



LAWS OF ALASKA

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Source

Chapter No.

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AN ACT

Relating to the Alaska Municipal Bond Bank Authority; its obligations issued on behalf of municipalities; and providing for an effective date.

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

* Section 1. AS 44.58.060 is amended to read:

Sec. 44.58.060. COMPENSATION AND EXPENSES. The directors of the bond bank authority shall serve without compensation, but the bond bank authority shall reimburse its directors for actual expenses necessarily incurred in the discharge of their duties. Notwithstanding any other law, an officer or employee of the state need not forfeit his office or employment or any benefits by reason of his acceptance of appointment to the office of director of the bond bank authority.

* Sec. 2. AS 44.58.170 is amended to read:

Sec. 44.58.170. LOANS TO POLITICAL SUBDIVISIONS. (a) The bond bank authority, to carry out the purposes and policies of this chapter, may lend money to municipalities through the purchase by the bond bank authority of municipal bonds of municipalities. Notwithstanding a home rule charter provision requiring public sale by a municipality of its municipal bonds, a municipality may sell its municipal bonds to the bond bank authority at a negotiated, private sale. The bond bank authority, for this purpose, may issue its bonds and notes payable solely from the revenues or funds available to the bond bank authority for such payment and may otherwise assist municipalities as provided in this chapter.

(b) Notwithstanding any provision of law, to the extent that any department or agency of the state is the custodian of money payable to a municipality, at any time

after written notice to the department or agency head from the bond bank authority that the municipality is in default on the payment of principal or interest on municipal bonds of the municipality then held or owned by the bond bank authority, the department or agency shall withhold the payment of that money from that municipality and pay over the money to the bond bank authority for the purpose of paying principal of and interest on bonds of the bond bank authority.

* Sec. 3. AS 44.58.270(h) is amended to read:

(h) All amounts received on account of money appropriated to the reserve fund referred to in (a)(3) of this section shall be held and applied in accordance with (b) of this section; however, at the end of each fiscal year, if the amount in the reserve fund is in excess of the required debt service reserve, any amount representing earnings or income received on account of money appropriated to the reserve fund which exceeds the operating expenses of the authority for that fiscal year shall be transferred to the general fund of the state.

* Sec. 4. AS 29 is amended by adding a new chapter to read:

CHAPTER 59. OBLIGATIONS ISSUED ON BEHALF
OF MUNICIPALITIES.

Sec. 29.59.010. AUTHORITY TO ISSUE OBLIGATIONS FOR SPECIFIED PURPOSES. (a) A home rule or general law municipality may establish a public corporation or other municipal instrumentality. This public corporation or other municipal instrumentality may issue obligations to provide the public facilities and services enumerated in AS 29.48.030(a).

(b) The public corporation or other municipal instrumentality created under authority of (a) of this section shall be created and operated solely to provide one or more of the public facilities or services enumerated in AS 29.48.-030(a).

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.070(c).