

SENATE BILL NO. 166

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/18/22

Referred: Transportation, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act providing for and relating to the issuance of general obligation bonds for the**
2 **purpose of paying the cost of state infrastructure projects, including construction, major**
3 **maintenance, and port and transportation projects; and providing for an effective**
4 **date."**

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

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

8 GENERAL OBLIGATION BONDS. For the purpose of paying the cost of state
9 infrastructure projects and costs incident to the sale and issuance of the bonds, general
10 obligation bonds of the state in the principal amount of not more than \$325,175,000, if ratified
11 by a majority of the qualified voters of the state who vote on the question, shall be issued and
12 sold. The full faith, credit, and resources of the state are pledged to the payment of the
13 principal of and interest and redemption premium, if any, on the bonds. The bonds shall be
14 issued under the provisions of AS 37.15 as those provisions read at the time of issuance.

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

3 2022 STATE INFRASTRUCTURE PROJECT FUND. If the issuance of the bonds is
4 ratified by a majority of the qualified voters of the state who vote on the question, a special
5 fund of the state to be known as the "2022 state infrastructure project fund" shall be
6 established as a separate fund in the general fund, to which shall be credited the proceeds of
7 the sale of the bonds described in sec. 1 of this Act including premiums.

8 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC
11 DEVELOPMENT. The amount of \$257,900,000 is appropriated from the 2022 state
12 infrastructure project fund to the Department of Commerce, Community, and Economic
13 Development to be awarded as grants under AS 37.05.315 to recipients for projects as
14 follows:

PROJECT	AMOUNT
City of Craig - Craig Harbor	\$8,300,000
City of Craig - Mariculture Infrastructure	5,000,000
Kenai River Bluffs Stabilization	6,500,000
Ketchikan Gateway Borough - Ketchikan International Airport Terminal	7,500,000
Knik Arm Port Infrastructure	175,000,000
City of Kodiak - Kodiak Fire Station	15,000,000
City of Nenana - Nenana Fire Hall Replacement	5,000,000
Port of Nome - Deep Draft Port	10,000,000
City of Palmer - Warren "Bud" Woods Palmer Municipal Airport Taxiway	6,500,000
City of Seward - Freight Dock Expansion and Corridor Improvements	5,000,000
City of Wasilla - Wasilla Airport Runway and Terminal	14,100,000

29 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section
30 to read:
31

1 DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. The amount
 2 of \$47,000,000 is appropriated from the 2022 state infrastructure project fund to the
 3 Department of Transportation and Public Facilities to be allocated among the following
 4 projects in the amounts listed subject to reallocation between projects in accordance with
 5 AS 37.07.080(e):

6 PROJECT	AMOUNT
7 Juneau Access	\$25,000,000
8 Northern Access Project to University Medical District	22,000,000

9 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
 10 read:

11 UNIVERSITY OF ALASKA. The amount of \$18,650,000 is appropriated from the
 12 2021 state infrastructure project fund to the University of Alaska to be allocated for the
 13 Bartlett and Moore Hall Modernization and Renewal project.

14 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
 15 read:

16 STATE BOND COMMITTEE. If the issuance of the bonds is ratified by a majority of
 17 the qualified voters of the state who vote on the question, the amount of \$1,625,000 or as
 18 much of that amount as is found necessary is appropriated from the proceeds of the bond sale
 19 to the state bond committee to carry out the provisions of this Act and to pay expenses
 20 incident to the sale and issuance of the bonds authorized in this Act.

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

23 LAPSE; REDEMPTION; REIMBURSEMENT. The unexpended and unobligated
 24 balances of the appropriations made in secs. 3 - 6 of this Act lapse under AS 37.25.020 and
 25 are appropriated to the state bond committee to redeem bonds sold under this Act. The
 26 amounts expended from the general fund to pay the principal, interest, and redemption
 27 premium on bonds issued under this Act shall be reimbursed to the general fund from the
 28 appropriation made under this section to the extent that the money is not needed to redeem the
 29 bonds.

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

1 OFFICE OF MANAGEMENT AND BUDGET. Notwithstanding AS 37.10.087(a)(1),
 2 if the issuance of the bonds is ratified by a majority of the qualified voters of the state who
 3 vote on the question, any of the authorized state agencies with authorized projects will have
 4 the ability to request use of the general fund for any funding required in advance of the
 5 issuance of bonds in cooperation with the Office of Management and Budget and pursuant to
 6 the procedure outlined in AS 37.10.087. Any encumbrances required for contracts, the cash
 7 flows of which extend beyond two years, may be made from the general fund. All
 8 encumbrances and infrastructure cash flow expenditure projections shall be updated at least
 9 annually on June 30.

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

12 **BALLOT QUESTION.** The question whether the bonds authorized in this Act are to
 13 be issued shall be submitted to the qualified voters of the state at the next general election and
 14 shall read substantially as follows:

15 **P R O P O S I T I O N**

16 State General Obligation \$325,175,000

17 State Infrastructure Project Bonds

18 Shall the State of Alaska issue general obligation bonds in the
 19 principal amount of not more than \$325,175,000 for the purpose
 20 of paying the cost of state infrastructure projects?

21 Bonds Yes []

22 Bonds No []

23 * **Sec. 10.** This Act takes effect immediately under AS 01.10.070(c).