	\$ 5,977,000

6 (C) Department of Education and Early Development to pay for
7 construction of vocational education facilities as follows:

8 PROJECT

9 AVTEC - Seward \$ 4,200,000

10 Student Housing

11 (D) Alaska Housing Finance Corporation to pay for renovation and
12 deferred maintenance of corporation facilities as follows:

13 PROJECT

14 AHFC Chugach View Renovation \$2,000,000

15 (Anchorage Senior Units)

16 AHFC Eyak Manor Renovation 1,600,000

17 (Cordova)

18 AHFC Senior and Statewide Facility Deferred Maintenance 800,000

19 and Renovation

20 TOTAL \$4,400,000

21 GRAND TOTAL \$169,276,000

22 * Sec. 11. This Act takes effect July 1, 2000.



Teleconference Participants

TCN: 10845

Participant Lists

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ALL ▾

Testifiers ▾

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Participants

Unidentified Testifiers: 0

Unidentified Observers: 0

SEWARD (SEW)

1	Name: Mr. Deven Mitchell Address: available for questions City /St /Zip: Bill: HB 281: REVENUE BONDS:PUBLIC SCHOOLS/UNIV/HARBORS	Phone: Affiliation: Type: Testifier
---	--	---

3	Name: Mr. Scott Janke Address: City /St /Zip: Bill: HB 281: REVENUE BONDS:PUBLIC SCHOOLS/UNIV/HARBORS	Phone: Affiliation: Type: Testifier
---	---	---

4	Name: Mr. Scott Janke Address: City /St /Zip: Bill: HB 287: APPROPRIATIONS: SCHOOLS/UNIV./HARBORS	Phone: Affiliation: Type: Testifier
---	--	---

TELECONFERENCE

WE MAY BE JOINED BY:

DAN FAUSKE

STEVE CANTOR



Teleconference Participants

TCN: 10845

Participant Lists

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Testifiers



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Participants

Unidentified Testifiers:

Unidentified Observers:

SEWARD (SEW)

1

Name: Mr. Deven Mitchell

Phone:

Address: available for questions

Affiliation:

City /St /Zip:

Type: Testifier

Bill: HB 281: REVENUE BONDS:PUBLIC
SCHOOLS/UNIV/HARBORS

SENATE FINANCE COMMITTEE

SIGN-IN

HB 281-REVENUE BONDS:PUBLIC SCHOOLS/UNIV/HARBORS

NAME: John Bitney Subject/Bill No: HB281

Co./Dept./Title: AHFC Phone: 330.8445

Address: 4200 Boniface Pkwy, Anchorage Zip: 99510

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SENATE FINANCE COMMITTEE REPORT

DATE: 4/27/00

REPORTED OUT OF
SFC 5/1/00

FURTHER:

DATE TURNED
IN TO OFFICE: 1 May 00

Finance Committee considered CS FOR HOUSE BILL NO. 281(FIN) am

REVENUE BONDS: PUBLIC SCHOOLS/UNIV/HARBORS

and recommends:

- be replaced with S CS CS HB 281 (FIN)
- adopt previous _____ CS CS _____
- attached amendment(s) forthcoming
- adopt Letter of Intent by _____
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>		✓	
<i>[Signature]</i>	✓	<i>[Signature]</i>			✓
<i>[Signature]</i>	✓	<i>[Signature]</i>	X		
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>forthcoming</i>			
<i>f/n</i>			
<i>Revenue</i>			
<i>THFC</i>			

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>Revenue (Treasury)</i>	<i>4/19/00</i>		<i>50.0</i>

APPROPRIATION -- NO FISCAL NOTE

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CS CS HB 281(FIN)

Revision Date/Time 5-1-2000 Dept. Affected Transportation and Public Facilities
 Title Municipal Harbor Debt Reimbursement BRU
 Component Municipal Harbor Debt Reimbursemen
 Sponsor House Finance
 Requester Senate Finance Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	3,067.4	2,983.7	2,900.0	2,816.4	2,732.8
Miscellaneous						
TOTAL OPERATING	0.0	3,067.4	2,983.7	2,900.0	2,816.4	2,732.8

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	3,067.4	2,983.7	2,900.0	2,816.4	2,732.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	3,067.4	2,983.7	2,900.0	2,816.4	2,732.8

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Municipal harbor debt Reimbursement. Estimated debt service payments at 6% interest for a 20 year period.

Prepared by: Brad Pierce, OMB Senior Policy Analyst Phone 4677
 Division _____ Date/Time _____
 Approved by Commissioner [Signature] Date 05/01/00
 Agency Office of Management and Budget

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PROJECTED DEBT SERVICE SCHEDULE
Municipal Harbor Project Debt Reimbursement
Prepared 5/1/2000

<u>FISCAL YEAR</u>	<u>PAYMENT DATE</u>	<u>PRINCIPLE PAYMENT</u>	<u>CP RATE</u>	<u>INTEREST PAYMENT</u>	<u>DEBT SVC TOTALS</u>	<u>YEARLY DEBT SERVICE</u>
02	7/1/01			836,550.00	836,550.00	
02	1/1/02	1,394,250.00	6.000%	836,550.00	2,230,800.00	3,067,350.00
03	7/1/02			794,722.50	794,722.50	
03	1/1/03	1,394,250.00	6.000%	794,722.50	2,188,972.50	2,983,695.00
04	7/1/03			752,895.00	752,895.00	
04	1/1/04	1,394,250.00	6.000%	752,895.00	2,147,145.00	2,900,040.00
05	7/1/04			711,067.50	711,067.50	
05	1/1/05	1,394,250.00	6.000%	711,067.50	2,105,317.50	2,816,385.00
06	7/1/05			669,240.00	669,240.00	
06	1/1/06	1,394,250.00	6.000%	669,240.00	2,063,490.00	2,732,730.00
07	7/1/06			627,412.50	627,412.50	
07	1/1/07	1,394,250.00	6.000%	627,412.50	2,021,662.50	2,649,075.00
08	7/1/07			585,585.00	585,585.00	
08	1/1/08	1,394,250.00	6.000%	585,585.00	1,979,835.00	2,565,420.00
09	7/1/08			543,757.50	543,757.50	
09	1/1/09	1,394,250.00	6.000%	543,757.50	1,938,007.50	2,481,765.00
10	7/1/09			501,930.00	501,930.00	
10	1/1/10	1,394,250.00	6.000%	501,930.00	1,896,180.00	2,398,110.00
11	7/1/10			460,102.50	460,102.50	
11	1/1/11	1,394,250.00	6.000%	460,102.50	1,854,352.50	2,314,455.00
12	7/1/11			418,275.00	418,275.00	
12	1/1/12	1,394,250.00	6.000%	418,275.00	1,812,525.00	2,230,800.00
13	7/1/12			376,447.50	376,447.50	
13	1/1/13	1,394,250.00	6.000%	376,447.50	1,770,697.50	2,147,145.00
14	7/1/13			334,620.00	334,620.00	
14	1/1/14	1,394,250.00	6.000%	334,620.00	1,728,870.00	2,063,490.00
15	7/1/14			292,792.50	292,792.50	
15	1/1/15	1,394,250.00	6.000%	292,792.50	1,687,042.50	1,979,835.00
16	7/1/15			250,965.00	250,965.00	
16	1/1/16	1,394,250.00	6.000%	250,965.00	1,645,215.00	1,896,180.00
17	7/1/16			209,137.50	209,137.50	
17	1/1/17	1,394,250.00	6.000%	209,137.50	1,603,387.50	1,812,525.00
18	7/1/17			167,310.00	167,310.00	
18	1/1/18	1,394,250.00	6.000%	167,310.00	1,561,560.00	1,728,870.00
19	7/1/18			125,482.50	125,482.50	
19	1/1/19	1,394,250.00	6.000%	125,482.50	1,519,732.50	1,645,215.00
20	7/1/19			83,655.00	83,655.00	
20	1/1/20	1,394,250.00	6.000%	83,655.00	1,477,905.00	1,561,560.00
21	7/1/20			41,827.50	41,827.50	
21	1/1/21	1,394,250.00	6.000%	41,827.50	1,436,077.50	1,477,905.00
TOTALS		<u>27,885,000.00</u>		<u>17,567,550.00</u>	<u>45,452,550.00</u>	

FISCAL NOTE

REPORTED OUT OF
SFC 5/1/00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CS CS HB 281 (FIN)

Revision Date/Time <u>5-1-2000</u>	Dept. Affected <u>Education & Early Development</u>
Title <u>School Debt Reimbursement</u>	BRU <u>School Debt Retirement</u>
Sponsor <u>House Finance</u>	Component <u>School Debt Retirement</u>
Requester <u>Senate Finance</u>	Component No. <u>153</u>

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	11,628.4	11,311.3	10,994.2	10,677.0	10,359.9
Miscellaneous						
TOTAL OPERATING	0.0	11,628.4	11,311.3	10,994.2	10,677.0	10,359.9

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	11,628.4	11,311.3	10,994.2	10,677.0	10,359.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	11,628.4	11,311.3	10,994.2	10,677.0	10,359.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

School Debt Reimbursement. Estimated debt service payments at 6% interest for a 20 year period.

Prepared by: <u>Eddy Jeans, School Finance Manager</u>	Phone <u>8679</u>
Division <u>ESS</u>	Date/Time _____
Approved by: <u>Bruce Johnson, Deputy Commissioner</u>	Date <u>5.1.2000</u>
Agency <u>Education & Early Development</u>	

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PROJECTED DEBT SERVICE SCHEDULE
 Voter Approved School Projects
 Prepared 5/1/2000

FISCAL YEAR	PAYMENT DATE	PRINCIPLE PAYMENT	CP RATE	INTEREST PAYMENT	DEBT SVC TOTALS	YEARLY DEBT SERVICE
02	7/1/01			3,171,390.00	3,171,390.00	
02	1/1/02	5,285,650.00	6.000%	3,171,390.00	8,457,040.00	11,628,430.00
03	7/1/02			3,012,820.50	3,012,820.50	
03	1/1/03	5,285,650.00	6.000%	3,012,820.50	8,298,470.50	11,311,291.00
04	7/1/03			2,854,251.00	2,854,251.00	
04	1/1/04	5,285,650.00	6.000%	2,854,251.00	8,139,901.00	10,994,152.00
05	7/1/04			2,695,681.50	2,695,681.50	
05	1/1/05	5,285,650.00	6.000%	2,695,681.50	7,981,331.50	10,677,013.00
06	7/1/05			2,537,112.00	2,537,112.00	
06	1/1/06	5,285,650.00	6.000%	2,537,112.00	7,822,762.00	10,359,874.00
07	7/1/06			2,378,542.50	2,378,542.50	
07	1/1/07	5,285,650.00	6.000%	2,378,542.50	7,664,192.50	10,042,735.00
08	7/1/07			2,219,973.00	2,219,973.00	
08	1/1/08	5,285,650.00	6.000%	2,219,973.00	7,505,623.00	9,725,596.00
09	7/1/08			2,061,403.50	2,061,403.50	
09	1/1/09	5,285,650.00	6.000%	2,061,403.50	7,347,053.50	9,408,457.00
10	7/1/09			1,902,834.00	1,902,834.00	
10	1/1/10	5,285,650.00	6.000%	1,902,834.00	7,188,484.00	9,091,318.00
11	7/1/10			1,744,264.50	1,744,264.50	
11	1/1/11	5,285,650.00	6.000%	1,744,264.50	7,029,914.50	8,774,179.00
12	7/1/11			1,585,695.00	1,585,695.00	
12	1/1/12	5,285,650.00	6.000%	1,585,695.00	6,871,345.00	8,457,040.00
13	7/1/12			1,427,125.50	1,427,125.50	
13	1/1/13	5,285,650.00	6.000%	1,427,125.50	6,712,775.50	8,139,901.00
14	7/1/13			1,268,556.00	1,268,556.00	
14	1/1/14	5,285,650.00	6.000%	1,268,556.00	6,554,206.00	7,822,762.00
15	7/1/14			1,109,986.50	1,109,986.50	
15	1/1/15	5,285,650.00	6.000%	1,109,986.50	6,395,636.50	7,505,623.00
16	7/1/15			951,417.00	951,417.00	
16	1/1/16	5,285,650.00	6.000%	951,417.00	6,237,067.00	7,188,484.00
17	7/1/16			792,847.50	792,847.50	
17	1/1/17	5,285,650.00	6.000%	792,847.50	6,078,497.50	6,871,345.00
18	7/1/17			634,278.00	634,278.00	
18	1/1/18	5,285,650.00	6.000%	634,278.00	5,919,928.00	6,554,206.00
19	7/1/18			475,708.50	475,708.50	
19	1/1/19	5,285,650.00	6.000%	475,708.50	5,761,358.50	6,237,067.00
20	7/1/19			317,139.00	317,139.00	
20	1/1/20	5,285,650.00	6.000%	317,139.00	5,602,789.00	5,919,928.00
21	7/1/20			158,569.50	158,569.50	
21	1/1/21	5,285,650.00	6.000%	158,569.50	5,444,219.50	5,602,789.00
TOTALS		<u>105,713,000.00</u>		<u>66,599,190.00</u>	<u>172,312,190.00</u>	

FISCAL NOTE

REPORTED OUT OF
SFC 5/1/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. SCS HB281(FIN)

Revision Date/Time (Note if correction) _____	Dept. Affected _____	Revenue _____
Title <u>Revenue Bonds: Schools/University</u>	BRU	<u>Alaska Housing Finance Corp.</u>
	Component <u>Operations</u>	
Sponsor <u>House Finance Committee</u>		
Requester <u>Senate Finance Committee</u>	Component No. <u>110</u>	

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	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
Contractual	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
Equipment	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
Grants & Claims	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
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES				0.0	0.0	0.0
-----------------------------	--	--	--	-----	-----	-----

CHANGE IN REVENUES ()	0.0	(6,600.0)	(14,700.0)	(11,300.0)	(9,600.0)	(9,800.0)
-------------------------------	-----	-----------	------------	------------	-----------	-----------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program: Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

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 in the bill, including the cost of issuance, debt service reserves, and capitalized interest. Bonds issued under this legislation will be paid from the proceeds of tobacco settlement funds purchased by AHFC or its subsidiary from the State of Alaska. This will result in a reduction in annual unrestricted revenues to the treasury (shown above).

Estimates for debt service and other costs 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 FY2001 and beyond. No budget authorizations are necessary with this fiscal note.

Prepared by: <u>John Bitney, Legislative Liaison</u>	Phone <u>330-8445</u>
Division <u>Alaska Housing Finance Corporation</u>	Date/Time <u>5/1/00 7:12 PM</u>
Approved by Commissioner <u>Wilson Condon</u>	Date <u>05/01/2000</u>
Agency <u>Department of Revenue</u>	

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FISCAL NOTE

Bill Version: CSHB 281 (FIN)
(H) Publish Date: 4/19/00

**STATE OF ALASKA
1999 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction)	Dept. Affected	Revenue
Title <u>Bonds: Public Schools/Univ/Harbors/Bldgs.</u>	BRU	Revenue Operations
Sponsor <u>House Finance Committee</u>	Component	Treasury Division
Requester <u>House Finance Committee</u>	Component Serial No.	121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel (Marketing & Selling Bonds)						
Contractual	50.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service						
TOTAL OPERATING	50.0	0.0	0.0	0.0	0.0	

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF	50.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	50.0	0.0	0.0	0.0	0.0	

Estimate of current year (FY00) cost: 0.0

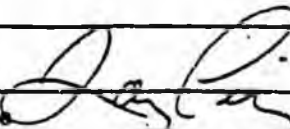
POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Authorizes sale of the state's portion of the \$246 billion national Master Settlement Agreement with cigarette manufacturers to the Alaska Housing Finance Corporation in exchange for the bond proceeds AHFC is able to generate at an investment-grade rating (less costs associated with issuing the bonds and funding of a debt service reserve).

It is anticipated that the state will be able to obtain approximately \$269 million in proceeds from the settlement. Debt service would be based on a 40-year nominal schedule with flexible amortization serial bonds that allow bonds to be paid as funds are received through the settlement. Assuming the first settlement payment available to AHFC for debt service will be received in FY 2002, the settlement will provide \$1.4 million annually for tobacco control, and the bonds will be fully repaid in FY 2020. The residual settlement revenue stream would revert to the state upon final payment of the bonds.

Prepared by	<u>Deven Mitchell, Debt Manager</u>	Phone	<u>465-3750</u>
Division	<u>Treasury Division</u>	Date/Time	<u>April 19, 2000</u>
Approved by		Date	<u>April 19, 2000</u>
Commissioner	<u>Wilson L. Condon</u>		
Agency	<u>Department of Revenue</u>		

adopted

SENATE CS FOR CS FOR HOUSE BILL NO. 281(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the financing of construction of public school facilities,
2 facilities for the University of Alaska, and facilities for ports and harbors;
3 authorizing the commissioner of revenue to sell the right to receive a portion of
4 the anticipated revenue from a certain tobacco litigation settlement to the Alaska
5 Housing Finance Corporation; relating to the deposit of certain anticipated revenue
6 from a certain tobacco litigation settlement; authorizing the issuance of bonds by
7 the Alaska Housing Finance Corporation with proceeds to finance public school
8 construction, facilities for the University of Alaska, public housing facilities of the
9 Alaska Housing Finance Corporation, and facilities for ports and harbors;
10 providing for the creation of subsidiary corporations of the Alaska Housing
11 Finance Corporation for the purpose of financing or facilitating the financing of
12 public school construction, facilities for the University of Alaska, and facilities for

1 ports and harbors; and providing for an effective date."

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

3 * Section 1. The uncodified law of the State of Alaska is amended by adding a new
4 section to read:

5 INTENT. (a) In connection with the authorization contained in sec. 10(b) of this Act,
6 the legislature restates and reaffirms its intent as expressed in sec. 1, ch. 129, SLA 1998, that
7 the sum of withdrawals for repayment of bonds under sec. 10(b) of this Act and for all other
8 purposes described in sec. 1, ch. 129, SLA 1998, should not exceed the Alaska Housing
9 Finance Corporation's net income for the preceding fiscal year, which the Alaska Housing
10 Finance Corporation projects to be \$103,000,000 for each of the fiscal years beginning with
11 2000 through 2008, for a total during that nine-year period of \$927,000,000.

12 (b) It is the intent of the legislature that the portion of the revenue that is not sold to
13 the Alaska Housing Finance Corporation under sec. 9(a) of this Act be deposited into the
14 general fund, and that at least \$1,400,000 of the amount deposited in the general fund be used
15 for smoking education and cessation programs administered by the state.

16 * Sec. 2. AS 14.11.100(a) is amended to read:

17 (a) During each fiscal year, the state shall allocate to a municipality that is a
18 school district the following sums:

19 (1) payments made by the municipality during the fiscal year two years
20 earlier for the retirement of principal and interest on outstanding bonds, notes, or other
21 indebtedness incurred before July 1, 1977, to pay costs of school construction;

22 (2) 90 percent of

23 (A) payments made by the municipality during the fiscal year
24 two years earlier for the retirement of principal and interest on outstanding
25 bonds, notes, or other indebtedness incurred after June 30, 1977, and before
26 July 1, 1978, to pay costs of school construction;

27 (B) cash payments made after June 30, 1976, and before July 1,
28 1978, by the municipality during the fiscal year two years earlier to pay costs
29 of school construction;

30 (3) 90 percent of

1 (A) payments made by the municipality during the fiscal year
2 two years earlier for the retirement of principal and interest on outstanding
3 bonds, notes, or other indebtedness incurred after June 30, 1978, and before
4 January 1, 1982, to pay costs of school construction projects approved under
5 AS 14.07.020(a)(11);

6 (B) cash payments made after June 30, 1978, and before July 1,
7 1982, by the municipality during the fiscal year two years earlier to pay costs
8 of school construction projects approved under AS 14.07.020(a)(11);

9 (4) subject to (h) and (i) of this section, up to 90 percent of

10 (A) payments made by the municipality during the current fiscal
11 year for the retirement of principal and interest on outstanding bonds, notes, or
12 other indebtedness incurred after December 31, 1981, and authorized by the
13 qualified voters of the municipality before July 1, 1983, to pay costs of school
14 construction, additions to schools, and major rehabilitation projects that exceed
15 \$25,000 and are approved under AS 14.07.020(a)(11);

16 (B) cash payments made after June 30, 1982, and before July 1,
17 1983, by the municipality during the fiscal year two years earlier to pay costs
18 of school construction, additions to schools, and major rehabilitation projects
19 that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

20 (C) payments made by the municipality during the current fiscal
21 year for the retirement of principal and interest on outstanding bonds, notes, or
22 other indebtedness to pay costs of school construction, additions to schools, and
23 major rehabilitation projects that exceed \$25,000 and are submitted to the
24 department for approval under AS 14.07.020(a)(11) before July 1, 1983, and
25 approved by the qualified voters of the municipality before October 15, 1983,
26 not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of
27 average daily membership of the municipality is more than 7 percent but less
28 than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily
29 membership of the municipality is 12 percent or more; payments made by a
30 municipality under this subparagraph on total project costs that exceed the
31 amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this

1 subsection;

2 (5) subject to (h) - (j) of this section, 80 percent of

3 (A) payments made by the municipality during the fiscal year
4 for the retirement of principal and interest on outstanding bonds, notes, or other
5 indebtedness authorized by the qualified voters of the municipality

6 (i) after June 30, 1983, but before March 31, 1990, to
7 pay costs of school construction, additions to schools, and major
8 rehabilitation projects that exceed \$25,000 and are approved under
9 AS 14.07.020(a)(11); or

10 (ii) before July 1, 1989, and reauthorized before
11 November 1, 1989, to pay costs of school construction, additions to
12 schools, and major rehabilitation projects that exceed \$25,000 and are
13 approved under AS 14.07.020(a)(11); and

14 (B) cash payments made after June 30, 1983, by the
15 municipality during the fiscal year two years earlier to pay costs of school
16 construction, additions to schools, and major rehabilitation projects that exceed
17 \$25,000 and are approved by the department before July 1, 1990, under
18 AS 14.07.020(a)(11);

19 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments
20 made by the municipality during the fiscal year for the retirement of principal and
21 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
22 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay
23 costs of school construction, additions to schools, and major rehabilitation projects that
24 exceed \$200,000 and are approved under AS 14.07.020(a)(11);

25 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments
26 made by the municipality during the fiscal year for the retirement of principal and
27 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
28 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay
29 costs of school construction, additions to schools, and major rehabilitation projects;

30 (8) subject to (h), (i), (j)(2) - (4), and (n) of this section and after
31 projects funded by the bonds, notes, or other indebtedness have been approved by the

1 commissioner, 70 percent of payments made by the municipality during the fiscal year
2 for the retirement of principal and interest on outstanding bonds, notes, or other
3 indebtedness authorized by the qualified voters of the municipality on or after July 1,
4 1995, but before July 1, 1998, to pay costs of school construction, additions to schools,
5 and major rehabilitation projects that exceed \$200,000 and are approved under
6 AS 14.07.020(a)(11);

7 (9) subject to (h), (i), (j), and (n) of this section and after projects
8 funded by the bonds, notes, or other indebtedness have been approved by the
9 commissioner, 70 percent of payments made by the municipality during the fiscal year
10 for the retirement of principal and interest on outstanding bonds, notes, or other
11 indebtedness authorized by the qualified voters of the municipality on or after July 1,
12 1998, but before July 1, 2004, to pay costs of school construction, additions to
13 schools, and major rehabilitation projects that exceed \$200,000 and are approved under
14 AS 14.07.020(a)(11);

15 (10) subject to (h), (i), (j), and (p) of this section, and after projects
16 funded by the bonds, notes, or other indebtedness have been approved by the
17 commissioner, 70 percent of payments made by the municipality during the fiscal
18 year for the retirement of principal and interest on outstanding bonds, notes, or
19 other indebtedness authorized by the qualified voters of the municipality on or
20 after June 30, 1998, to pay costs of school construction, additions to schools, and
21 major rehabilitation projects that exceed \$200,000, are approved under
22 AS 14.07.020(a)(11), and are not reimbursed under (n) of this section.

23 * Sec. 3. AS 14.11.100(h) is amended to read:

24 (h) An allocation under (a)(4), (5), (6), (7), (8), [OR] (9), or (10) of this
25 section for school construction begun after July 1, 1982, shall be reduced by the
26 amount of money used for the construction of residential space, hockey rinks,
27 planetariums, saunas, and other facilities for single purpose sporting or recreational
28 uses that are not suitable for other activities and by the money used for construction
29 that exceeds the amount needed for construction of a facility of efficient design as
30 determined by the department. An allocation under (a)(4), (5), (6), (7), (8), [OR] (9),
31 or (10) of this section may not be reduced by the amount of money used for

1 construction of a small swimming pool, tank, or water storage facility used for water
2 sports. However, an allocation shall be reduced by the difference between the amount
3 of money used to construct a swimming pool that exceeds the standards adopted by
4 the department and the amount of money that would have been used to construct a
5 small swimming pool, tank, or water storage facility, as determined by the
6 commissioner.

7 * Sec. 4. AS 14.11.100(i) is amended to read:

8 (i) For the purposes of (a)(4) - ~~(10)~~ [(9)] of this section,

9 (1) an indebtedness for bonds is incurred after the bonds are sold;

10 (2) reimbursement for a cash payment may only be made after the
11 payment is made to a vendor; and

12 (3) payments may not be made for costs that are incurred under a
13 contract after the contract has been released.

14 * Sec. 5. AS 14.11.100(j) is amended to read:

15 (j) Except as provided in (l) of this section, the state may not allocate money
16 to a municipality for a school construction project under (a)(5), (6), (7), [OR] (9), or
17 (10) of this section unless the municipality complies with the requirements of (1) - (4)
18 of this subsection, the project is approved by the commissioner before the local vote
19 on the bond issue for the project or for bonds authorized after March 31, 1990, but on
20 or before April 30, 1993, the bonds are approved by the commissioner before
21 reimbursement by the state, and the local vote occurs before July 1, 1987, or after June
22 30, 1988. In approving a project under this subsection, and to the extent required under
23 (a)(8) of this section, the commissioner shall require

24 (1) the municipality to include on the ballot for the bond issue, for
25 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated
26 total cost of each project including estimated total interest, estimated annual operation
27 and maintenance costs, the estimated amounts that will be paid by the state and by the
28 municipality, and the approximate amount that would be due in annual taxes on
29 \$100,000 in assessed value to retire the debt;

30 (2) that the bonds may not be refunded unless the annual debt service
31 on the refunding issue is not greater than the annual debt service on the original issue;

1 (3) that the bonds must be repaid in approximately equal annual
2 principal payments or approximately equal debt service payments over a period of at
3 least 10 years;

4 (4) the municipality to demonstrate need for the project by establishing
5 that the school district has

6 (A) projected long-term student enrollment that indicates the
7 district has inadequate facilities to meet present or projected enrollment;

8 (B) facilities that require repair or replacement in order to meet
9 health and safety laws or regulations or building codes;

10 (C) demonstrated that the project will result in a reduction in
11 annual operating costs that economically justifies the cost of the project; or

12 (D) facilities that require modification or rehabilitation for the
13 purpose of improving the instructional program.

14 * Sec. 6. AS 14.11.100 is amended by adding a new subsection to read:

15 (p) The total amount of school construction projects approved for
16 reimbursement by the department under (a)(10) of this section

17 (1) may not exceed \$151,019,000; and

18 (2) after June 30, 1998, and until July 1, 2004, shall be allocated as
19 follows:

20 (A) \$77,897,000 to projects in a municipality with a public
21 school enrollment of 25,000 or more students in fiscal year 2000, as determined
22 under AS 14.17.500;

23 (B) \$14,571,000 to projects in a municipality with a public
24 school enrollment of at least 15,000 but less than 25,000 students in fiscal year
25 2000, as determined under AS 14.17.500;

26 (C) \$14,143,000 to projects in a municipality with a public
27 school enrollment of at least 10,000 but less than 15,000 students in fiscal year
28 2000, as determined under AS 14.17.500;

29 (D) \$7,429,000 to projects in a municipality with a public
30 school enrollment of at least 7,500 but less than 10,000 students in fiscal year
31 2000, as determined under AS 14.17.500;

1 (E) \$7,717,000 to projects in a municipality with a public
2 school enrollment of at least 5,000 but less than 7,500 students in fiscal year
3 2000, as determined under AS 14.17.500;

4 (F) \$2,660,000 to projects in a municipality with a public school
5 enrollment of at least 2,750 but less than 3,000 students in fiscal year 2000, as
6 determined under AS 14.17.500.

7 (G) \$454,000 to projects in a municipality with a public school
8 enrollment of at least 2,400 but less than 2,750 students in fiscal year 2000, as
9 determined under AS 14.17.500;

10 (H) \$22,790,000 to projects in a municipality with a public
11 school enrollment of at least 2,050 but less than 2,400 students in fiscal year
12 2000, as determined under AS 14.17.500;

13 (I) \$329,000 to projects in a municipality with a public school
14 enrollment of at least 1,700 but less than 1,750 students in fiscal year 2000, as
15 determined under AS 14.17.500;

16 (J) \$286,000 to projects in a municipality with a public school
17 enrollment of at least 650 but less than 725 students in fiscal year 2000, as
18 determined under AS 14.17.500;

19 (K) \$519,000 to projects in a municipality with a public school
20 enrollment of at least 500 but less than 525 students in fiscal year 2000, as
21 determined under AS 14.17.500;

22 (L) \$2,224,000 to projects in a municipality with a public
23 school enrollment of at least 425 but less than 482 students in fiscal year 2000,
24 as determined under AS 14.17.500.

25 * **Sec. 7.** AS-18.56 is amended by adding a new section to read:

26 **Sec. 18.56.086. Creation of subsidiaries.** The corporation may create
27 subsidiary corporations for the purpose of financing or facilitating the financing of
28 school construction, facilities for the University of Alaska, or facilities for ports and
29 harbors. A subsidiary corporation created under this section may be incorporated
30 under AS 10.20.146 - 10.20.166. The corporation may transfer assets of the
31 corporation to a subsidiary created under this section. A subsidiary created under this

1 section may borrow money and issue bonds as evidence of that borrowing and has all
 2 the powers of the corporation that the corporation grants to it. Unless otherwise
 3 provided by the corporation, the debts, liabilities, and obligations of a subsidiary
 4 corporation created under this section are not the debts, liabilities, or obligations of the
 5 corporation.

6 * **Sec. 8.** AS 29.60 is amended by adding a new section to read:

7 **Article 9. Reimbursement for Costs of Bonds.**

8 **Sec. 29.60.700. Reimbursement for costs of ports and harbors.** (a) Subject
 9 to appropriations for the purpose, during each fiscal year, the Department of
 10 Transportation and Public Facilities shall allocate to each municipality an amount to
 11 reimburse the costs paid by the municipality during the fiscal year two years earlier
 12 for the retirement of principal and interest on outstanding general obligation bonds for
 13 projects listed in (b) of this section. An allocation may be made to a municipality only
 14 if

15 (1) the general obligation bonds were issued after July 1, 2000, and
 16 before July 1, 2003;

17 (2) the port or harbor facility financed with the bond proceeds is
 18 located in the municipality and the facility is owned and operated by the municipality;

19 (3) ownership of the port or harbor facility financed with the bond
 20 proceeds has been transferred from the state to the municipality by a transfer
 21 agreement under AS 35.10.120; and

22 (4) the state has completed a bill of sale transferring the port or harbor
 23 facility from the state to the municipality.

24 (b) The Department of Transportation and Public Facilities may make an
 25 allocation to a municipality under (a) of this section only for reimbursement of costs
 26 incurred for the following port and harbor facility construction and renovation projects
 27 and only for reimbursement of total project costs incurred up to the following amounts:

28	PROJECT	
29	Ketchikan	\$ 7,000,000
30	Petersburg	3,300,000
31	Sitka	4,038,900

1	Klawock	860,000
2	Seldovia	2,500,000
3	Whittier	1,835,600
4	Valdez	3,013,500
5	Cordova	4,337,800
6	Nome	1,000,000

7 * Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section
8 to read:

9 SALE OF RIGHT TO RECEIVE ANTICIPATED SPECIAL REVENUE. (a) The
10 commissioner of revenue is authorized to sell to the Alaska Housing Finance Corporation the
11 right to receive 40 percent annually of the revenue derived from the settlement of State of
12 Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915CI (Alaska Super. 1997).

13 (b) The proceeds to the state of the sale of the right to receive revenue under (a) of
14 this section are anticipated to be at least \$93,000,000.

15 * Sec. 10. The uncodified law of the State of Alaska is amended by adding a new section
16 to read:

17 BOND AUTHORIZATION AND PROVISIONS. (a) Notwithstanding the limitation
18 in AS 18.56.090 or other provisions of law, the Alaska Housing Finance Corporation or a
19 subsidiary corporation created under AS 18.56.086 is authorized to issue revenue bonds in
20 principal amounts sufficient to acquire the right to receive revenue described in sec. 9 of this
21 Act from the commissioner of revenue at a price agreed upon by the Alaska Housing Finance
22 Corporation and the commissioner of revenue. The bonds may be special, limited obligations
23 of the Alaska Housing Finance Corporation or of the subsidiary corporation secured solely by
24 the right to receive revenue sold to the Alaska Housing Finance Corporation under sec. 9 of
25 this Act, and the Alaska Housing Finance Corporation or the subsidiary corporation may
26 include in agreements with the bondholders a pledge of the right to receive that revenue and
27 the promise of the state to honor that pledge.

28 (b) In addition to the authorization provided by (a) of this section, and notwithstanding
29 the limitation contained in AS 18.56.090 or other provisions of law, the Alaska Housing
30 Finance Corporation is authorized to issue an amount of bonds sufficient to finance
31 construction of public school facilities, facilities for the University of Alaska, public housing

1 facilities of the Alaska Housing Finance Corporation, and facilities for ports and harbors
2 described under (e)(2) of this section. The bonds issued under this subsection are secured
3 solely by the revenue of the Alaska Housing Finance Corporation.

4 (c) Bonds issued under (b) of this section may be further secured by a capital reserve
5 fund described in AS 18.56.125. AS 18.56.110 - 18.56.190 apply to bonds issued under this
6 section.

7 (d) Subject to agreements with bondholders and appropriation as described in (e) of
8 this section, the Alaska Housing Finance Corporation shall make the proceeds of the bonds
9 issued under

10 (1) (a) of this section available to the Department of Education and Early
11 Development to pay for expenditures described in (e)(1) of this section, including
12 reimbursement to the Department of Education and Early Development for the expenditures;
13 and

14 (2) (b) of this section available to the

15 (A) University of Alaska to pay for expenditures described in (e)(2)(A)
16 of this section, including reimbursement to the University of Alaska for the
17 expenditures;

18 (B) Department of Transportation and Public Facilities to pay for
19 expenditures described in (e)(2)(B) of this section, including reimbursement to the
20 Department of Transportation and Public Facilities for the expenditures; and

21 (C) Department of Education and Early Development to pay for
22 expenditures authorized in (e)(2)(C) of this section; and

23 (D) Alaska Housing Finance Corporation to pay for public housing
24 facilities described under (e)(2)(D) of this section.

25 (e) Subject to appropriation, the proceeds of bonds issued under

26 (1) (a) of this section shall be used by the Department of Education and Early
27 Development to pay for construction, renovation, and improvement of public schools as
28 follows:

29 PROJECT

30 Lower Yukon - Pilot Station School Replacement \$17,654,000

31 Lower Yukon - Kotlik School Replacement 17,911,000

1	Kashunamiut - Chevak School Replacement	28,273,000
2	Bering Strait Schools	
3	Elim School, Phase III	12,147,000
4	Southwest Region Schools	
5	Manokotak School Replacement	14,689,000
6	Kake - Elementary School Addition	2,237,000
7		<hr/>
8	TOTAL	\$92,911,000

9 (2) (b) of this section shall be used by the

10 (A) University of Alaska to pay for construction and renovation of
11 university facilities as follows:

12 PROJECT

13 University of Alaska - Southeast

14 Deferred Maintenance, Renewal and Replacement, \$ 1,388,000

15 Code Compliance

16 Classroom Building 5,500,000

17 University of Alaska - Anchorage

18 Consortium Library 34,000,000

19 Deferred Maintenance, Renewal and Replacement, 2,200,000

20 Code Compliance

21 University of Alaska - Fairbanks

22 Deferred Maintenance, Renewal and Replacement, 18,700,000

23 Code Compliance

24 TOTAL \$ 61,788,000

25 (B) Department of Transportation and Public Facilities to pay for
26 construction and renovation of port and harbor facilities as follows:

27 PROJECT

28 CORPS OF ENGINEERS MATCH

29 Program Formulation 100,000

30 Ketchikan Harbor Study 200,000

31 Wrangell 500,000

1	Metlakatla - Tamgass	850,000
2	Ouzinkie	1,300,000
3	Seward Harbor Expansion	2,925,000
4	Perryville Harbor Feasibility	<u>102,000</u>
5	TOTAL	\$ 5,977,000
6	(C) Department of Education and Early Development to pay for	
7	construction of vocational education facilities as follows:	
8	PROJECT	
9	AVTEC - Seward	\$ 4,200,000
10	Student Housing	
11	(D) Alaska Housing Finance Corporation to pay for renovation and	
12	deferred maintenance of corporation facilities as follows:	
13	PROJECT	
14	AHFC Chugach View Renovation	\$2,000,000
15	(Anchorage Senior Units)	
16	AHFC Eyak Manor Renovation	1,600,000
17	(Cordova)	
18	AHFC Senior and Statewide Facility Deferred Maintenance	800,000
19	and Renovation	<u> </u>
20	TOTAL	\$4,400,000
21	GRAND TOTAL	\$169,276,000

22 * Sec. 11. This Act takes effect July 1, 2000.

Wilken COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 281		
Amendment	8		
Motion	Report from Committee		
<u>Motion by</u>	Parnell		
<u>Objection by</u>	Donley		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Gary Wilken	✓		
Senato: Pete Kelly	✓		
Senator Lyda Green	✓		
Senator Randy Phillips			✓
Senator Dave Donley			✓
Senator Loren Leman	✓		
Senator Al Adams	✓		
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	7		
Nay	2		
Absent	-		
<u>MOTION</u>		Pass	

Leman COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 281		
Amendment	CS "Q"		
Motion	adopt as W		
<u>Motion by</u>	Parnell		
<u>Objection by</u>	Phillips		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Loren Leman	✓		
Senator Al Adams	✓		
Senator Gary Wilken	✓		
Senator Pete Keliy	✓		
Senator Lyda Green	✓		
Senator Randy Phillips			✓
Senator Dave Donley	.		✓
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	7		
Nay	2		
Absent	-		
<u>MOTION</u>		Pass	

AMENDMENT

Offered in the Senate Finance Committee

by: Senator Donley

To: Senate CS for CS for House Bill 281 (FIN)

INSERT:

Page 13, after line 20

(E) Department of Transportation and Public Facilities to pay for construction and renovation of highway and road projects as follows:

PROJECT

Anchorage: Dowling Road Extension/ Reconstruction - (Minnesota Drive to Old Seward Highway and Lake Otis Parkway to Abbott Loop Road); Abbott Loop Road Extension to Dowling Road	\$39,200,000
Fairbanks: University Area Widening	15,000,000
Matanuska-Susitna: Seward Meridian upgrade to Seldon Road; Bogard Road Extension to Glenn Highway; Seldon West Extension Phase 1 - Wasilla Fishhook to Church Road;	17,255,000
Houston: Kevlar Road	700,000
Nome: Front Street	1,000,000
Russian Village Road	900,000
Milo Fritz Road	200,000

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Big Tustumena Road	500,000
N. Kenai Escape Road	950,000
Kodiak: Chiniak Road	1,500,000
Quinhagak: Sanitation Road	500,000
Russian Mission Landfill Road	450,000
Selawik Boardwalk Improvements (Phase II)	500,000
Palmer Airport Road and East Evergreen	600,000
North Pole - Old Richardson Highway	2,000,000
McGrath City Streets: Chinana and Takotna	900,000
Barrow: Isatquak Lagoon Boardwalk and Trail	1,200,000
Unalakleet Sewage Lagoon Road	475,000
Thorne Bay Shore Line Drive	350,000
Petersburg: N. Nordic U-Turn	250,000
Juneau: Old Dairy Road	650,000
Ketchikan: Bus Shelters and Pullouts	350,000
Wrangell: Church Street	700,000
Glennallen - Glenn Highway	1,500,000
Emmonak Landfill Road	550,000
TOTAL	\$88,180,000

Green COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 281		
Amendment	#1		
Motion	adopt		
<u>Motion by</u>	Donley		
<u>Objection by</u>	Torgerson		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Lyda Green			✓
Senator Randy Phillips			✓
Senator Dave Donley	✓		
Senator Loren Leman			✓
Senator Al Adams	✓		
Senator Gary Wilken			✓
Senator Pete Kelly			✓
Co-Chair Sean Parnell			✓
Co-Chair John Torgerson			✓
<u>Tally</u>			
Yea	2		
Nay	7		
Absent	-		
<u>MOTION</u>	FAILED		

SENATE FINANCE
COMMITTEE #2
Amendment Number: #2
Bill Number: HB 281
Sponsor: Adams Date: 12/1/00 MS
Logged In By: Mindy Adams

AMENDMENT

P. 5

Delete:

lines 15-22

Insert:

(10) subject to (h), (i), (j), and (p) of this section, and after projects funded by the cash payments, bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of

- (A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1999, to pay the costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000, are approved under AS 14.07.020 (a)(11), and are not reimbursed under (n) of this section; or
- (B) cash payments made after July 1, 1999, by the municipality to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved by the department before July 1, 1999, under AS 14.07.020(a)(11).

Phillips COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 281		
Amendment	#2		
Motion	adopt		
<u>Motion by</u>	Adams		
<u>Objection by</u>	Torgerson		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Randy Phillips			✓
Senator Dave Donley	✓		
Senator Loren Leman			✓
Senator Al Adams	✓		
Senator Gary Wilken			✓
Senator Pete Kelly			✓
Senator Lyda Green			✓
Co-Chair Sean Parnell			✓
Co-Chair John Torgerson			✓
<u>Tally</u>			
Yea	2		
Nay	7		
Absent	-		
<u>MOTION</u>		FAIL	

Amendment Number: # 3
Bill Number: HB 281
Sponsor: Adams Date: 5/1/00
Logged In By: Mindy

(Amended)
Amendment

SCS for CS for HB 281 (FIN)

Sponsor: Adams

On page ¹² 10 after line ⁶ 28 add the following projects:

Petersburg—Fascia/Soffit Repair/Replacement	112,000
Yukon-Koyukuk-Nulato Structural Repairs	400,000
Pribilof Island-St. George Remodel	4,385,000
Bering Strait-Shishmaref School Roof Replacement & Renovation Ph. III	8,133,000
Chatham-Angoon Elementary School Major Maintenance	126,000
TOTAL:	13,156,000

Request that Legislative Finance/Legal adjust the other numbers as necessary.

This will take care of the top ten items on the DOE major maintenance priority list. Five of the projects are currently included in the bill. Petersburg which is number 2 and St. George which is number 6 on the priority list were in the House version of the budget.

Donley COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 281		
Amendment	#3		
Motion	adopt as technically amended		
<u>Motion by</u>	Adams		
<u>Objection by</u>	Torgerson		
<u>Removed</u>	J		
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Dave Donley	✓		
Senator Loren Leman			✓
Senator Al Adams	✓		
Senator Gary Wilken			✓
Senator Pete Kelly			✓
Senator Lyda Green			✓
Senator Randy Phillips			✓
Co-Chair Sean Parnell			✓
Co-Chair John Torgerson			✓
<u>Tally</u>			
Yea	2		
Nay	7		
Absent	-		
<u>MOTION</u>	FAILED		

technically amended

Not distributed
per Sen. Donley
Amendment number
reassigned
AMENDMENT

SENATE FINANCE
COMMITTEE #1
Amendment Number: #1
Bill Number: HB 281
Sponsor: Donley Date: 5/1/00
Logged In By: J. Mindy

Offered in the Senate Finance Committee

by: Senator Donley

To: Senate CS for CS for House Bill 281 (FIN)

INSERT:

Page 11, Line 15

(3) Department of Transportation and Public Facilities to pay for construction and renovation of highway and road projects as follows:

PROJECT

Anchorage: Dowling Road Extension/ Reconstruction - (Minnesota Drive to Old Seward Highway and Lake Otis Parkway to Abbott Loop Road); Abbott Loop Road Extension to Dowling Road	\$39,200,000
Fairbanks: University Area Widening	15,000,000
Matanuska-Susitna: Seward Meridian upgrade to Seldon Road; Bogard Road Extension to Glenn Highway; Seldon West Extension Phase 1 - Wasilla Fishhook to Church Road; Clarke Wolverine Road Rehabilitation	19,855,000
Houston: Kevlar Road	700,000
Nome: Front Street	1,000,000
Matanuska-Susitna: Hatcher Pass Road, Willow End	1,100,000

Russian Village Road	900,000
Milo Fritz Road	200,000
Big Tustumena Road	500,000
N. Kenai Escape Road	950,000
Kodiak: Chiniak Road	1,500,000
Quinhagak: Sanitation Road	500,000
Russian Mission Landfill Road	450,000
Selawik Boardwalk Improvements (Phase II)	500,000
Palmer Airport Road and East Evergreen	600,000
North Pole - Old Richardson Highway	2,000,000
McGrath City Streets: Chinana and Takotna	900,000
Barrow: Isatquak Lagoon Boardwalk and Trail	1,200,000
Unalakleet Sewage Lagoon Road	475,000
Thorne Bay Shore Line Drive	350,000
Petersburg: N. Nordic U-Turn	250,000
Juneau: Old Dairy Road	650,000
Ketchikan: Bus Shelters and Pullouts	350,000
Wrangell: Church Street	700,000
Glennallen - Glenn Highway	1,500,000
Emmonak Landfill Road	550,000
TOTAL	\$91,880,000

1-LS1201B

Ford

4/29/00

Adopted

**SENATE CS FOR CS FOR HOUSE BILL NO. 281(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION**

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the financing of construction of public school facilities,
2 facilities for the University of Alaska, and facilities for ports and harbors;
3 authorizing the commissioner of revenue to sell the right to receive a portion of
4 the anticipated revenue from a certain tobacco litigation settlement to the Alaska
5 Housing Finance Corporation; relating to the deposit of certain anticipated revenue
6 from a certain tobacco litigation settlement; authorizing the issuance of bonds by
7 the Alaska Housing Finance Corporation with proceeds to finance public school
8 construction, facilities for the University of Alaska, and facilities for ports and
9 harbors; providing for the creation of subsidiary corporations of the Alaska
10 Housing Finance Corporation for the purpose of financing or facilitating the
11 financing of public school construction, facilities for the University of Alaska, and
12 facilities for ports and harbors; and providing for an effective date."

1 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

2 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new
3 section to read:

4 **INTENT.** (a) In connection with the authorization contained in sec. 9(b) of this Act,
5 the legislature restates and reaffirms its intent as expressed in sec. 1, ch. 129, SLA 1998, that
6 the sum of withdrawals for repayment of bonds under sec. 9(b) of this Act and for all other
7 purposes described in sec. 1, ch. 129, SLA 1998, should not exceed the Alaska Housing
8 Finance Corporation's net income for the preceding fiscal year, which the Alaska Housing
9 Finance Corporation projects to be \$103,000,000 for each of the fiscal years beginning with
10 2000 through 2008, for a total during that nine-year period of \$927,000,000.

11 (b) It is the intent of the legislature that the sale of a portion of the revenue derived
12 from tobacco settlement litigation described under sec. 8(a) of this Act result in funding of
13 \$1,400,000 annually for smoking education and cessation programs administered by the state.
14 It is also the intent of the legislature that tobacco settlement revenues that are determined by
15 the commissioner of revenue to be in excess of those needed to pay planned debt service on
16 tobacco bonds be deposited into the general fund.

17 * **Sec. 2.** AS 14.11.100(a) is amended to read:

18 (a) During each fiscal year, the state shall allocate to a municipality that is a
19 school district the following sums:

20 (1) payments made by the municipality during the fiscal year two years
21 earlier for the retirement of principal and interest on outstanding bonds, notes, or other
22 indebtedness incurred before July 1, 1977, to pay costs of school construction;

23 (2) 90 percent of

24 (A) payments made by the municipality during the fiscal year
25 two years earlier for the retirement of principal and interest on outstanding
26 bonds, notes, or other indebtedness incurred after June 30, 1977, and before
27 July 1, 1978, to pay costs of school construction;

28 (B) cash payments made after June 30, 1976, and before July
29 1, 1978, by the municipality during the fiscal year two years earlier to pay
30 costs of school construction;

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(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section, up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of average daily membership of the municipality is more than 7 percent but less than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the

1 amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this
2 subsection;

3 (5) subject to (h) - (j) of this section, 80 percent of

4 (A) payments made by the municipality during the fiscal year
5 for the retirement of principal and interest on outstanding bonds, notes, or other
6 indebtedness authorized by the qualified voters of the municipality

7 (i) after June 30, 1983, but before March 31, 1990, to
8 pay costs of school construction, additions to schools, and major
9 rehabilitation projects that exceed \$25,000 and are approved under
10 AS 14.07.020(a)(11); or

11 (ii) before July 1, 1989, and reauthorized before
12 November 1, 1989, to pay costs of school construction, additions to
13 schools, and major rehabilitation projects that exceed \$25,000 and are
14 approved under AS 14.07.020(a)(11); and

15 (B) cash payments made after June 30, 1983, by the
16 municipality during the fiscal year two years earlier to pay costs of school
17 construction, additions to schools, and major rehabilitation projects that exceed
18 \$25,000 and are approved by the department before July 1, 1990, under
19 AS 14.07.020(a)(11);

20 (6) subject to (h) - (j) and (m) of this section, 70 percent of payments
21 made by the municipality during the fiscal year for the retirement of principal and
22 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
23 voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay
24 costs of school construction, additions to schools, and major rehabilitation projects that
25 exceed \$200,000 and are approved under AS 14.07.020(a)(11);

26 (7) subject to (h) - (j) and (m) of this section, 70 percent of payments
27 made by the municipality during the fiscal year for the retirement of principal and
28 interest on outstanding bonds, notes, or other indebtedness authorized by the qualified
29 voters of the municipality after March 31, 1990, but before April 30, 1993, to pay
30 costs of school construction, additions to schools, and major rehabilitation projects;

31 (8) subject to (h), (i), (j)(2) - (4), and (n) of this section and after

1 projects funded by the bonds, notes, or other indebtedness have been approved by the
2 commissioner, 70 percent of payments made by the municipality during the fiscal year
3 for the retirement of principal and interest on outstanding bonds, notes, or other
4 indebtedness authorized by the qualified voters of the municipality on or after July 1,
5 1995, but before July 1, 1998, to pay costs of school construction, additions to schools,
6 and major rehabilitation projects that exceed \$200,000 and are approved under
7 AS 14.07.020(a)(11);

8 (9) subject to (h), (i), (j), and (n) of this section and after projects
9 funded by the bonds, notes, or other indebtedness have been approved by the
10 commissioner, 70 percent of payments made by the municipality during the fiscal year
11 for the retirement of principal and interest on outstanding bonds, notes, or other
12 indebtedness authorized by the qualified voters of the municipality on or after July 1,
13 1998, but before July 1, 1999, to pay costs of school construction, additions to
14 schools, and major rehabilitation projects that exceed \$200,000 and are approved under
15 AS 14.07.020(a)(11);

16 (10) subject to (h), (i), (j), and (p) of this section, and after projects
17 funded by the bonds, notes, or other indebtedness have been approved by the
18 commissioner, 70 percent of payments made by the municipality during the fiscal
19 year for the retirement of principal and interest on outstanding bonds, notes, or
20 other indebtedness authorized by the qualified voters of the municipality on or
21 after July 1, 1999, to pay costs of school construction, additions to schools, and
22 major rehabilitation projects that exceed \$200,000, are approved under
23 AS 14.07.020(a)(11), and are not reimbursed under (n) of this section.

24 * Sec. 3. AS 14.11.100(h) is amended to read:

25 (h) An allocation under (a)(4), (5), (6), (7), (8), [OR] (9), or (10) of this
26 section for school construction begun after July 1, 1982, shall be reduced by the
27 amount of money used for the construction of residential space, hockey rinks,
28 planetariums, saunas, and other facilities for single purpose sporting or recreational
29 uses that are not suitable for other activities and by the money used for construction
30 that exceeds the amount needed for construction of a facility of efficient design as
31 determined by the department. An allocation under (a)(4), (5), (6), (7), (8), [OR] (9),

1 or (10) of this section may not be reduced by the amount of money used for
2 construction of a small swimming pool, tank, or water storage facility used for water
3 sports. However, an allocation shall be reduced by the difference between the amount
4 of money used to construct a swimming pool that exceeds the standards adopted by
5 the department and the amount of money that would have been used to construct a
6 small swimming pool, tank, or water storage facility, as determined by the
7 commissioner.

8 * Sec. 4. AS 14.11.100(i) is amended to read:

9 (i) For the purposes of (a)(4) - (10) [(9)] of this section,

10 (1) an indebtedness for bonds is incurred after the bonds are sold;

11 (2) reimbursement for a cash payment may only be made after the
12 payment is made to a vendor; and

13 (3) payments may not be made for costs that are incurred under a
14 contract after the contract has been released.

15 * Sec. 5. AS 14.11.100(j) is amended to read:

16 (j) Except as provided in (l) of this section, the state may not allocate money
17 to a municipality for a school construction project under (a)(5), (6), (7), [OR] (9), or
18 (10) of this section unless the municipality complies with the requirements of (1) - (4)
19 of this subsection, the project is approved by the commissioner before the local vote
20 on the bond issue for the project or for bonds authorized after March 31, 1990, but on
21 or before April 30, 1993, the bonds are approved by the commissioner before
22 reimbursement by the state, and the local vote occurs before July 1, 1987, or after June
23 30, 1988. In approving a project under this subsection, and to the extent required under
24 (a)(8) of this section, the commissioner shall require

25 (1) the municipality to include on the ballot for the bond issue, for
26 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated
27 total cost of each project including estimated total interest, estimated annual operation
28 and maintenance costs, the estimated amounts that will be paid by the state and by the
29 municipality, and the approximate amount that would be due in annual taxes on
30 \$100,000 in assessed value to retire the debt;

31 (2) that the bonds may not be refunded unless the annual debt service

1 on the refunding issue is not greater than the annual debt service on the original issue;
2 (3) that the bonds must be repaid in approximately equal annual
3 principal payments or approximately equal debt service payments over a period of at
4 least 10 years;

5 (4) the municipality to demonstrate need for the project by establishing
6 that the school district has

7 (A) projected long-term student enrollment that indicates the
8 district has inadequate facilities to meet present or projected enrollment;

9 (B) facilities that require repair or replacement in order to meet
10 health and safety laws or regulations or building codes;

11 (C) demonstrated that the project will result in a reduction in
12 annual operating costs that economically justifies the cost of the project; or

13 (D) facilities that require modification or rehabilitation for the
14 purpose of improving the instructional program.

15 * Sec. 6. AS 14.11.100 is amended by adding a new subsection to read:

16 (p) The total amount of school construction projects approved for
17 reimbursement by the department under (a)(10) of this section

18 (1) may not exceed \$99,961,000; and

19 (2) after June 30, 1999, and until July 1, 2003, shall be allocated as
20 follows:

21 (A) \$54,528,000 to projects in a municipality with a public
22 school enrollment of 25,000 or more students in fiscal year 2000, as determined
23 under AS 14.17.160;

24 (B) \$10,200,000 to projects in a municipality with a public
25 school enrollment of at least 15,000 but less than 25,000 students in fiscal year
26 2000, as determined under AS 14.17.160;

27 (C) \$4,230,000 to projects in a municipality with a public
28 school enrollment of at least 10,000 but less than 15,000 students in fiscal year
29 2000, as determined under AS 14.17.160;

30 (D) \$5,200,000 to projects in a municipality with a public
31 school enrollment of at least 7,500 but less than 10,000 students in fiscal year

1 2000, as determined under AS 14.17.160;

2 (E) \$5,402,000 to projects in a municipality with a public
3 school enrollment of at least 5,000 but less than 7,500 students in fiscal year
4 2000, as determined under AS 14.17.160;

5 (F) \$1,112,000 to projects in a municipality with a public school
6 enrollment of at least 2,400 but less than 2,750 students in fiscal year 2000, as
7 determined under AS 14.17.160;

8 (G) \$13,633,000 to projects in a municipality with a public
9 school enrollment of at least 2,050 but less than 2,400 students in fiscal year
10 2000, as determined under AS 14.17.160;

11 (H) \$1,557,000 to projects in a municipality with a public
12 school enrollment of at least 425 but less than 482 students in fiscal year 2000,
13 as determined under AS 14.17.160;

14 (I) \$4,099,000 to projects in a municipality with a public school
15 enrollment of at least 280 but less than 296 students in fiscal year 2000, as
16 determined under AS 14.17.160.

17 * Sec. 7. AS 18.56 is amended by adding a new section to read:

18 **Sec. 18.56.086. Creation of subsidiaries.** The corporation may create
19 subsidiary corporations for the purpose of financing or facilitating the financing of
20 school construction, facilities for the University of Alaska, or facilities for ports and
21 harbors. A subsidiary corporation created under this section may be incorporated
22 under AS 10.20.146 - 10.20.166. The corporation may transfer assets of the
23 corporation to a subsidiary created under this section. A subsidiary created under this
24 section may borrow money and issue bonds as evidence of that borrowing and has all
25 the powers of the corporation that the corporation grants to it. Unless otherwise
26 provided by the corporation, the debts, liabilities, and obligations of a subsidiary
27 corporation created under this section are not the debts, liabilities, or obligations of the
28 corporation.

29 * Sec. 8. The uncoded law of the State of Alaska is amended by adding a new section
30 to read:

31 **SALE OF RIGHT TO RECEIVE ANTICIPATED SPECIAL REVENUE.** (a) The

1 commissioner of revenue is authorized to sell to the Alaska Housing Finance Corporation the
2 right to receive all but \$1,400,000 annually of the revenue derived from the settlement of State
3 of Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915CI (Alaska Super. 1997) up to
4 the amount needed to yield \$269,000,000 in proceeds from bonds sold at investment grade
5 rates. In this subsection, "investment grade rates" means a Moody's Investor Service rating
6 of Baa3 or better or a Standard and Poors and Fitch IBCA rating of BBB- or better.

7 (b) The proceeds of the sale of the right to receive revenue sold under (a) of this
8 section are anticipated to be \$269,000,000.

9 * Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section
10 to read:

11 BOND AUTHORIZATION AND PROVISIONS. (a) Notwithstanding the limitation
12 in AS 18.56.090 or other provisions of law, the Alaska Housing Finance Corporation or a
13 subsidiary corporation created under AS 18.56.086 is authorized to issue revenue bonds in
14 principal amounts sufficient to acquire the right to receive revenue described in sec. 8 of this
15 Act from the commissioner of revenue at a price agreed upon by the Alaska Housing Finance
16 Corporation and the commissioner of revenue. The bonds may be special, limited obligations
17 of the Alaska Housing Finance Corporation or of the subsidiary corporation secured solely by
18 the right to receive revenue sold to the Alaska Housing Finance Corporation under sec. 8 of
19 this Act, and the Alaska Housing Finance Corporation or the subsidiary corporation may
20 include in agreements with the bondholders a pledge of the right to receive that revenue and
21 the promise of the state to honor that pledge.

22 (b) In addition to the authorization provided by (a) of this section, and notwithstanding
23 the limitation contained in AS 18.56.090 or other provisions of law, the Alaska Housing
24 Finance Corporation is authorized to issue an amount of bonds sufficient to finance
25 construction of public school facilities, facilities for the University of Alaska, public housing
26 facilities of the Alaska Housing Finance Corporation, and facilities for ports and harbors
27 described under (e) of this section. The bonds issued under this subsection are secured solely
28 by the revenue of the Alaska Housing Finance Corporation.

29 (c) Bonds issued under this section may be further secured by a capital reserve fund
30 described in AS 18.56.125. AS 18.56.110 - 18.56.190 apply to bonds issued under this
31 section.

1 (d) Subject to agreements with bondholders and appropriation as described in (e) of
 2 this section, the Alaska Housing Finance Corporation shall make the proceeds of the bonds
 3 issued under (a) and (b) of this section available to the

4 (1) Department of Education and Early Development to pay for expenditures
 5 described in (e)(1) of this section, including reimbursement to the Department of Education
 6 and Early Development for the expenditures;

7 (2) University of Alaska to pay for expenditures described in (e)(2) of this
 8 section, including reimbursement to the University of Alaska for the expenditures; and

9 (3) Department of Transportation and Public Facilities to pay for expenditures
 10 described in (e)(3) of this section, including reimbursement to the Department of
 11 Transportation and Public Facilities for the expenditures.

12 (e) Subject to appropriation and (f) of this section, the proceeds of bonds issued under
 13 (a) and (b) of this section shall be used by the

14 (1) Department of Education and Early Development to pay for construction,
 15 renovation, and improvement of public schools as follows:

16	PROJECT	
17	Lower Yukon - Pilot Station School Replacement	\$17,654,003
18	Lower Yukon - Kotlik School Replacement	17,910,901
19	Kashunamiut - Chevak School Replacement	28,272,551
20	Northwest Arctic Schools	
21	Ambler K-12 Improvements	924,586
22	Kiana K-12 Improvements	1,395,000
23	Bering Strait Schools	
24	Elim School, Phase III	12,146,788
25	Southwest Region Schools	
26	Manokotak School Replacement	14,689,464
27	AVTEC Seward	
28	Student Housing	4,200,000
29		_____
30	TOTAL	\$97,193,293

31 (2) University of Alaska to pay for construction and renovation of university

1 facilities as follows:

2 PROJECT

3 University of Alaska - Southeast

4 Deferred Maintenance, Renewal and Replacement, \$ 1,687,854

5 Code Compliance

6 University of Alaska - Anchorage

7 Consortium Library 36,000,000

8 Deferred Maintenance, Renewal and Replacement, 3,200,000

9 Code Compliance

10 Matanuska-Susitna Ortner Building Replacement 685,000

11 University of Alaska - Fairbanks

12 Deferred Maintenance, Renewal and Replacement, 20,000,000

13 Code Compliance

14 TOTAL \$ 61,572,854

15 (3) Department of Transportation and Public Facilities to pay for construction

16 and renovation of port and harbor facilities as follows:

17 PROJECT

18 CORPS OF ENGINEERS MATCH

19 Program Formulation 100,000

20 Ketchikan Harbor Study 200,000

21 Wrangell 500,000

22 Kake 404,000

23 Metlakatla - Tamgass 850,000

24 Ouzinkie 1,300,000

25 Seward Harbor Expansion 2,925,000

26 Perryville Harbor Feasibility 102,100

27 TOTAL \$ 6,381,100

28 GRAND TOTAL \$165,147,247

29 (f) Funds may not be expended for a port or harbor facility described in (e)(3) of this

30 section unless

31 (1) the port or harbor facility is located in a municipality in which the port or

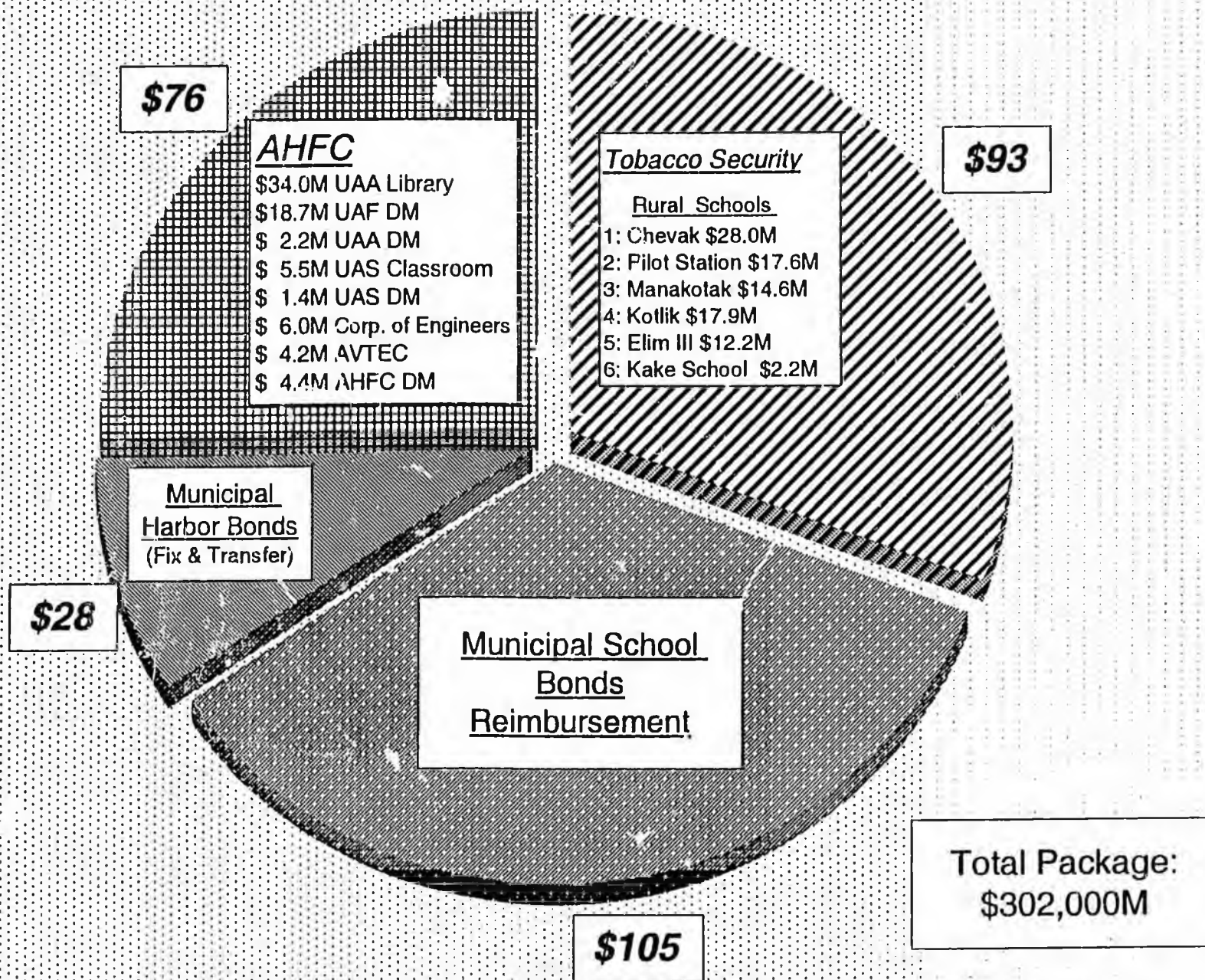
- 1 harbor facility is owned and operated by the municipality;
- 2 (2) ownership of the port or harbor facility that is being funded has been
- 3 transferred from the state to the municipality by a transfer agreement under AS 35.10.120; and
- 4 (3) the state completes a bill of sale transferring the port or harbor facility from
- 5 the state to the municipality.
- 6 * Sec. 10. This Act takes effect July 1, 2000.

Kelly COMMITTEE
2000 COMMITTEE ACTION

Bill Number	HB 281		
Amendment	CS "B"		
Motion	adopt as Workdraft		
<u>Motion by</u>	Parnell		
<u>Objection by</u>	Adams		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	Vote	N
Senator Pete Kelly	✓		
Senator Lyda Green		—	
Senator Randy Phillips			✓
Senator Dave Donley			✓
Senator Loren Leman	✓		
Senator Al Adams			✓
Senator Gary Wilken	✓		
Co-Chair Sean Parnell	✓		
Co-Chair John Torgerson	✓		
<u>Tally</u>			
Yea	5		
Nay	3		
Absent	1		
<u>MOTION</u>	Pass		

Bond Package - HB 281

5/1/00
to CS Version "Q"



Bond Projects as of 5-1-00

Bond projects as of 5-1-00

<i>ED</i>	<i>Project Name</i>	Bond Projects	AHFC Bonds	Tobacco Revenue Securitization	Municipal Bond Harbor Transfer (100% reimbursed)	Municipal school bonds (reimbursed at 70/30)
1-2	Ketchikan Harbor Transfer	7,000,000			7,000,000	
	Corp of Engin. - Ketchikan Harbor Study	200,000	200,000			
	Election District 1-2 Schools: District-wide Projects and Deferred Maintenance	1,112,000				1,112,000
	Petersburg Harbor Transfer	3,300,000			3,300,000	
	Corp of Engin. - Wrangell	500,000	500,000			
	Sitka Harbor Transfer	4,040,000			4,040,000	
3-4	Auke Bay Elem Roof Replacement	653,000				653,000
	Marie Drake Roof Replacement	599,000				599,000
	Harborview Elem Gym Replacement	106,000				106,000
	High School Heating/Ventilation	65,000				65,000
	High School Aux Gym Floor Replacement	109,000				109,000
	Floyd Dryden Sch Gym Floor	108,000				108,000
	Gastineau Elem Heating Coil Replacement	133,000				133,000
	Floyd Dryden Middle School Renovation	3,629,000				3,629,000
5-6	Kake City - Kake Elementary School Addition	2,237,000		2,237,000		
	Klawock Harbor Transfer	860,000			860,000	
	Corp of Engin. - Mellakatta - Tamgass	850,000	850,000			
	Corp of Engin. - Ouzinkie	1,300,000	1,300,000			
	Peterson Elem Addition	756,000				756,000
	Kodiak High School	1,106,000				1,106,000
	Peninsula Schools: District-wide Projects and Deferred					
7-9	Maintenance	5,200,000				5,200,000
	Corp of Engin. - Seward Harbor Expansion	2,925,000	2,925,000			
	Seldovia Harbor Transfer	2,500,000			2,500,000	

Bond projects as of 5-1-00

<u>ED</u>	<u>Project Name</u>	<u>Bond Projects</u>	<u>AHFC Bonds</u>	<u>Tobacco Revenue Securitization</u>	<u>Municipal Bond Harbor Transfer (100% reimbursed)</u>	<u>Municipal school bonds (reimbursed at 70/30)</u>
10-25	Bartlett High School, Phase I	3,500,000				3,500,000
	Eagle River/ Chuglak High School	14,563,000				14,563,000
	East High School, Phase I	7,295,000				7,295,000
	Service High School, Phase I	4,998,000				4,998,000
	Wendler Middle School, Phase I	4,231,000				4,231,000
	Denali Elementary, Replacement	8,211,000				8,211,000
	District Wide Projects/ Major Maintenance	11,730,000				11,730,000
	Mat-Su Schools: District-wide Projects and Deferred					
26-28	Maintenance	9,900,000				9,900,000
	Fairbanks Schools: District-wide Projects and Deferred					
29-34	Maintenance	10,200,000				10,200,000
35	Whittier Harbor Transfer	1,835,000			1,835,000	
	Valdez Harbor Transfer	3,013,000			3,013,000	
	Cordova Harbor Transfer	4,337,000			4,337,000	
36	Lwr Yukon - Pilot Station School Replacement	17,654,000		17,654,000		
37	Ambler K-12 Improvements	924,000				924,000
	Kiana K-12 Improvements	1,395,000				1,395,000
	Noorvik K-12 Improvements	13,633,000				13,633,000
38	Keshunamiut - Chevak School Replacement	28,272,000		28,272,000		
	Lwr Yukon - Kotlik School Replacement	17,910,000		17,910,000		
	Bering Straits School - Elim School Phase III	12,146,000		12,146,000		
	Nome Harbor Transfer	1,000,000			1,000,000	
39	Manokotak School Replacement	14,689,000		14,689,000		
40	Lake & Peninsula - Pedro Bay School Renovation /Relocation/Reconstruction	1,557,000				1,557,000
	Corp of Engr. - Perryville Harbor Feasibility	102,000	102,000			
99	Corp of Engineers Program Formulation	100,000	100,000			
	AHFC deferred maintenance projects	4,400,000	4,400,000			

Bond projects as of 5-1-00

<u>ED</u>	<u>Project Name</u>	<u>Bond Projects</u>	<u>AHFC Bonds</u>	<u>Tobacco Revenue Securitization</u>	<u>Municipal Bond Harbor Transfer (100% reimbursed)</u>	<u>Municipal school bonds (reimbursed at 70/30)</u>
	UNIVERSITY					
	University of Alaska - Southeast Deferred Maintenance, Renewal & Replacement, Code					
4	Compliance	1,388,000	1,388,000			
	UAS Classroom Building	5,500,000	5,500,000			
	Department of Education: AVTEC - Seward Student					
7-9	Housing	4,200,000	4,200,000			
	University of Alaska - Anchorage					
0-25	Consortium Library	34,000,000	34,000,000			
	UAA Deferred Maintenance	2,200,000	2,200,000			
	University of Alaska - Fairbanks					
29-34	Deferred Maintenance	18,700,000	18,700,000			
	Totals	302,871,000	76,365,000	92,908,000	27,885,000	105,713,000

BOND DEBT SERVICE REPORT

Tobacco Revenue Bonds, 2000 Series A
 Tobacco Revenue Bonds, 2000 Series A

Date	Bond Debt Service			Redeemed Principal	Total Bond Payment	Bond Valuation		
	Maturing Principal	Interest Paid	Total Debt Serv			Bond Balance	Unpaid Interest	Accreted Bond-Value
Dec 1, 2000	-	-	-	-	-	128,185,000	-	128,185,000.00
Jun 1, 2001	-	3,159,839	3,159,839.00	-	3,159,839.00	128,185,000	-10,357,430	117,827,570.00
Jun 1, 2002	-	6,311,903	6,311,902.75	304,363	6,616,265.75	127,280,637	-9,618,292	118,262,345.01
Jun 1, 2003	-	6,085,438	6,085,437.90	8,631,560	14,716,997.90	119,249,077	-8,505,274	110,743,803.26
Jun 1, 2004	425,000	5,736,638	6,161,638.05	5,180,320	11,341,958.05	113,643,757	-7,550,507	106,093,249.90
Jun 1, 2005	434,000	5,492,260	5,926,260.15	3,760,385	9,686,645.15	109,449,372	-6,634,930	102,814,441.69
Jun 1, 2006	434,000	5,273,991	5,707,990.65	4,149,756	9,857,746.65	104,865,616	-5,681,619	99,183,996.52
Jun 1, 2007	417,000	5,039,323	5,456,323.00	4,446,009	9,902,332.00	100,002,607	-4,757,911	95,244,696.12
Jun 1, 2008	2,231,737	4,790,933	7,022,670.10	4,761,294	11,783,964.10	93,009,576	-3,799,546	89,210,029.87
Jun 1, 2009	2,041,164	4,423,678	6,464,842.10	8,953,525	15,418,367.10	82,014,887	-2,799,883	79,215,003.89
Jun 1, 2010	1,853,424	3,931,642	5,785,065.90	9,574,085	15,359,150.90	70,587,378	-1,958,919	68,628,458.54
Jun 1, 2011	1,583,391	3,392,931	4,976,322.40	10,458,808	15,435,130.40	58,545,179	-1,292,308	57,252,871.37
Jun 1, 2012	1,295,758	2,797,964	4,093,721.70	11,462,277	15,555,998.70	45,787,144	-756,029	45,031,115.08
Jun 1, 2013	949,805	2,138,411	3,088,215.75	12,529,070	15,617,285.75	32,308,269	-378,606	31,929,662.77
Jun 1, 2014	555,226	1,407,665	1,962,891.00	13,703,616	15,666,507.00	18,049,427	-135,677	17,913,749.53
Jun 1, 2015	94,820	596,943	691,763.00	14,993,505	15,685,268.00	2,961,102	-11,826	2,949,276.23
Dec 1, 2015	-	85,747	85,746.50	2,961,102	3,046,848.50	-	-7,153	-7,652.71
	12,315,325	60,665,305	72,980,629.95	115,869,675	188,850,304.95			