

ees and administrative officers. The borough chairman shall provide for all major rehabilitation, all construction, and major repair of school buildings.

(h) State law relating to teacher salaries and tenure, to financial support, to supervision by the Department of Education and other general laws relating to schools, governs the exercise of the functions by the borough.

(i) The terms of office and membership of the borough school board shall be as provided by law for an independent

school district. All borough school board members shall be elected at large, but school board zones for the representation of separate and distinct areas may be established, altered or abolished as provided by AS 07.30.110.

Sec. 2. AS 07.25.040(2) is amended to read:

(2) the care and custody of all borough buildings and of all real and personal property of the borough except as provided otherwise by AS 07.15.330(g);

Sec. 3. This Act takes effect July 1, 1965.

Approved April 22, 1965

CHAPTER 83

AN ACT

Authorizing the refunding of outstanding general obligation and revenue bonds issued by municipal corporations, and political subdivisions by the issuance and sale of general obligation or revenue refunding bonds; and providing for an effective date.

(H.B. 47)

Be It Enacted by the Legislature of the State of Alaska:

Section 1. AS 29.50 is amended by adding new sections to read:

Sec. 29.50.081. **General Obligation and Revenue Refunding Bonds.** When a municipal corporation or political subdivision has outstanding any general obligation or revenue bonds and the governing body thereof determines that it would be financially sound and advantageous to refund the outstanding bonds, the governing body may provide by resolution for the issuance of general obligation or revenue refunding bonds with which to take up and refund the outstanding general obligation or revenue bonds, or any part thereof, at or before the maturity or redemption date thereof, with the right in the governing body to include various series and issues of the outstanding general obligation or revenue refunding bonds in a single issue of general obligation or revenue refunding bonds, and to issue general obligation or revenue refunding bonds to pay any redemption premium and interest to accrue and become payable on the outstanding general obligation or revenue bonds being refunded, and to establish

reserves for the general obligation or revenue refunding bonds.

Sec. 29.50.082. **Election.** An election shall not be required to authorize the issuance and sale of refunding bonds, and the issuance and sale of the bonds may be authorized, and all proceedings with reference to them prescribed by resolution of the governing body. However, if it is considered desirable to issue general obligation bonds to refund revenue bonds, or to issue revenue bonds to refund general obligation bonds, the governing body shall call an election upon the question of issuing bonds to refund the outstanding bonds. The governing body may also include in the election in a separate proposition, a proposal to include in the issue of general obligation refunding bonds additional bonds for the construction or acquisition of improvements and additions to and extensions of public works of a permanent character, as set out in secs. 10-70 of this chapter and, with respect to refunding revenue bonds, additional bonds for the construction or acquisition of additions, extensions and betterments to the revenue producing enterprise for which the outstanding revenue bonds to be refunded were issued.

Sec. 29.50.083. Payment of Revenue Refunding Bonds. The revenue refunding bonds shall be payable solely from all or any part of the revenues, income, earnings or profits derived from the ownership and operation of the revenue producing enterprises for which the outstanding revenue bonds to be refunded were issued, and shall only be a valid claim against all or that part of revenues, income, earnings or profits which are pledged to the payment thereof.

Sec. 29.50.084. Payment of General Obligation Refunding Bonds. If general obligation refunding bonds are issued, the governing body of the municipality or political subdivision issuing the bonds shall provide for the levy and collection of ad valorem taxes in each year upon all the property in the municipality or political subdivision subject to taxation by the municipality or political subdivision in an amount sufficient to pay the principal of and interest on the refunding bonds as the same become due and payable and may, in addition to the payment from the levy and collection of ad valorem taxes, provide for the payment of the principal and interest from such special funds or other revenues as the governing body may specifically provide.

Sec. 29.50.085. Limitation on Issuance of Revenue Refunding Bonds. If revenue refunding bonds are authorized to be issued and sold more than one year before the maturity date or redemption date of any outstanding revenue bonds proposed to be refunded, the revenue refunding bonds may not be issued unless a certificate of an independent engineer or firm of engineers states that the net interest cost to the issuer of the refunding bonds shall be less than the net interest cost on the outstanding revenue bonds refunded thereby. However, revenue refunding bonds may be issued without the certificate for the purpose of refunding at any time within one year before the maturity of revenue bonds for the payment of which the municipal corporation or political subdivision does not have sufficient funds, the refunding bonds to mature in a year or years not earlier than the latest stated maturity of any bonds of the issue to be refunded

which will remain outstanding after the refunding has been completed.

Sec. 29.50.086. Sale or Exchange of Refunding Bonds. General obligation or revenue refunding bonds may, in the discretion of the governing body, be exchanged at not less than par for the general obligation or revenue bonds which are being refunded, or may be sold at public or private sale at a price of not less than par and accrued interest, and may be issued and delivered at any time before the date of maturity or redemption date of the bonds to be refunded.

Sec. 29.50.087. Proceeds. General obligation or revenue refunding bonds shall, except as specifically provided in this section, be issued in accordance with the provisions with respect to the issuance of general obligation or revenue bonds set out in secs. 10-70 of this chapter. The proceeds derived from the sale of general obligation or revenue refunding bonds issued hereunder shall be invested in obligations of, or guaranteed by, the United States government or in certificates of deposit of commercial banks secured by obligation of the United States government, pending the time the proceeds are required for the purpose for which the general obligation or revenue refunding bonds are issued. To further secure the general obligation or revenue refunding bonds the governing body may contract with the purchasers thereof with respect to the safekeeping and application of the proceeds thereof and the safekeeping and application of the earnings of the investments. The determination of the governing body with respect to the financial soundness and advantage of the issuance and delivery of general obligation or revenue refunding bonds authorized hereby shall be conclusive, but nothing herein shall require the holders of any outstanding general obligation or revenue bonds being refunded to accept payment thereof otherwise than as provided in the bonds being refunded.

Sec. 2. AS 29.50.080 is repealed.

Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.