



LAWS OF ALASKA

1991

Source

CSSB 235(FIN)

Chapter No.

87

AN ACT

Establishing the Alaska debt retirement fund; relating to the financing of capital projects; relating to state bonded indebtedness and reimbursements for school construction; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: June 28, 1991
Actual Effective Date: June 29, 1991

AN ACT

1 Establishing the Alaska debt retirement fund; relating to the financing of capital projects;
2 relating to state bonded indebtedness and reimbursements for school construction; and
3 providing for an effective date.
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7 * **Section 1. FINDINGS.** The legislature finds that a mechanism is needed to ensure a long-term
8 source of money for the debt service obligations of the state and local governments, and to strengthen
9 and add to the economy of the state, in order to benefit all present and future generations of Alaskans.
10 It is the intent of the legislature that the Alaska debt retirement fund be established to help meet the
11 general fund debt obligations of the state and its political subdivisions, to fund lease-purchases, and to
12 finance capital projects with money remaining after debt obligations are paid.

13 * **Sec. 2.** AS 37.15 is amended by adding a new section to read:

14 Sec. 37.15.011. ALASKA DEBT RETIREMENT FUND. (a) The Alaska debt
15 retirement fund is established as a separate fund in the general fund. The fund consists of all
16 money appropriated to it.

17 (b) The Alaska debt retirement fund shall be invested by the Department of Revenue so
18 as to yield competitive market rates, as provided in AS 37.10.071. Money in the fund may be
19 appropriated

20 (1) for the purposes set out in AS 37.15.012;

21 (2) to reimburse municipalities for obligations authorized under AS 14.11.100;

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- 1 (3) to finance the acquisition of state facilities through lease-purchase agreements;
2 and
3 (4) if an unobligated balance remains, to finance the design and construction of
4 capital projects.

5 * Sec. 3. AS 37.15.012 is amended to read:

6 Sec. 37.15.012. CONTINUING DEBT SERVICE APPROPRIATION. The amounts
7 required annually to pay the principal, interest, and redemption premium on all issued and
8 outstanding general obligation bonds of the state are appropriated each fiscal year from the
9 Alaska debt retirement [GENERAL] fund to the state bond committee to make all required
10 payments of principal, interest, and redemption premium. If the balance of the Alaska debt
11 retirement fund is insufficient to fully pay these amounts, the necessary additional amounts
12 are appropriated from the general fund to the state bond committee to make all required
13 payments of principal, interest, and redemption premium.

14 * Sec. 4. AS 37.15.015(a) is amended to read:

15 (a) Before a general or special election in which a bond issue is offered for ratification,
16 the state bond committee shall publish a notice of existing state bonded indebtedness at least once
17 a week for three consecutive weeks in a newspaper of general circulation in each of the four
18 judicial districts of the state. The first notice shall be published at least 20 days before the date
19 of the election. A notice must contain

- 20 (1) the current total bonded indebtedness of the state;
21 (2) the cost of the debt service on the current indebtedness;
22 (3) the projected amount of state general obligation debt principal that could
23 be issued and paid for from the Alaska debt retirement fund;
24 (4) the estimated debt service requirements for the bond issue offered for
25 ratification; and
26 (5) whether the bond issue offered for ratification will be repaid with
27 amounts from the Alaska debt retirement fund.

28 * Sec. 5. AS 37.15.170(a) is amended to read:

29 (a) Before December [JANUARY] 1 of each year after bonds are issued, the state bond
30 committee shall certify to the commissioner of administration the amount needed for the

1 following calendar year to meet principal, interest, and reserve requirements on all bonds or
2 issues or series of bonds then outstanding, including reimbursements authorized under
3 AS 14.11.100.

4 * Sec. 6. AS 37.15.170 is amended by adding a new subsection to read:

5 (c) Before December 1 of each year, the state bond committee shall report to the
6 governor and the legislature the current fund balance in the Alaska debt retirement fund. The
7 report must contain an estimate of the amount of state general obligation debt principal that could
8 be issued and paid for from the fund.

9 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).