

SENATE BILL NO. 73

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/5/21

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to borrowing in anticipation of revenues; relating to revenue
2 anticipation notes; relating to line of credit agreements; and providing for an effective
3 date."

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

5 * **Section 1.** AS 43.08.010 is amended to read:

6 **Sec. 43.08.010. Borrowing in anticipation of revenues permitted.** The
7 commissioner is hereby authorized to borrow money on behalf of the state, when in
8 the judgment of the commissioner it becomes necessary in order to meet
9 appropriations for any fiscal year in anticipation of the collection of the revenues for
10 that year. Money borrowed shall be used only for the purposes and within the amounts
11 of appropriations authorized. **The authorization to borrow money includes entering**
12 **into revenue anticipation notes and line of credit agreements.**

13 * **Sec. 2.** AS 43.08.020 is amended to read:

14 **Sec. 43.08.020. Agreements to borrow money and payment. Money**

borrowed under this chapter [THE COMMISSIONER SHALL ISSUE NOTES FOR THE AMOUNTS BORROWED IN ANTICIPATION OF THE COLLECTION OF REVENUES, DIRECT OR INDIRECT, FOR THAT YEAR. THE NOTES ISSUED BY THE COMMISSIONER UNDER THIS CHAPTER MAY BE RENEWED FROM TIME TO TIME BUT ALL SUCH NOTES AND RENEWALS THEREOF] and the interest thereon shall be paid from revenues by the end of the fiscal year next succeeding the year in which the money was borrowed [NOTES WERE ISSUED].

* **Sec. 3.** AS 43.08.030 is amended to read:

Sec. 43.08.030. Security and payment. Money borrowed [NOTES ISSUED] under this chapter shall, with interest thereon, be paid from revenues in anticipation of the collection of which the money was borrowed [SAME WERE ISSUED] and the full faith, credit, resources, and taxing power of the state are hereby pledged to the payment. To further secure the repayment of the money borrowed [PAYMENT OF THE NOTES] the commissioner may pledge on behalf of the state such collateral as in the discretion of the commissioner may be necessary to effect such borrowing most advantageous to the state.

* **Sec. 4.** AS 43.08.035(a) is amended to read:

(a) There is appropriated each fiscal year from the general fund the amount necessary for the payment of interest on money borrowed [REVENUE ANTICIPATION NOTES ISSUED] under this chapter when the term of the borrowing agreement [THOSE NOTES] measured from the date the money is borrowed [OF ISSUANCE] to the date of first maturity does not exceed nine months.

* **Sec. 5.** AS 43.08.040 is amended to read:

Sec. 43.08.040. Terms for agreements to borrow money. An agreement to borrow money [NOTES] authorized [TO BE ISSUED] under this chapter shall be entered into [SOLD] by the commissioner on terms the commissioner determines are in the best financial interests of the state [IN THE MANNER AND AT THE PRICE OR PRICES AS THE COMMISSIONER SHALL DETERMINE, AT EITHER PUBLIC OR PRIVATE SALE; HOWEVER, A NOTE MAY NOT BE SOLD AT LESS THAN PAR AND ACCRUED INTEREST].

1 * **Sec. 6.** AS 43.08.050 is amended to read:

2 **Sec. 43.08.050. Execution of agreements to borrow money. An agreement**
3 **to borrow** [NOTES FOR] money **authorized under this chapter** [BORROWED] in
4 anticipation of revenues shall be signed by the governor and countersigned by the
5 lieutenant governor. The governor's signature may be a facsimile signature.

6 * **Sec. 7.** AS 43.08.060 is repealed.

7 * **Sec. 8.** This Act takes effect July 1, 2021.