



# LAWS OF ALASKA

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## AN ACT

Relating to the acquisition, construction and equipping of a campus activities center at the University of Alaska; relating to the issuance and sale of not to exceed \$4,000,000 of negotiable revenue bonds of the university to pay part or all of the cost thereof; creating a campus activities center revenue fund of the university; relating to the payment and refunding of such bonds and the enforcement of the covenants thereof; and providing for an effective date.

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

\* Section 1. (a) There is hereby created a special fund of the university to be known as the "campus activities center revenue fund" which shall be completely segregated and set apart from all other funds of the university, shall be a trust fund for the uses and purposes herein provided, and into which shall be paid 25 per cent of all student fees, or a lesser per cent of all student fees determined by the board, and any special fee assessments determined by the board.

(b) The money in the revenue fund shall be pledged or used only for the purpose of paying or securing the payment of the principal of and interest and redemption premium, if any, on the bonds, for the purpose of paying or securing the payment of the principal of and interest on any other revenue bonds of the university issued by authorization of the legislature to provide funds to acquire, construct and equip additions or improvements to the improvements, the purpose of paying the normal and necessary costs of equipping, maintaining and operating the improvements, the purpose of paying the cost of renewals, replacements and normal and extraordinary repairs to the improvements, the purpose of redeeming ahead of their fixed maturity any and all revenue bonds of the university issued for the improvements, the purpose of providing funds to acquire, construct and equip necessary additions and improvements thereto and modifications and extensions of the improvements, and the purpose of providing funds to pay any and all other normal and necessary costs relating to the ownership, use and operation of the improvements, all to the extent fixed and determined by the board in one or more bond resolutions, trust indentures, or trust agreements securing or providing for the issuance of the bonds adopted or entered into in accordance with this Act.

(c) The board may provide for the investment of moneys in the revenue fund in such manner as it may fix and determine by resolution. The interest earned upon or any proceeds derived from the sale of such investments shall be deposited in and become a part of the revenue fund.

\* Sec. 2. The university may acquire, construct and equip or provide for the acquisition, construction and equipping of the improvements in such manner as may be determined by the board.

\* Sec. 3. (a) For the purpose of providing part or all of the money necessary to pay the costs of acquiring, constructing and equipping the improvements, the issuance and sale of revenue bonds of the university in the total principal sum of not to exceed \$4,000,000 is hereby authorized. The principal of and interest on such bonds shall be paid out of and secured by the money required in sec. 1 of this Act to be paid into the revenue fund and out of any other revenues or moneys received by the university which the legislature may authorize to be pledged to such payment, and which revenues shall likewise be paid into the revenue fund.

(b) The board shall create a special bond redemption fund of the university 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, which fund shall be at all times set apart from all other funds of the university. The board on behalf of the university may obligate and bind the university 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, which will be sufficient to pay the principal of and interest on the bonds as the same shall become due and, if it determines necessary, to set aside and maintain reserves therefor. The bond redemption fund shall be drawn upon solely 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 of Alaska or the university.

\* Sec. 4. (a) The bonds may be sold in such amounts or series and at such time or times as determined by the board. The bonds or each series thereof shall be sold at such price so that the effective interest rate over the life of the bonds sold shall not exceed seven per cent a year. Such interest shall be paid annually or semi-annually, and no interest coupon shall evidence interest at a rate greater than seven per cent. The bonds shall mature at such time or times as fixed by the board; shall be sold at public or private sale; may be subject to redemption prior to their fixed maturity or maturities as determined by the board and with such premium or premiums as fixed by the board; may be in such denomination or denominations as determined by the board; may be issued in coupon form and made payable to bearer, or may be registerable as to principal and principal and interest, or may be made payable to the purchaser or purchasers thereof, all under such regulations and conditions as the board shall provide; shall be payable as to principal and interest at such place or places as may be determined by the board; shall be signed on behalf of the university by the president of the board and shall be attested by the secretary of the board, both of whose signatures may be facsimile signatures; shall have the seal of the university impressed, printed or

lithographed thereon, and each of the interest coupons attached thereto shall be signed by the facsimile signatures of said president and secretary; and 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 improvements as found necessary by the board, which covenants may include but are not limited to provisions providing for the charging, collecting and depositing of student fees, provisions requiring the setting aside and maintaining of certain reserves to secure the payment of such principal and interest and provisions requiring the setting aside and maintenance of certain reserves to maintain, equip, repair, renew, renovate and replace the improvements and all facilities and equipment used in connection therewith. The board 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 board may prescribe, or may provide that no additional bonds may be so issued payable out of the same said source or sources on a parity with the bonds authorized by this Act.

(b) If found reasonably necessary, the board may select a trustee or trustees for the owners and holders of the bonds or any series thereof, for the safeguarding and disbursement of the proceeds of sale of the bonds or for such duties with respect to the authentication, delivery and registration of the bonds, or otherwise with respect to the bonds, the funds established hereunder and the moneys pledged to the same as the board may determine, and shall fix the rights, duties, powers and obligations of such trustee or trustees.

(c) 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, the decisions of the board shall be those found to be reasonably necessary for the best interests of the university and its students 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 improvements and to other improvements and facilities owned, used, operated or leased by the university, the future growth and expansion of the university and all of its improvements and facilities, and the possibility of additional revenue bond financing for university purposes. Any such decisions of the board, as expressed in any resolution authorizing the issuance of any bonds, shall be final and conclusive when any bonds have been issued pursuant to such resolution.

(d) Any resolution authorizing the issuance of any bonds 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.

(e) The validity of the authorization and issuance of bonds shall not be affected by any proceedings for the acquisition or construction of the improvements for which the bonds

have been issued or by any contracts in connection with such acquisition or construction.

\* Sec. 5. (a) The board shall adopt the resolution or resolutions and prepare all other documents and proceedings necessary for the issuance, sale and delivery of the bonds or any part or series thereof. The resolution or resolutions 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 and their date and manner of sale.

(b) The owner and holder of any bond or the trustee for the owners and holders of the bonds or any series thereof may by appropriate proceedings in a court of record of the state, require and compel the transferring, setting aside and payment of money and the enforcement of all of the terms, conditions and covenants as provided in this Act and in the resolution or resolutions authorizing the issuance of the bonds or any series thereof.

\* Sec. 6. The bonds and the coupons attached thereto are fully negotiable instruments under the laws of the State of Alaska.

\* Sec. 7. (a) 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 university if in the opinion of the board refunding is advantageous to and in the best interests of the university.

(b) The issuance of refunding bonds need not be authorized by an act of the legislature, and the board 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.

(c) 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. 8. 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. 9. All bonds are hereby declared to be issued for an essential public purpose, and such bonds, and the interest thereon and the income therefrom, shall at all times be exempt from taxation by or under authority of the State of Alaska, or any political subdivision thereof.

\* Sec. 10. The State of Alaska does hereby pledge to and covenant and agree with the holders of bonds that the state will not limit or alter the rights hereby vested in the university or the board to fulfill the terms of any agreement made with the holders of the bonds and will not in any way impair the rights or remedies of such holders, and will not modify in any way the exemptions from taxation provided for in this Act, until the bonds, together with interest thereon, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged.

\* Sec. 11. Any pledge made in respect of the bonds under this Act shall be valid and binding from the time the pledge is made. The money or property so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the university irrespective of whether such parties have notice thereof. No resolution, trust indenture, trust agreement or any other instrument by which a pledge is created need be recorded, or filed under the uniform commercial code.

\* Sec. 12. In this Act, unless the context otherwise requires

(1) "board" means the Board of Regents of the university;

(2) "bonds" means the university revenue bonds authorized by sec. 3 of this Act;

(3) "costs" means the costs of acquiring, constructing and equipping the improvements, including, without limitation, interest on the bonds prior to and during such construction and during such period of time after construction as the board determines, and such reserves to secure the bonds as the board determines;

(4) "improvements" means the campus activities center, constituting one or more buildings or other facilities for campus activities, including any real property or interest therein necessary in connection therewith, as may be determined by the board, and acquired, constructed and equipped out of the proceeds of the sale of the bonds, as authorized by sec. 2 of this Act; the improvements shall not constitute and may not be made a part of the housing system of the university as defined in ch. 56, SLA 1961, as amended and supplemented;

(5) "revenue fund" means the campus activities center revenue fund created by sec. 1 of this Act;

(6) "student fees" means all fees charged students

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by the university at College, Alaska, not including tuition charged out-of-state students or dormitory rentals, and also not including any revenues, fees, charges and rentals derived by the university from the ownership, lease, use or operation of the housing system, as the term is defined in ch. 56, SLA 1961, as amended and supplemented, which, in the opinion of the board, are now pledged or may hereafter be pledged to the holders of revenue bonds of the university now or hereafter issued pursuant to ch. 56, SLA 1961, as amended and supplemented, under existing contracts or agreements with the holders or purchasers of such revenue bonds;

(7) "university" means the University of Alaska, located at College, Alaska.

\* Sec. 13. This Act shall be liberally construed in order to carry out the purposes for which it was adopted, and all existing laws in conflict with any of the provisions of this Act are superseded insofar as necessary to accomplish the purposes of and carry out the provisions of this Act.

\* Sec. 14. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.