

1 IN THE HOUSE

1 BY THE WAYS AND MEANS COMMITTEE

2

HOUSE BILL NO. 234

3

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4

TWENTY-THIRD SESSION

5

A BILL

6 For an Act entitled: "An Act authorizing the construction, alter-  
7 ing and equipping of certain hospital and/or  
8 medical facilities and the issuance and sale  
9 of not to exceed \$1,000,000.00 of negotiable  
10 general obligation bonds of the Territory  
11 of Alaska to provide the money necessary for  
12 the same; creating the Department of Health  
13 Construction Fund; making an appropriation;  
14 creating the Department of Health Bond Re-  
15 demption Fund and providing funds for the  
16 payment of such bonds therefrom; authorizing  
17 the issuance and sale of refunding bonds;  
18 and declaring an emergency."

19 BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

20 Section 1. The Department of Health of the Territory of  
21 Alaska is hereby authorized to construct, alter and equip, or pro-  
22 vide for the construction, altering and equipping of, one or more  
23 hospitals and/or medical facilities at Fairbanks, Anchorage and  
24 Ketchikan, Alaska, and to acquire and install or provide for the  
25 acquisition and installation of all personal property required to  
26 fully equip the same with all necessary facilities and utilities.

27 Sec. 2. For the purpose of providing part or all of the funds  
28 to be used, with or without matching funds, United States or  
29 Territorial grants, or any other funds which may become available,

H.B.No.234

1 to construct, alter and equip such buildings, the issuance and sale  
2 of general obligation bonds of the Territory of Alaska in the total  
3 principal sum of not to exceed \$1,000,000.00 is hereby authorized.  
4 The full faith, credit and resources of the Territory of Alaska  
- 5 shall be and are hereby pledged for the payment of the principal  
6 of and interest on such bonds. Such bonds shall contain an un-  
7 conditional promise to pay the principal thereof and interest  
8 thereon when due and, including each coupon attached thereto,  
9 shall be fully negotiable instruments for all purposes.

10       Sec. 3. Such bonds shall be sold in such amounts or series  
11 and at such time or times as found necessary by the Commissioner  
12 of Health and the Board of Health of the Territory of Alaska.  
13 Each issue or series of such bonds shall bear interest at a rate  
14 or rates not to exceed six per cent over the life thereof, and no  
15 single interest or coupon rate shall be greater than six per cent  
16 per annum; shall be sold for not less than their par value plus  
17 accrued interest; shall be serial bonds, and shall mature in  
18 annual installments which need not be equal; the earliest maturing  
19 bonds thereof shall become payable not more than three years from  
20 the date of issue, and the latest maturing bonds thereof shall  
21 become payable on or before thirty years from the date of issue,  
- 22 it being hereby found and declared that the probable life of each  
23 of the buildings to be constructed and equipped out of the pro-  
24 ceeds of these bonds will be at least thirty years; shall be sub-  
25 ject to redemption prior to their fixed maturities not earlier  
26 than two years from date of issue and, if found reasonably neces-  
27 sary by the Finance Committee to accomplish the most advantageous  
28 sale thereof, at a first premium not greater than four per cent,  
29 which premium shall be reduced in multiples of not less than one-

1 quarter of one per cent for the redemption of bonds of succeeding  
2 maturities; shall be dated on the first or fifteenth of any month  
3 not later than January 1, 1967, and may not be issued and deliver-  
4 ed later than six months after January 1, 1967; shall be in denomi-  
5 nations of \$1,000.00 each; shall be payable to bearer, and shall  
6 be registered only as to principal at the option of the holder  
7 thereof; each such bond shall be executed on behalf of the Terri-  
8 tory by its Governor, shall be attested by the Treasurer of the  
9 Territory, one of which signatures may be the facsimile signature  
10 of such Governor or such Treasurer, shall have the seal of the  
11 Territory impressed thereon, and the interest coupons attached  
12 thereto shall be executed with the facsimile signatures of said  
13 officials, and such signatures or facsimile signatures of such  
14 Treasurer and Governor shall be valid and sufficient for all pur-  
15 poses and shall have the same effect as if the persons so offi-  
16 cially signing or executing such bonds had remained in office  
17 until the delivery of the same to the purchasers, although the  
18 term of office of such persons or either of them may have expired  
19 or they may otherwise have ceased to be such officers before such  
20 delivery; shall be sold at public sale, notice of which shall be  
21 published at least once a week for two consecutive weeks in a news-  
22 paper of general circulation in the capital of the Territory, and  
23 the first publication thereof shall be at least twenty days prior  
24 to such sale date; shall be issued under and subject to such terms,  
25 conditions and covenants providing for the payment of the princi-  
26 pal thereof and interest thereon and such other terms, conditions,  
27 covenants and protective provisions safeguarding such payment as  
28 found reasonably necessary by the Finance Committee for the most  
29 advantageous sale thereof, which may include the creation of a

1 reserve account to secure the payment of such principal and interest  
2 into which it shall be pledged there will be paid, from the same  
3 monies pledged for the payment of such principal and interest,  
4 within a fixed time from the date of issue of such bonds an amount  
5 at least equal to the next calendar year's debt service thereon,  
6 which covenant may also contain a pledge for the maintenance and  
7 replenishment of such reserve account throughout the life thereof;  
8 if found reasonably necessary by the Finance Committee to accom-  
9 plish the most advantageous sale of such bonds or any issue or  
10 series thereof, such Committee shall select a trustee for the  
11 owners and holders of such series or issue of bonds and/or for the  
12 safeguarding and disbursement of the proceeds of their sale for  
13 the uses and purposes for which they were issued, and shall fix  
14 the rights, duties, powers and obligations of such trustee or  
15 trustees.

16       Sec. 4. The Finance Committee is hereby authorized and di-  
17 rected to adopt the resolution or resolutions and prepare all other  
18 documents necessary for the issuance, sale and delivery of such  
19 bonds or any part thereof when instructed in writing to do so by  
20 the Commissioner of Health and Board of Health of the Territory of  
21 Alaska, and if deemed reasonably necessary and advisable, may pro-  
22 cure architectural or engineering, municipal investment, and legal  
23 services at reasonable and customary fees to assist it in accom-  
24 plishing the most advantageous sale of such bonds, which fees may  
25 be paid from the proceeds of sale of such bonds or otherwise. Such  
26 resolution or resolutions shall fix the amount, date, maturities,  
27 terms, form, conditions and covenants of such bonds as authorized  
28 in the preceding section of this Act, and shall fix the place or  
29 places of payment, one of which shall be the office of the

1 Treasurer of the Territory of Alaska, the date of sale of such  
2 bonds, and the form and manner of publishing the notice thereof.  
3       Sec. 5. That there be and is hereby created in the office of  
4 the Treasurer of the Territory a special fund of the Territory to  
5 be known as the "Department of Health Construction Fund". The  
6 proceeds of the sale of the bonds authorized herein or any part  
7 thereof (exclusive of accrued interest, which shall be paid into  
8 the Bond Redemption Fund hereinafter created), together with any  
9 other moneys of the Department of Health which are or may become  
10 available for the same purposes for which these bonds are authori-  
11 zed, shall be deposited in the Department of Health Construction  
12 Fund.

13       Sec. 6. The sum of \$1,000,000.00 or so much thereof as shall  
14 be found necessary, is appropriated from the Department of Health  
15 Construction Fund to the Department of Health to be expended by  
16 it to carry out the provisions of this Act and to pay all expenses  
17 incident to the sale and issuance of the bonds authorized herein:

18       Sec. 7. That there be and is hereby created in the office of  
19 the Treasurer of the Territory another special fund of the Terri-  
20 tory, to be known as the "Department of Health Bond Redemption  
21 Fund", which fund shall be exclusively used for the payment of the  
22 principal of and interest on the bonds authorized by and issued  
23 under this Act. If said bonds are issued in different issues or  
24 series and under different dates, separate principal and interest  
25 retirement funds and reserve accounts may be created in said Bond  
26 Redemption Fund for the purpose of paying and securing the payment  
27 of the principal of and interest on each of said separate issues or  
28 series of said bonds.

29       The Finance Committee shall, on or before December thirty-first

1 of each year, commencing with the year in which any of such bonds  
2 are issued, certify to the Treasurer of the Territory the amount  
3 needed in the next ensuing calendar year to meet principal, inter-  
4 est and reserve account requirements on such bonds or issues or  
5 series thereof then outstanding, and the Treasurer of the Territory  
6 shall thereupon deposit such amount in such Department of Health  
7 Bond Redemption Fund and, if required by the indenture or inden-  
8 tures under which said bonds or issues or series thereof were  
9 issued, credit the same to the various principal and interest re-  
10 tirement funds and reserve accounts therein at the time and in the  
11 amounts so required. Said amounts so deposited shall be taken  
12 from the General Fund of the Territory or out of any other moneys  
13 in the Treasury not otherwise appropriated, and each such amount  
14 so certified each year by the Finance Committee to the Treasurer  
15 of the Territory shall be a first and prior charge against all  
16 revenues received by the Treasurer that are applicable to the  
17 General Fund of the Territory and are not otherwise appropriated.

18       Sec. 8. The owner and holder of any or all of said bonds or  
19 the trustee or trustees for the owners and holders of such bonds  
20 or any issue or series thereof may by mandamus or other appropriate  
21 proceedings require and compel the transfer and payment of moneys  
22 as authorized and directed in this Act and the enforcement of any  
23 other terms, conditions and covenants under which such bonds or  
24 any issue or series thereof were issued and sold.

25       Sec. 9. The Legislature may provide additional means for  
26 raising moneys for the payment of the principal of and interest on  
27 the bonds authorized herein, and this Act shall not be deemed to  
28 provide an exclusive method for such payment.

29       Sec. 10. Any part or all of the outstanding bonds authorized

1 herein, or any part or all of each outstanding issue or series of  
2 such bonds, may be refunded prior to their maturity by the issuance  
3 of refunding bonds of the Territory, if, in the opinion of the  
4 Finance Committee such refunding is advantageous to and in the  
5 best interests of the Territory of Alaska and/or the operation of  
6 the Department of Health. The principal of and interest on such  
7 refunding bonds shall be payable from the same source or sources  
8 of money as pledged for the payment of the principal of and inter-  
9 est on the bonds being refunded, and for the payment thereof shall  
10 have the same lien position on such moneys so pledged thereto as  
11 the lien on such money pledged for the payment of the principal of  
12 and interest on the bonds being refunded. The monies in any re-  
13 serve account set aside to secure the payment of the principal of  
14 and interest on said bonds being refunded may be used either to  
15 pay the principal of and interest on such bonds or may be trans-  
16 ferred to a reserve account created to secure the payment of the  
17 principal of and interest on such refunding bonds. Such refunding  
18 bonds may be sold at public or private sale, but at not less than  
19 par and accrued interest, and the proceeds of such sale, exclusive  
20 of such accrued interest, shall be applied in payment of the bonds  
21 being refunded, or such refunding bonds may be exchanged privately  
22 for and in payment and discharge of a like or greater amount of  
23 the bonds being refunded. The principal amount of such refunding  
24 bonds may exceed the principal amount of the bonds being refunded  
25 to the extent necessary to pay premiums required to redeem and re-  
26 tire the bonds being refunded and/or to fund interest due or about  
27 to become due on such bonds, and the holder or holders of any bonds  
28 being refunded need not pay accrued interest on the refunding  
29 bonds to be delivered in exchange therefor if and to the extent

1 that interest is due or accrued and unpaid on the outstanding bonds  
2 being refunded. Such refunding bonds shall mature in annual in-  
3 stallments or amounts so scheduled as not to extend by more than  
4 six months the maturity of any portion of the debt being refunded.  
5 Such refunding bonds shall bear interest at a coupon rate or rates  
6 to be fixed by the Finance Committee which shall in no event, how-  
7 ever, exceed six per cent per annum, and the total amount of in-  
8 terest to be paid over the life of the refunding bonds shall not  
9 exceed the total amount of interest to be paid over the life of  
10 the bonds being refunded: Provided, however, that any premium paid  
11 for the redemption of such bonds being refunded need not be in-  
12 cluded in the interest cost over the life of the refunding bonds.

13 Such refunding bonds shall be issued under proceedings duly  
14 and regularly adopted and authorized by the Finance Committee,  
15 shall bear such date or dates, may be in such denominations, may  
16 be payable at such place or places, one of which shall be the office  
17 of the Treasurer of the Territory, may be sold at either public or  
18 private sale or may be exchanged as above provided, may be redeem-  
19 able ahead of their fixed maturities with or without premium,  
20 shall be payable to bearer and may be registered as to principal  
21 only, may mature in such amounts within the limitation fixed in  
22 the previous paragraph of this section, may be in such form, may  
23 be executed by such territorial officers and sealed in such manner,  
24 contain such terms and conditions, and the payment of the princi-  
25 pal thereof and interest thereon may be secured by such covenants  
26 as prescribed by the Finance Committee and deemed necessary and  
27 most advantageous by it. Such refunding bonds and each coupon  
28 attached thereto shall contain an unconditional promise to pay the  
29 principal thereof and interest thereon when due, and shall be fully

1 negotiable instruments for all purposes.

2       Sec. 11. Title to any hospital and medical facilities, or  
3 any addition to any hospital or medical facility, constructed pur-  
4 suant to this Act shall remain in the Territory. Provided, how-  
5 ever, that the Board of Health is hereby granted authority, under  
6 such terms and conditions as it deems to be in the best interests  
7 of Alaska, to: (1) enter into long-term leases with any public  
8 or private hospital for the operation of such facility or addition,  
9 constructed, altered, or equipped under the provisions of this Act,  
10 or (2) grant an option to purchase such facility or addition at  
11 cost plus reasonable interest.

12       Sec. 12. An emergency is hereby declared to exist and this  
13 Act shall be in full force and effect from and after the date of  
14 its passage and approval.

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25