

1 IN THE HOUSE

BY THE WAYS AND MEANS COMMITTEE

2

HOUSE BILL NO. 235

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 and  
7 equipping of certain buildings of and at the  
8 University of Alaska and the issuance and  
9 sale of not to exceed \$1,827,000 of negoti-  
10 able general obligation bonds of the  
11 Territory of Alaska to provide the money  
12 necessary for the same; creating a Univer-  
13 sity of Alaska Construction Fund; making an  
14 appropriation; creating a University of  
15 Alaska Bond Redemption Fund and providing  
16 funds for the payment of such bonds there-  
17 from; authorizing the issuance and sale of  
18 refunding bonds; and declaring an emergency."

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

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Section 1. The University of Alaska is hereby authorized to  
21 construct and equip, or provide for the construction and equipping  
22 of, one or more dormitory buildings for men students, one or more  
23 dormitory buildings for women students, houses for the faculty,  
24 one or more apartment buildings for married students, and an  
25 auditorium and an engineering laboratory building, on the campus  
26 of the University at College, Alaska, and to acquire and install  
27 or provide for the requisition and installation of all personal  
28 property required to fully equip the same with all necessary  
29 facilities and utilities.

H3 #235

1       Sec. 2. For the purpose of providing part or all of the funds  
2 to be used, with or without matching funds, United States or Terri-  
3 torial grants, or any other funds which may become available, to  
4 construct and equip such buildings, the issuance and sale of  
5 general obligation bonds of the Territory of Alaska in the total  
6 principal sum of not to exceed \$1,827,000 is hereby authorized.  
7 The full faith, credit and resources of the Territory of Alaska  
8 shall be and are hereby pledged for the payment of the principal of  
9 and interest on such bonds. In addition thereto there may also be  
10 pledged for the payment of the principal of and interest on part  
11 or all of such bonds part or all of any revenues which may be  
12 derived from the operation, use and occupancy of any or all of the  
13 buildings and facilities of the University; and any amount or  
14 amounts so pledged shall constitute a first and prior charge  
15 against such revenues and shall become the property of the Terri-  
16 tory, to be collected by the Comptroller of the University and  
17 promptly remitted to the Territorial Treasurer for deposit in the  
18 University of Alaska Bond Redemption Fund. Such bonds shall con-  
19 tain an unconditional promise to pay the principal thereof and  
20 interest thereon when due and, including each coupon attached  
21 thereto, shall be fully negotiable instruments for all purposes.

22       Sec. 3. Such bonds shall be sold in such amounts or series  
23 and at such time or times as found necessary by the President and  
24 Board of Regents of the University. Each issue or series of such  
25 bonds shall bear interest at a rate or rates not to exceed six  
26 per cent over the life thereof, and no single interest or coupon  
27 rate shall be greater than six per cent per annum; shall be sold  
28 for not less than their par value plus accrued interest; shall be  
29 serial bonds, and shall mature in annual installments which need

1 not be equal; the earliest maturing bonds thereof shall become  
2 payable not more than three years from the date of issue, and the  
3 latest maturing bonds thereof shall become payable on or before  
4 thirty years from the date of issue, it being hereby found and  
5 declared that the probable life of each of the buildings of the  
6 University of Alaska authorized to be constructed and equipped  
7 out of the proceeds of these bonds will be at least thirty years;  
8 shall be subject to redemption prior to their fixed maturities  
9 not earlier than two years from date of issue and, if found  
10 reasonably necessary by the Finance Committee to accomplish the  
11 most advantageous sale thereof, at a first premium not greater  
12 than four per cent, which premium shall be reduced in multiples of  
13 not less than one-quarter of one per cent for the redemption of  
14 bonds of succeeding maturities; shall be dated on the first or  
15 fifteenth of any month not later than January 1, 1967, and may not  
16 be issued and delivered later than six months after January 1,  
17 1967; shall be in denominations of \$1,000 each; shall be payable  
18 to bearer, and shall be registered only as to principal at the  
19 option of the holder thereof; each such bond shall be executed on  
20 behalf of the Territory by its Governor, shall be attested by the  
21 Treasurer of the Territory, one of which signatures may be the  
22 facsimile signature of such Governor or such Treasurer, shall  
23 have the seal of the Territory impressed thereon, and the interest  
24 coupons attached thereto shall be executed with the facsimile  
25 signatures of said officials, and such signatures or facsimile  
26 signatures of such Treasurer and Governor shall be valid and  
27 sufficient for all purposes and shall have the same effect as if  
28 the persons so officially signing or executing such bonds had re-  
29 mained in office until the delivery of the same to the purchasers,

1 although the term of office of such persons or either of them may  
2 have expired or they may otherwise have ceased to be such officers  
3 before such delivery; shall be sold at public sale, notice of  
4 which shall be published at least once a week for two consecutive  
5 weeks in a newspaper of general circulation in the capital of the  
6 Territory, and the first publication thereof shall be at least  
7 twenty days prior to such sale date; shall be issued under and  
8 subject to such terms, conditions and covenants providing for the  
9 payment of the principal thereof and interest thereon and such  
10 other terms, conditions, covenants and protective provisions safe-  
11 guarding such payment as found reasonably necessary by the Finance  
12 Committee for the most advantageous sale thereof; which may include  
13 the creation of a reserve account to secure the payment of such  
14 principal and interest into which it shall be pledged there will  
15 be paid, from the same moneys pledged for the payment of such  
16 principal and interest, within a fixed time from the date of  
17 issue of such bonds an amount at least equal to the next calendar  
18 year's debt service thereon, which covenant may also contain a  
19 pledge for the maintenance and replenishment of such reserve  
20 account throughout the life thereof; if found reasonably necessary  
21 by the Finance Committee to accomplish the most advantageous sale  
22 of such bonds or any issue or series thereof, such Committee shall  
23 select a trustee for the owners and holders of such series or issue  
24 of bonds and/or for the safeguarding and disbursement of the pro-  
25 ceeds of their sale for the uses and purposes for which they were  
26 issued, and shall fix the rights, duties, powers and obligations  
27 of such trustee or trustees.

28       Sec. 4. The Finance Committee is hereby authorized and  
29 directed to adopt the resolution or resolutions and prepare all

1 other documents necessary for the issuance, sale and delivery of  
2 such bonds or any part thereof when instructed in writing to do  
3 so by the President and Board of Regents of the University, and  
4 if deemed reasonably necessary and advisable, may procure archi-  
5 tectural or engineering, municipal investment, and legal services  
6 at reasonable and customary fees to assist it in accomplishing  
7 the most advantageous sale of such bonds; which fees may be paid  
8 from the proceeds of sale of such bonds or otherwise. Such reso-  
9 lution or resolutions shall fix the amount, date, maturities,  
10 terms, form, conditions and covenants of such bonds as authorized  
11 in the preceding section of this Act, and shall fix the place or  
12 places of payment, one of which shall be the office of the  
13 Treasurer of the Territory of Alaska, the date of sale of such  
14 bonds, and the form and manner of publishing the notice thereof.

15       Sec. 5. That there be and is hereby created in the office  
16 of the Treasurer of the Territory a special fund of the Territory  
17 to be known as the "University of Alaska Construction Fund".  
18 The proceeds of the sale of the bonds authorized herein or any  
19 part thereof (exclusive of accrued interest, which shall be paid  
20 into the Bond Redemption Fund hereinafter created), together with  
21 any other moneys of the University or the Territory which are or  
22 may become available for the same purposes for which these bonds  
23 are authorized, shall be deposited in the University of Alaska  
24 Construction Fund.

25       Sec. 6. The sum of \$1,827,000 or so much thereof as shall be  
26 found necessary, is appropriated from the University of Alaska  
27 Construction Fund to the University of Alaska to be expended by  
28 it to carry out the provisions of this Act and to pay all expenses  
29 incident to the sale and issuance of the bonds authorized herein.

1           Sec. 7. That there be and is hereby created in the office  
2 of the Treasurer of the Territory another special fund of the  
3 Territory, to be known as the "University of Alaska Bond Redemption  
4 Fund", which Fund shall be exclusively used for the payment of  
5 the principal of and interest on the bonds authorized by and issued  
6 under this Act. If said bonds are issued in different issues or  
7 series and under different dates, separate principal and interest  
8 retirement funds and reserve accounts may be created in said Bond  
9 Redemption Fund for the purpose of paying and securing the payment  
10 of the principal of and interest on each of said separate issues  
11 or series of said bonds.

12           The Finance Committee shall, on or before December thirty-  
13 first of each year, commencing with the year in which any of such  
14 bonds are issued, certify to the Treasurer of the Territory the  
15 amount needed in the next ensuing calendar year to meet principal,  
16 interest and reserve account requirements on such bonds or issues  
17 or series thereof then outstanding, and the Treasurer of the  
18 Territory shall thereupon deposit such amount in such University  
19 of Alaska Bond Redemption Fund and, if required by the indenture  
20 or indentures under which said bonds or issues or series thereof  
21 were issued, credit the same to the various principal and interest  
22 retirement funds and reserve accounts therein at the time and  
23 in the amounts so required. Said amounts so deposited shall be  
24 taken from the General Fund of the Territory or out of any other  
25 monies in the Treasury not otherwise appropriated, and each such  
26 amount so certified each year by the Finance Committee to the  
27 Treasurer of the Territory shall be a first and prior charge  
28 against all revenues received by the Treasurer that are applicable  
29 to the General Fund of the Territory and are not otherwise

1 appropriated: Provided, however, that the amount so taken each  
2 year from the General Fund may be reduced by the amount of the  
3 revenue derived from the operation, use and occupancy of any of  
4 the buildings and facilities of the University, pledged to the  
5 payment of the principal of and interest on any of such bonds,  
6 and actually received by the Treasurer of the Territory for such  
7 purpose, as provided in Section 2 of this Act. Such revenue so  
8 received shall be credited to the principal and interest retire-  
9 ment funds and reserve accounts in such Bond Redemption Fund to  
10 which it is specifically pledged.

11       Sec. 8. The owner and holder of any or all of said bonds or  
12 the trustee or trustees for the owners and holders of such bonds  
13 or any issue or series thereof may by mandamus or other appropriate  
14 proceedings require and compel the transfer and payment of moneys  
15 as authorized and directed in this Act and the enforcement of  
16 any other terms, conditions and covenants under which such bonds  
17 or any issue or series thereof were issued and sold.

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

22       Sec. 10. Any part or all of the outstanding bonds authorized  
23 herein, or any part or all of each outstanding issue or series of  
24 such bonds, may be refunded prior to their maturity by the issuance  
25 of refunding bonds of the Territory, if, in the opinion of the  
26 Finance Committee such refunding is advantageous to and in the  
27 best interests of the Territory of Alaska and/or the operation of  
28 the University of Alaska and its facilities. The principal of and  
29 interest on such refunding bonds shall be payable from the same

1 source or sources of money as pledged for the payment of the prin-  
2 cipal of and interest on the bonds being refunded, and for the  
3 payment thereof shall have the same lien position on such moneys  
4 so pledged thereto as the lien on such money pledged for the  
5 payment of the principal of and interest on the bonds being re-  
6 funded. The moneys in any reserve account set aside to secure  
7 the payment of the principal of and interest on said bonds being  
8 refunded may be used either to pay the principal of and interest  
9 on such bonds or may be transferred to a reserve account created  
0 to secure the payment of the principal of and interest on such  
1 refunding bonds. Such refunding bonds may be sold at public or  
2 private sale, but at not less than par and accrued interest, and  
3 the proceeds of such sale, exclusive of such accrued interest,  
4 shall be applied in payment of the bonds being refunded, or such  
5 refunding bonds may be exchanged privately for and in payment and  
6 discharge of a like or greater amount of the bonds being refunded.  
7 The principal amount of such refunding bonds may exceed the  
8 principal amount of the bonds being refunded to the extent  
9 necessary to pay premiums required to redeem and retire the bonds  
0 being refunded and/or to fund interest due or about to become due  
1 on such bonds, and the holder or holders of any bonds being re-  
2 funded need not pay accrued interest on the refunding bonds to be  
3 delivered in exchange therefor if and to the extent that interest  
4 is due or accrued and unpaid on the outstanding bonds being  
5 refunded. Such refunding bonds shall mature in annual installments  
6 or amounts so scheduled as not to extend by more than six months  
7 the maturity of any portion of the debt being refunded. Such  
8 refunding bonds shall bear interest at a coupon rate or rates to  
9 be fixed by the Finance Committee which shall in no event, however,

1 exceed six per cent per annum, and the total amount of interest to  
2 be paid over the life of the refunding bonds shall not exceed the  
3 total amount of interest to be paid over the life of the bonds  
4 being refunded: Provided, however, that any premium paid for the  
5 redemption of such bonds being refunded need not be included in  
6 the interest cost over the life of the refunding bonds.

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

25 Sec. 11. An emergency is hereby declared to exist and this  
26 Act shall be in full force and effect from and after the date of  
27 its passage and approval.

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