

CS FOR HOUSE BILL NO. 92(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/28/21

Referred: Rules

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to borrowing in anticipation of revenues; relating to revenue
2 anticipation notes; relating to short-term borrowing; and providing for an effective
3 date."

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

5 * **Section 1.** AS 43.08.010 is amended to read:

6 **Sec. 43.08.010. Borrowing in anticipation of revenues permitted.** The
7 commissioner is hereby authorized to borrow money on behalf of the state, when in
8 the judgment of the commissioner it becomes necessary in order to meet
9 appropriations for any fiscal year in anticipation of the collection of the revenues for
10 that year. Money borrowed shall be used only for the purposes and within the amounts
11 of appropriations authorized. **The authorization to borrow money includes entering**
12 **into revenue anticipation notes and other forms of short-term borrowing.**

13 * **Sec. 2.** AS 43.08.020 is amended to read:

14 **Sec. 43.08.020. Agreements to borrow money; payment [ISSUANCE AND**

1 **PAYMENT OF NOTES]. Money borrowed under this chapter [THE**
 2 COMMISSIONER SHALL ISSUE NOTES FOR THE AMOUNTS BORROWED IN
 3 ANTICIPATION OF THE COLLECTION OF REVENUES, DIRECT OR
 4 INDIRECT, FOR THAT YEAR. THE NOTES ISSUED BY THE COMMISSIONER
 5 UNDER THIS CHAPTER MAY BE RENEWED FROM TIME TO TIME BUT ALL
 6 SUCH NOTES AND RENEWALS THEREOF] and the interest thereon shall be paid
 7 from revenues by the end of the fiscal year next succeeding the year in which the
 8 **money was borrowed** [NOTES WERE ISSUED].

9 * **Sec. 3.** AS 43.08.030 is amended to read:

10 **Sec. 43.08.030. Security and payment. Money borrowed** [NOTES ISSUED]
 11 under this chapter shall, with interest thereon, be paid from revenues in anticipation of
 12 the collection of which the **money was borrowed** [SAME WERE ISSUED] and the
 13 full faith, credit, resources, and taxing power of the state are hereby pledged to the
 14 payment. To further secure the **repayment of the money borrowed,** [PAYMENT OF
 15 THE NOTES] the commissioner may pledge on behalf of the state such collateral as in
 16 the discretion of the commissioner may be necessary to effect such borrowing most
 17 advantageous to the state.

18 * **Sec. 4.** AS 43.08.035(a) is amended to read:

19 (a) There is appropriated each fiscal year from the general fund the amount
 20 necessary for the payment of interest on **money borrowed** [REVENUE
 21 ANTICIPATION NOTES ISSUED] under this chapter when the term of **the**
 22 **borrowing agreement** [THOSE NOTES] measured from the date **the money is**
 23 **borrowed** [OF ISSUANCE] to the date of first maturity does not exceed nine months.

24 * **Sec. 5.** AS 43.08.040 is amended to read:

25 **Sec. 43.08.040. Terms for agreements to borrow money** [SALE OF
 26 NOTES]. **An agreement to borrow money** [NOTES] authorized [TO BE ISSUED]
 27 under this chapter shall be **entered into** [SOLD] by the commissioner **on terms the**
 28 **commissioner determines are in the best financial interests of the state** [IN THE
 29 MANNER AND AT THE PRICE OR PRICES AS THE COMMISSIONER SHALL
 30 DETERMINE, AT EITHER PUBLIC OR PRIVATE SALE; HOWEVER, A NOTE
 31 MAY NOT BE SOLD AT LESS THAN PAR AND ACCRUED INTEREST].

1 * **Sec. 6.** AS 43.08.050 is amended to read:

2 **Sec. 43.08.050. Execution of agreements to borrow money [NOTES]. An**
3 **agreement to borrow [NOTES FOR] money authorized under this chapter**
4 **[BORROWED]** in anticipation of revenues shall be signed by the governor and
5 countersigned by the lieutenant governor. The governor's signature may be a facsimile
6 signature.

7 * **Sec. 7.** AS 43.08.050 is amended by adding a new subsection to read:

8 (b) Within 30 days after an agreement to borrow money is executed under this
9 chapter, the commissioner shall notify the Legislative Budget and Audit Committee
10 that an agreement has been entered into and include

11 (1) the financial terms of the agreement; and

12 (2) an explanation for the determination that the agreement was in the
13 best financial interests of the state.

14 * **Sec. 8.** AS 43.08.060 is repealed.

15 * **Sec. 9.** This Act takes effect July 1, 2021.