

1 IN THE HOUSE

BY THE WAYS AND MEANS COMMITTEE

2

HOUSE BILL NO. 236

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 community cen-

8

ter-armories under the direction of the

9

Military Department of the Territory and the

10

issuance and sale of not to exceed \$1,175,000,

11

of negotiable general obligation bonds of

12

the Territory of Alaska to provide the money

13

necessary for the same; creating the Military

14

Department Construction Fund; making an

15

appropriation; creating the Military Depart-

16

ment Bond Redemption Fund and providing funds

17

for the payment of such bonds therefrom;

18

authorizing the issuance and sale of refund-

19

ing bonds; and declaring an emergency."

20

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

21

Section 1. The Military Department of the Territory is here-

22

by authorized to construct, alter and equip, or provide for the

23

construction, altering and equipping of, one or more community

24

center-armories at Anchorage, Juneau, Fairbanks, Ketchikan, Nome,

25

Bethel, Haver, Kodiak, Sitka and Hoonah, Alaska, and to acquire

26

and install or provide for the acquisition and installation of all

27

personal property required to fully equip the same with all neces-

28

sary facilities and utilities.

29

Sec. 2. For the purpose of providing part or all of the funds

1 to be used, with or without matching funds, United States or Terri-
2 torial grants, or any other funds which may become available, to
3 construct, alter and equip such buildings, the issuance and sale
4 of general obligation bonds of the Territory of Alaska in the
5 total principal sum of not to exceed \$1,173,000. is hereby
6 authorized. The full faith, credit and resources of the Territory
7 of Alaska shall be and are hereby pledged for the payment of the
8 principal of and interest on such bonds. In addition thereto
9 there may also be pledged for the payment of the principal of and
10 interest on part or all of such bonds part or all of any revenues
11 which may be derived from the operation, use and occupancy of any
12 or all of the buildings constructed or altered under this Act;
13 and any amount or amounts so pledged shall constitute a first and
14 prior charge against such revenues and shall become the property
15 of the Territory, to be collected by the Adjutant General or his
16 designee and promptly remitted to the Territorial Treasurer for
17 deposit in the Military Department Bond Redemption Fund. Such
18 bonds shall contain an unconditional promise to pay the principal
19 thereof and interest thereon when due and, including each coupon
20 attached thereto, shall be fully negotiable instruments for all
21 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 Adjutant
24 General of the Territory of Alaska or his designee. Each issue
25 or series of such bonds shall bear interest at a rate or rates
26 not to exceed six per cent over the life thereof, and no single
27 interest or coupon rate shall be greater than six per cent per
28 annum; shall be sold for not less than their par value plus
29 accrued interest; shall be serial bonds, and shall mature in annual

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

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

28 Sec. 4. The Finance Committee is hereby authorized and di-
29 rected 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 so
3 by the Adjutant General or his designee, and if deemed reasonably
4 necessary and advisable, may procure architectural or engineering,
5 municipal investment, and legal services at reasonable and custo-
6 mary fees to assist it in accomplishing the most advantageous
7 sale of such bonds, which fees may be paid from the proceeds of
8 sale of such bonds or otherwise. Such resolution or resolutions
9 shall fix the amount, date, maturities, terms, form, conditions
10 and covenants of such bonds as authorized in the preceding section
11 of this Act, and shall fix the place or places of payment, one of
12 which shall be the office of the Treasurer of the Territory of
13 Alaska, the date of sale of such bonds, and the form and manner
14 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 "Military Department Construction Fund". The
18 proceeds of the sale of the bonds authorized herein or any part
19 thereof (exclusive of accrued interest, which shall be paid into
20 the Bond Redemption Fund hereinafter created), together with any
21 other moneys of the Military Department which are or may become
22 available for the same purposes for which these bonds are authori-
23 zed, shall be deposited in the Military Department Construction
24 Fund.

25 Sec. 6. The sum of \$1,173,000.00 or so much thereof as shall
26 be found necessary, is appropriated from the Military Department
27 Construction Fund to the Territorial Military Fund of the Military
28 Department to be expended by it to carry out the provisions of
29 this Act and to pay all expenses incident to the sale and issuance

1 of the bonds authorized herein.

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

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

1 to the General Fund of the Territory and are not otherwise appro-
2 priated: Provided, however, that the amount so taken each year from
3 the General Fund may be reduced by the amount of the revenue derived
4 from the operation, use and occupancy of any of the buildings con-
5 structed or altered under this Act, pledged to the payment of the
6 principal of and interest on any of such bonds, and actually re-
7 ceived by the Treasurer of the Territory for such purpose, as pro-
8 vided in Section 2 of this Act. Such revenue so received shall be
9 credited to the principal and interest retirement funds and reserve
10 accounts in such Bond Redemption Fund to which it is specifically
11 pledged;

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

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

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

1 interest on such refunding bonds shall be payable from the same
2 source or sources of money as pledged for the payment of the prin-
3 cipal of and interest on the bonds being refunded, and for the pay-
4 ment thereof shall have the same lien position on such moneys so
5 pledged thereto as the lien on such money pledged for the payment
6 of the principal of and interest on the bonds being refunded. The
7 moneys in any reserve account set aside to secure the payment of
8 the principal of and interest on said bonds being refunded may be
9 transferred to a reserve account created to secure the payment of
10 the principal of and interest on such refunding bonds. Such re-
11 funding bonds may be sold at public or private sale, but at not
12 less than par and accrued interest, and the proceeds of such sale,
13 exclusive of such accrued interest, shall be applied in payment of
14 the bonds being refunded, or such refunding bonds may be exchanged
15 privately for and in payment and discharge of a like or greater
16 amount of the bonds being refunded. The principal amount of such
17 refunding bonds may exceed the principal amount of the bonds being
18 refunded to the extent necessary to pay premiums required to re-
19 deem and retire the bonds being refunded and/or to fund interest
20 due or about to become due on such bonds, and the holder or holders
21 of any bonds being refunded need not pay accrued interest on the
22 refunding bonds to be delivered in exchange therefor if and to the
23 extent that interest is due or accrued and unpaid on the outstand-
24 ing bonds being refunded. Such refunding bonds shall mature in
25 annual installments or amounts so scheduled as not to extend by
26 more than six months the maturity of any portion of the debt being
27 refunded. Such refunding bonds shall bear interest at a coupon
28 rate or rates to be fixed by the Finance Committee which shall in
29 no event, however, exceed six per cent per annum, and the total

1 amount of interest to be paid over the life of the refunding bonds
2 shall not exceed the total amount of interest to be paid over the
3 life of the bonds being refunded: Provided, however, that any pre-
4 mium paid for the redemption of such bonds being refunded need not
5 be included in the interest cost over the life of the refunding
6 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, may
13 be redeemable ahead of their fixed maturities with or without pre-
14 mium, shall be payable to bearer and may be registered as to prin-
15 cipal only, may mature in such amounts within the limitation fixed
16 in the previous paragraph of this section, may be in such form,
17 may be executed by such territorial officers and sealed in such
18 manner, contain such terms and conditions, and the payment of the
19 principal thereof and interest thereon may be secured by such cove-
20 nants as prescribed by the Finance Committee and deemed necessary
21 and most advantageous by it. Such refunding bonds and each coupon
22 attached thereto shall contain an unconditional promise to pay the
23 principal thereof and interest thereon when due, and shall be
24 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.

28

29