

SENATE BILL NO. 226

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/19/10
Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act providing for, relating to, and approving the issuance of certificates of
2 participation for the construction, acquisition, and equipping of the Alaska Scientific
3 Crime Detection Laboratory in Anchorage; providing notice of and authorizing the
4 commissioner of the Department of Administration to enter into a lease-purchase
5 agreement with the Department of Public Safety for the Alaska Scientific Crime
6 Detection Laboratory; providing for, relating to, and approving the issuance of
7 certificates of participation for the design, construction, acquisition, and equipping of
8 the University of Alaska Fairbanks Life Sciences Building in Fairbanks; providing
9 notice of and authorizing the commissioner of the Department of Administration to
10 enter into a lease-purchase agreement with the University of Alaska for the University of
11 Alaska Fairbanks Life Sciences Building; authorizing the University of Alaska to issue
12 revenue bonds for the construction, acquisition, and equipping of the University of

1 **Alaska Fairbanks Life Sciences Building in Fairbanks; and providing for an effective**
2 **date."**

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

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

6 FINDINGS AND INTENT. (a) It is the intent of the legislature to finance the
7 construction, acquisition, and equipping of a new facility in Anchorage to be known as the
8 Alaska Scientific Crime Detection Laboratory with the issuance of certificates of participation
9 in the amount of \$75,750,000 under sec. 3 of this Act. It is the intent of the legislature that
10 money previously appropriated for this project will be used to finance the design of this
11 project.

12 (b) It is the intent of the legislature that the amount of money to be used for the
13 design, construction, acquisition, and equipping of a new facility in Fairbanks to be known as
14 the University of Alaska Fairbanks Life Sciences Building is \$109,475,000. Of that amount,
15 \$88,875,000 would be from the proceeds of certificates of participation issued under sec. 4 of
16 this Act, and \$20,600,000 would be from the proceeds of revenue bonds issued under sec. 5 of
17 this Act.

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

20 LEASE-PURCHASE PAYMENTS. The lease-purchase payments owed under a lease-
21 purchase agreement executed under sec. 3 and sec. 4 of this Act are subject to annual
22 appropriation by the legislature.

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

25 NOTICE OF ENTRY INTO AND FINANCING OF LEASE-PURCHASE
26 AGREEMENT: ALASKA SCIENTIFIC CRIME DETECTION LABORATORY. (a) Subject
27 to annual appropriation, the Department of Public Safety is authorized to enter into a lease-
28 purchase agreement for a facility in Anchorage to be known as the Alaska Scientific Crime
29 Detection Laboratory.

30 (b) The state bond committee is authorized to provide for the issuance of certificates

1 of participation in one or more series in the aggregate principal amount of \$75,750,000 for the
2 construction, acquisition, and equipping of a facility to be known as the Alaska Scientific
3 Crime Detection Laboratory. The estimated total cost of construction, acquisition, and
4 equipping of the project is \$75,750,000, including credit enhancement and underwriting
5 expenses, rating agency fees, bond counsel fees, financial advisor fees, printing fees,
6 advertising fees, capitalized interest, and interest earnings used for lease payments. The
7 estimated annual amount of rental obligations under the lease purchase agreement is
8 \$5,600,000. The estimated total lease payments for the full term of the lease-purchase
9 agreement is \$112,000,000.

10 (c) Under terms approved by the Department of Public Safety, upon the payment of
11 all principal and interest payments under the certificates of participation, title to the new
12 facility known as the Alaska Scientific Crime Detection Laboratory shall vest in the State of
13 Alaska.

14 (d) The state bond committee may contract for credit enhancement, underwriting,
15 credit ratings, bond counsel, financial advisor, printing, advertising, and trustee services that
16 the committee considers necessary in financing the project described in this section.

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

19 NOTICE OF ENTRY INTO AND FINANCING OF LEASE-PURCHASE
20 AGREEMENT: UNIVERSITY OF ALASKA FAIRBANKS LIFE SCIENCES BUILDING.

21 (a) Subject to annual appropriation, the University of Alaska is authorized to enter into a
22 lease-purchase agreement for a facility in Fairbanks to be known as the University of Alaska
23 Fairbanks Life Sciences Building.

24 (b) The state bond committee is authorized to provide for the issuance of certificates
25 of participation in one or more series in the aggregate principal amount of \$88,875,000 for the
26 design, construction, acquisition, and equipping of a facility to be known as the University of
27 Alaska Fairbanks Life Sciences Building. The estimated total cost of design, construction,
28 acquisition, and equipping of the project is \$109,475,000, including credit enhancement and
29 underwriting expenses, rating agency fees, bond counsel fees, financial advisor fees, printing
30 fees, advertising fees, capitalized interest, and interest earnings used for lease payments. The
31 estimated annual amount of rental obligations under the lease purchase agreement is

1 \$6,700,000. The estimated total lease payments for the full term of the lease-purchase
2 agreement is \$134,000,000.

3 (c) Under terms approved by the University of Alaska, upon the payment of all
4 principal and interest payments under the certificates of participation, title to the new facility
5 known as the University of Alaska Fairbanks Life Sciences Building shall vest in the State of
6 Alaska.

7 (d) The state bond committee may contract for credit enhancement, underwriting,
8 credit ratings, bond counsel, financial advisor, printing, advertising, and trustee services that
9 the committee considers necessary in financing the project described in this section.

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

12 NOTICE AND AUTHORIZATION OF ISSUANCE OF REVENUE BONDS:
13 UNIVERSITY OF ALASKA FAIRBANKS LIFE SCIENCES BUILDING. (a) The
14 University of Alaska is authorized to issue revenue bonds under the power granted to it in
15 AS 14.40.254 to partially finance the construction, acquisition, and equipping of a facility to
16 be known as the University of Alaska Fairbanks Life Sciences Building, including, without
17 limitation, reserves for debt service and capitalized interest, if necessary or appropriate, and
18 costs of issuance. The maximum principal amount of bonds that the University of Alaska may
19 issue under this section is \$20,600,000. The University of Alaska may issue the bonds in a
20 single issuance or several issuances, without limitation as to number of issuances or timing, as
21 it determines best. In no event shall the general credit of the University of Alaska or the state
22 be pledged for the repayment of these bonds. The bonds shall be repaid from the revenue of
23 the University of Alaska, subject to appropriation.

24 (b) This authorization extends to bonds issued to refund the bonds authorized in this
25 Act. The principal amount of the bonds authorized in this Act may be increased in an issue of
26 refunding bonds in an amount equal to the costs of refunding if the refunding is undertaken to
27 achieve debt service savings.

28 (c) The estimated total cost of design, construction, acquisition, and equipping of the
29 University of Alaska Fairbanks Life Sciences Building is \$109,475,000, including credit
30 enhancement and underwriting expenses, rating agency fees, bond counsel fees, financial
31 advisor fees, printing fees, advertising fees, capitalized interest, and interest earnings used for

1 lease payments. The estimated annual payment amount of bonds under this section is
2 \$1,525,000. The estimated total payments for the full term of the bonds is \$30,485,000.

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

5 **LEGISLATIVE APPROVALS.** (a) Sections 3 and 4 of this Act constitute the notice
6 and approval of a lease-purchase agreement required by AS 36.30.085.

7 (b) Section 5 of this Act constitutes the notice and approval of a financing obligation
8 with an annual payment anticipated to exceed \$1,000,000 required by AS 14.40.253.

9 * **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).