

Fund Source Report

1113 AHFC Bonds Alaska Housing Finance Corporation Statewide Bonds

Year Authorized	Year Repealed	Active?	Mental Health?	Duplicated?	Fund Group
2000		Yes	No	No	Bonds / Debt Service

No Appropriations during last 10 years

Legal Authority

Legislative Finance Division tracking code

Source of Revenue

Describes principal of bonds that use the bonding authority of the Alaska Housing Finance Corporation (AHFC) but which are for statewide projects rather than for programs internal to AHFC.

Restrictions on Use

AHFC bond sales for this purpose are typically negotiated by legislative leadership, the Governor and AHFC. Bond proceeds must be spent for projects authorized in legislation and bond covenants. Debt service cannot be subject to appropriation.

Description and History

This budget fund code was established to distinguish statewide Alaska Housing Finance Corporation (AHFC) bond proceeds from other AHFC corporate expenditures or debt. The code refers to bonds issued for state projects, not to proceeds used for AHFC purposes.

Appropriation of bond proceeds is typically classified as duplicated funding because debt service on bonds is included in annual budgets. However, debt service on AHFC bonds proceeds used for state projects does not appear in appropriation bills, it is deducted from annual dividends paid to the State by AHFC. Because the debt service is "off budget" the bonds themselves must be classified as unduplicated appropriations.

The legal basis for this treatment is that bonds issued by AHFC are general obligation debt, meaning that the corporation is obligated to make debt service payments. If debt service were subject to appropriation, the value of the bonds could be diminished. Debt service must be withheld from dividends to the state rather than appropriated back to AHFC.

July 2014

For FY15, debt service on AHFC bonds issued for state projects exceed the amount of the dividend payable to the state.

See

1103 Alaska Housing Finance Corporation Receipts

1139 Alaska Housing Finance Corporation Dividend

1167 Tobacco Settlement Revenue Sale