

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 472

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to general obligation bonds
7 of the state; creating a state bond com-
8 mittee; fixing its powers and duties; and
9 providing for an effective date."

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

11 Section 1. The full faith credit and resources of the State
12 of Alaska shall be and are hereby pledged to the payment of the
13 principal of and interest on all general obligation bonds of the
14 state authorized by the qualified voters thereof to be issued for
15 capital improvements. The bonds of each such authorization shall
16 be sold in such amounts or series and at such time or times, by
17 the state bond committee hereinafter created, as may be found to
18 be for the best interests of the state and its inhabitants by
19 such committee. Each issue or series of such bonds shall bear
20 interest at an effective rate over the life thereof not to exceed
21 6% per annum and no semi-annual interest shall be, nor shall any
22 coupon evidence, interest at a rate greater than 5% per annum;
23 shall mature in not to exceed 30 years from date of issue; shall
24 be sold at public sale, notice of which shall be published at least
25 once a week for two consecutive weeks in newspapers of general
26 circulation in each of the four major senatorial districts of the
27 state and the first of each such publications shall be at least
28 20 days prior to such sale date; shall be subject to redemption
29 prior to their fixed maturities as may be determined by the state

1 bond committee and with such premium or premiums as might be found
2 to be necessary by such committee; shall be issued in coupon form
3 and made payable to bearer, and/or may be registrable as to
4 principal or principal and interest under such regulations as the
5 state bond committee shall provide; shall be payable both
6 principal and interest at such place or places as may be determined
7 by the state bond committee; shall be signed on behalf of the
8 state by the governor and shall be attested by the secretary of
9 state, one of which signatures may be a facsimile signature; shall
10 have the seal of the state impressed thereon and each of the in-
11 terest coupons attached thereto shall be signed by the facsimile
12 signatures of said officials; shall be issued under and subject
13 to such terms, conditions, and covenants providing for the payment
14 of the principal thereof and the interest thereon and such other
15 terms, conditions, covenants, and protective provisions safeguard-
16 ing such payment as found reasonably necessary by the state bond
17 committee for the most advantageous sale thereof, which may in-
18 clude the setting aside and maintaining of certain reserves to
19 secure the payment of such principal and interest.

20 If found reasonably necessary by the state bond committee to
21 accomplish the most advantageous sale of such bonds or any issue
22 or series thereof, such committee shall select a trustee or
23 trustees for the owners and holders of such issue or series of
24 bonds, and/or for the safeguarding and disbursement of the proceeds
25 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. 2. There is hereby created a committee to be known as
29 the "state bond committee", the members of which shall be the

1 commissioner of commerce, the commissioner of administration and
2 the commissioner of revenue.

3 The bond committee may adopt appropriate rules and regula-
4 tions for the performance of its duties and a majority of its
5 members shall constitute a quorum.

6 The commissioner of commerce shall be chairman thereof and
7 the commissioner of revenue shall be secretary thereof. The
8 committee shall keep a full, complete, and permanent record of
9 its proceedings. All such records and correspondence of and
10 relating to the committee shall be kept in the office of the
11 commissioner of revenue.

12 Such committee shall have the duties and powers specifically
13 set forth in this Act and shall exercise and have such other
14 duties and powers as may be hereafter delegated to it by the
15 legislature.

16 Sec. 3. The state bond committee is hereby authorized and
17 directed to adopt the resolution or resolutions and prepare all
18 other documents necessary for the issuance, sale, and delivery
19 of such bonds or any part thereof, and if deemed necessary and
20 advisable, may procure architectural or engineering, fiscal agent
21 or municipal investment, legal and other expert or specialized
22 services at reasonable and customary fees to assist it in accom-
23 plishing the most advantageous sale of such bonds, which fees may
24 be paid from the proceeds of sale thereof or advanced from the
25 contingency fund in the office of the governor or otherwise.
26 Such resolution or resolutions shall fix the principal amount,
27 denomination, date, maturities, place or places of payment, terms,
28 rights of redemption, if any, form, conditions and covenants of
29 such bonds, their date of sale and the form of the notice thereof,

1 and shall provide if such notice is to be published elsewhere
2 in addition to the publication hereinbefore required.

3 Sec. 4. The state bond committee shall, on or before
4 December 31 of each year, commencing with the year in which any
5 of such bonds are issued, certify to the commissioner of adminis-
6 tration the amount needed in the next ensuing calendar year to
7 meet principal, interest, and any reserve requirements on all of
8 such bonds or issues or series thereof then outstanding, and such
9 commissioner shall then set aside such amounts or make the
10 necessary provisions for the setting aside of the same so that
11 there shall be sufficient money to pay such principal and interest
12 when the same shall become due and so that such reserve require-
13 ments, if any, will be met.

14 The owner and holder of each of said bonds or the trustee
15 for any of such bonds may by mandamus or other appropriate pro-
16 ceeding require and compel the transfer and payment of money as
17 directed herein.

18 Sec. 5. All general obligation bonds of the state and the
19 coupons attached thereto shall be fully negotiable instruments
20 under the laws of the state and shall be a legal investment for
21 all state funds, or for funds under state control, and for all
22 funds of any political subdivisions of the state.

23 Sec. 6. Any part or all of the general obligation bonds of
24 the state, or any part or all of each outstanding issue or series
25 of such bonds, may be refunded at or prior to their maturity by
26 the issuance of general obligation refunding bonds of the state
27 if, in the opinion of the state bond committee, such refunding
28 is advantageous to and in the best interests of the state and its
29 inhabitants. Any monies set aside as reserves to secure the payment

1 of the principal of and interest on any of such bonds being re-
2 funded, may be used either to pay the principal of and interest
3 on such bonds or may be retained by the state to secure the pay-
4 ment of the principal and interest on such refunding bonds to be
5 issued.

6 Such refunding bonds and the coupons attached thereto shall
7 be fully negotiable instruments under the laws of the state. The
8 effective rate of interest over the life of such refunding bonds
9 shall not exceed 6% per annum and the amount of any premium
10 which might be paid to effect the redemption of outstanding bonds
11 shall not be considered in determining such effective rate of
12 interest.

13 Such refunding bonds may be exchanged for the bonds being
14 refunded or such refunding bonds may be sold in the manner and at
15 such price as the state bond committee shall determine to be for
16 the best interest of the state and its inhabitants either at
17 public or private sale.

18 The issuance of such refunding bonds need not be authorized
19 by the qualified voters of the state and the state bond committee
20 is hereby authorized and directed to adopt the resolution or
21 resolutions and prepare all other documents necessary for the
22 issuance, exchange or sale, and delivery of such bonds. The
23 provisions of this Act relating to the terms, conditions, covenants
24 issuance, and sale of general obligation bonds of the state shall
25 be applicable to such refunding bonds except as may be otherwise
26 specifically provided in this section.

27 Sec. 7. This Act shall be known as the "State Bonding Act
28 of 1960."

29 Sec. 8. This Act shall be liberally construed in order to

1 carry out the purposes for which it was adopted and all existing
2 laws, acts, chapters, sections, or provisions thereof in conflict
3 with any of the provisions of this Act are hereby superseded
4 insofar as necessary to accomplish the purposes of and carry out
5 the provisions of this Act.

6 Sec. 9. This Act takes effect on the day after its passage
7 and approval or on the day it becomes law without such approval.
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29