



LAWS OF ALASKA

1968

Source

CSHB 407

Chapter No.

62

AN ACT

Relating to the International Airports Revenue Bonds; and providing for an effective date.

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

* Section 1. Sec. 1e, Ch. 88, SLA 1961, is amended to read:

e. "Construction Fund" means the International Airports Construction Fund created by this Act.

* Sec. 2. Sec. 1g, Ch. 88, SLA 1961, is amended to read:

g. "Bond Redemption Fund" means the International Airports Revenue Bond Redemption Fund created by this Act, including any accounts which are hereafter created in said Fund.

* Sec. 3. Sec. 1, Ch. 88, SLA 1961, is amended by adding a new subsection to read:

j. "Bond resolution" means the resolution or resolutions authorizing the issuance of bonds, adopted by the Committee under Sec. 8 of this Act.

* Sec. 4. Sec. 2, Ch. 88, SLA 1961, is amended to read:

Sec. 2. The state is authorized to acquire, equip, construct and install additions and improvements to and extensions of the airports, facilities for the landing, parking, loading, storing, repairing, safety and utility of aircraft at the airports and passenger, freight and terminal facilities, including safety equipment and devices at the airports, found to be necessary by the Commissioner of Public Works.

* Sec. 5. Sec. 4, Ch. 88, SLA 1961, is amended to read:

Sec. 4. There is hereby created a special fund of the state to be known as the "International Airports Construction Fund," into which shall be paid the proceeds of the sale of the bonds (except any accrued interest paid thereon, which shall be paid into the Bond Redemption Fund) and any grants or other moneys which are legally provided for the same purposes for which the bonds are authorized. The moneys in the Construction Fund shall be used to pay the costs of acquiring, equipping, constructing and installing additions and improvements to and extensions of and facilities for the airports and costs incidental thereto, including costs of the authorization, issuance and sale of the bonds. To the extent provided in the bond resolution, moneys in the Construction Fund may also be used for the payment of interest on the bonds during the period of actual construction, and for such further period, not exceeding one year after the period of construction, as may be provided in the bond resolution. Moneys in the Construction Fund may also be transferred to the Bond Redemption Fund, to the extent provided in the bond resolution, to establish a reserve for the payment of the principal of and interest on the bonds. For the purpose of carrying out the provisions of this Act there is hereby appropriated from the Construction Fund the sum of \$7,000,000 together with the amounts of any such grants or other moneys paid into such fund for the same purpose.

The bond resolution may provide for the investment of moneys in the Construction Fund in such manner as the Committee may determine. The interest earned upon, or any profits derived from the sale of, such investments shall be deposited in and become a part of the Construction Fund.

* Sec. 6. Sec. 5, Ch. 88, SLA 1961, is amended to read:

Sec. 5. There is hereby created another special fund of the state to be known as the "International Airports Revenue Fund," which shall be completely segregated and set apart from all other funds of the state, shall be a trust fund for the uses and purposes herein provided, and into which shall be paid all revenues, fees, charges and rentals derived by the state from the ownership, lease, use and operation of the airports and all of the facilities and improvements thereof and facilities and improvements used in connection therewith. Such revenues, charges, fees and rentals shall not include the proceeds of any state tax or license. The moneys in the Revenue Fund shall only be used for the purpose of paying or securing the payment of the principal of and interest on the bonds and of and on any other revenue bonds issued by authorization of the legislature to provide funds to acquire, equip, construct and install additions and improvements to, and extensions of and facilities for, the airports and to be payable out of the Revenue Fund, the purpose of paying the normal and necessary costs of maintaining and operating the airports and all of the improvements and facilities thereof, the purpose of paying the costs of renewals, replacements and extraordinary repairs to the airports and all of the improvements and facilities thereof, the purpose of redeeming before their fixed maturities any and all revenue bonds issued for the purposes of the airports, the purpose of providing funds to acquire, construct and

install necessary additions and improvements to and extensions of and facilities for the airports and all of their facilities, and the purpose of providing funds to pay any and all other costs relating to the ownership, use and operation of the airports.

The bond resolution may provide for the investment of moneys in the Revenue Fund in such manner as the Committee may determine. The interest earned upon, or any profits derived from the sale of, such investments shall be deposited in and become a part of the Revenue Fund.

* Sec. 7, Sec. 6, Ch. 88, SLA 1961, is amended to read:

Sec. 6. There is hereby created another special fund of the state to be known as the "International Airports Revenue Bond Redemption Fund," which shall be a trust fund for paying and securing the payment of the principal of and interest and redemption premium, if any, on the bonds and which shall be at all times completely segregated and set apart from all other funds of the state. The Committee, on behalf of the state, shall obligate and bind the state to set aside and pay into the Bond Redemption Fund any part or parts of, or all of, or a fixed proportion of, or a fixed amount of the money in the Revenue Fund sufficient to pay the principal of and interest and redemption premium, if any, on the bonds as the same shall become due and, if it deems necessary, to set aside and maintain reserves therefor. The Bond Redemption Fund shall be drawn upon for the purpose of paying the principal of and interest and redemption premium, if any, on the bonds, and the bonds shall not constitute a general obligation of the state.

* Sec. 8. Sec. 7, Ch. 88, SLA 1961, is amended to read:

Sec. 7. The bonds shall be sold in such amounts or series and at such time or times as determined by the Committee. The bonds, or each series thereof, shall be sold at such price so that the effective interest rate over the life thereof shall not exceed seven per cent [7%] per annum. Interest shall be payable annually or semi-annually, and no interest coupon shall evidence interest at a rate greater than seven per cent [7%] per annum.

The bonds shall mature at such time or times as fixed by the Committee and shall be sold at public sale, and notice of the sale shall be published at least once a week for two consecutive weeks in a newspaper of general circulation in each of the four most populous senatorial districts of the state as established by the last federal census before the sale. The first such publication in each district shall be at least twenty days prior to the sale date. The bonds may be subject to redemption prior to their fixed maturities as determined by the Committee and with such premium or premiums as fixed by the Committee, but no bond shall be subject to redemption before its fixed maturity date unless the right so to redeem that bond is expressly mentioned on the face of the bond. The bonds may be in denominations determined by the Committee; may be issued in coupon form or in fully registered form, and may be registrable as to principal or both principal and interest, all under such regulations and conditions as the Committee shall provide; shall be payable as to principal and interest

at such place or places as may be determined by the Committee; shall be signed on behalf of the state by the Governor and shall be attested by the Secretary of State, both of which signatures may be facsimile signatures; shall have the seal of the state impressed, printed or lithographed thereon, and each of the interest coupons attached thereto shall be signed by the facsimile signatures of said officials; shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective features safeguarding such payment and relating to the maintenance, operation and improvement of the airports as found necessary by the Committee, which covenants may include a provision requiring the setting aside and maintenance of certain reserves to secure the payment of such principal and interest. The Committee may provide that any additional bonds hereafter authorized by the Legislature to be payable out of the same source or sources as the bonds authorized by this Act may later be issued on a parity with the bonds authorized by this Act upon compliance with any conditions which the Committee may prescribe.

If found reasonably necessary, the Committee may select a trustee or trustees for the holders of the bonds or any series thereof, for the safeguarding and disbursement of any of the moneys in any of the funds created by this Act, or for such duties with respect to the authentication, delivery and registration of the bonds as the Committee may determine, and shall fix the rights, duties, powers and obligations of such trustee or trustees.

In its determination of all of the matters and questions relating to the issuance and sale of the bonds and the fixing of the maturities, terms, conditions and covenants thereof as above provided, the decisions of the Committee shall be those found to be reasonably necessary for the best interests of the state and its inhabitants, and those which will accomplish the most advantageous sale of the bonds, with due regard, however, to necessary or normal costs of maintenance and operation, renewals and replacements of and repairs to the airports and to all improvements thereto and facilities thereof owned, used, operated or leased in connection therewith, the future growth and expansion of the airports and all of such facilities, and the possibility of additional revenue bond financing for airports purposes. Any such decisions of the Committee, as expressed in any bond resolution, shall be final and conclusive when any bonds have been issued pursuant to the bond resolution.

Any bond resolution may provide that the bonds issued thereunder shall contain a recital that they are issued pursuant to this Act, and any such bonds containing such recital shall be conclusively deemed to be valid and to have been issued in conformity with this Act.

The validity of the authorization and issuance of bonds shall not be affected by any proceedings for the acquisition or construction of the additions, improvements, extensions or facilities for which the bonds have been issued or by any contracts in connection with such acquisition or construction.

* Sec. 9. Sec. 8, Ch. 88, SLA 1961, is amended to read:

Sec. 8. The Committee is authorized and directed to adopt the bond resolution and prepare all other documents and proceedings necessary for the issuance, sale and delivery of the bonds or any part or series thereof. The bond resolution shall fix the principal amount, denomination, date, maturities, place or places of payment, rights of redemption, if any, terms, form, conditions and covenants of the bonds or each series thereof. The Committee shall also determine and provide for the date and manner of sale of the bonds, and shall provide whether the notice of sale is to be published elsewhere in addition to the publication required by Sec. 7 of this Act.

The holder of any bonds, or the trustee for the holders of the bonds or any series thereof, may by appropriate proceedings in the courts of record of the state, require and compel the transfer, setting aside and payment of money and the enforcement of all of the terms, conditions and covenants as required and provided in this Act and in the bond resolution.

* Sec. 10. Sec. 11, Ch. 88, SLA 1961, is amended to read:

Sec. 11. The Commissioner of Public Works shall fix and collect such fees, charges and rentals derived by the state from the ownership, lease, use and operation of the airports and all of the facilities and improvements thereof or used in connection therewith as will provide revenues sufficient to comply with all of the covenants of the bond resolution.

* Sec. 11. Sec. 12, Ch. 88, SLA 1961, is amended to read:

Sec. 12. The bonds or any part of them may be refunded at or prior to their maturity by the issuance of refunding revenue bonds of the state if in the opinion of the Committee refunding is advantageous to and in the best interests of the state and its inhabitants.

The issuance of refunding bonds need not be authorized by an act of the legislature, and the Committee is authorized and directed to adopt the resolution or resolutions and prepare all other documents and proceedings necessary for the issuance, exchange or sale, and delivery of such bonds. All provisions of this Act applicable to revenue bonds are applicable to the refunding bonds and to the issuance, sale or exchange thereof, except as otherwise provided in this section.

Refunding bonds may be issued in a principal amount sufficient to provide funds for the payment of all bonds to be refunded thereby, and in addition for the payment of all expenses incident to the calling, retiring or paying of such outstanding bonds, and the issuance of such refunding bonds. These expenses include the difference in amount between the par value of the refunding bonds and any amount less than par for which the refunding bonds are sold, any amount necessary to be made available for the payment of interest upon such refunding bonds from the date of sale thereof to the date of payment of the bonds to be refunded or to the date upon which the bonds to be refunded will be

paid pursuant to the call thereof or agreement with the holders thereof, and the premium, if any, necessary to be paid in order to call or retire the outstanding bonds and the interest accruing thereon to the date of the call or retirement.

* Sec. 12. Ch. 88, SLA 1961, is amended by adding a new section to read:

Sec. 15. The bonds are legal investments for all banks, trust companies, savings banks, savings and loan associations and other persons carrying on a banking business, all insurance companies and other persons carrying on an insurance business, and all executors, administrators, trustees and other fiduciaries. The bonds may be accepted as security for deposits of all funds of the state and its political subdivisions.

* Sec. 13. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.