

1 IN THE SENATE

BY HOUSE JUDICIARY COMMITTEE

2 HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 109

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to general obligation and  
7 revenue bonds issued by municipal corpora-  
8 tions for public works and capital improve-  
9 ments; repealing 16-5-1 through 16-5-9 ACLA  
10 1949 and substituting 16-5-1 through 16-5-6  
11 therefor; and providing for an effective  
12 date."

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

14 Section 1. 16-5-1 through 16-5-9 ACLA 1949 are hereby  
15 repealed. The following sections 16-5-1 through 16-5-6 are hereby  
16 enacted in their place:

17 16-5-1. MUNICIPALITIES: GENERAL OBLIGATION BONDS FOR  
18 PUBLIC WORKS. Municipal corporations in the State of Alaska  
19 are hereby authorized to construct, improve, extend, better,  
20 repair, reconstruct, or acquire public works of a permanent  
21 character and to incur bonded indebtedness and issue nego-  
22 tiable bonds for any or all of such purposes. Such public  
23 work shall include but not be limited to streets, bridges,  
24 wharves and harbor facilities, off-street parking facilities,  
25 sewers and sewage-disposal plants, municipal buildings,  
26 schools, libraries, gymnasias and athletic fields, fire houses,  
27 and public utilities.

28 16-5-2. MUNICIPALITIES: GENERAL OBLIGATION BOND ELECTION;  
29 NOTICE THEREOF: RATIFICATION BY MAJORITY VOTE. No bonded

1 indebtedness shall be incurred by any municipal corporation  
2 in the State of Alaska unless the proposal to incur such  
3 indebtedness be first submitted to the qualified electors of  
4 such municipal corporations at an election called for such  
5 purpose, and not less than a majority vote of those qualified  
6 to vote and voting on the question at such election shall be  
7 in favor thereof. The registration for such election, the  
8 manner of conducting the same, the notice thereof, the form  
9 of ballot, and the canvass of the returns shall be prescribed  
10 by the governing body of such municipality.

11 16-5-3. MUNICIPALITIES: GENERAL OBLIGATION BONDS;  
12 ISSUANCE, FORM AND TERMS OF BONDS: INTEREST: SALE. Bonds  
13 issued pursuant to the preceding two sections shall bear such  
14 date or dates, may be in such denominations, may mature in  
15 such amounts and at such time or times, may be payable at  
16 such place or places, may be sold at either public or private  
17 sale, may be redeemable (either with or without premium) or  
18 nonredeemable, may carry such registration privileges as to  
19 either principal and interest, or principal only, and may be  
20 executed by such officers and in such manner, as shall be  
21 prescribed by the governing body of the municipality issuing  
22 the bonds. In case any of the officers whose signatures  
23 appear on the bonds or coupons shall cease to be such officers  
24 before delivery of such bonds, such signatures, whether  
25 manual or facsimile, shall, nevertheless, be valid and suffi-  
26 cient for all purposes, the same as if such officers had  
27 remained in office until such delivery. The bonds so issued  
28 shall bear interest at a rate to be fixed by the governing  
29 body of the municipality issuing the same, payable annually

1 or semiannually.

2 16-5-4. REVENUE BONDS BY MUNICIPALITIES OR UTILITY

3 DISTRICTS: WORKS INCLUDED. Municipal corporations and public  
4 utility districts in the State of Alaska, acting by and  
5 through their governing bodies, are authorized without other  
6 authority than is contained in sections 16-5-4 through 16-5-6  
7 herein to construct, reconstruct, improve, extend, better,  
8 repair, equip, or acquire public works of permanent character  
9 which may be operated upon a revenue-producing basis, and,  
10 upon majority vote of those qualified to vote and voting on  
11 the question in such municipal corporation or public utility  
12 district, to issue bonds for such purposes payable solely  
13 from unpledged revenue of the public works for which such  
14 bonds are issued, including future additions and improvements.  
15 Such public works shall include but not be limited to water  
16 facilities, sewers and sewage-disposal facilities, heating  
17 plants and distribution facilities, gas plants and distribu-  
18 tion facilities, electric power and light plants, and distri-  
19 bution facilities.

20 16-5-5. REVENUE BONDS: EXECUTION AND ISSUANCE: INTEREST:  
21 SALE. Bonds issued under sections 16-5-4 through 16-5-6  
22 herein shall bear such date or dates, may be in such denomina-  
23 tions, may mature in such amounts and at such time or times,  
24 may be payable at such place or places, may be sold at either  
25 public or private sale, may be redeemable (either with or  
26 without premium) or nonredeemable, may carry such registration  
27 privileges, and may be executed by such officers and in such  
28 manner as shall be prescribed by the governing body. In case  
29 any of the officers whose signatures appear on the bonds or

1 coupons shall cease to be such officers before delivery of  
2 such bonds, such signatures, whether manual or facsimile shall,  
3 nevertheless, be valid and sufficient for all purposes, the  
4 same as if such officers had remained in office until such  
5 delivery. The bonds so issued shall bear interest at a rate  
6 to be fixed by the governing body, payable annually or semi-  
7 annually.

8 16-5-6. REVENUE BONDS: COVENANTS. Bonds issued under  
9 sections 16-5-4 through 16-5-6 herein or the proceedings of  
10 the governing body authorizing their issuance may contain  
11 such covenants as the governing body deems advisable concern-  
12 ing the rates or fees to be charged for services rendered by  
13 the public works, the revenue of which is pledged to the  
14 payment of such bonds; the deposit and use of the revenue of  
15 such public works; the issuance of additional bonds payable  
16 from revenue of such public works; and the rights of the bond-  
17 holders in case of default in the payment of the principal of  
18 or interest on the bonds, including the appointment of a  
19 receiver to operate such public works.

20 Sec. 2. This Act shall take effect immediately upon its  
21 passage and approval, or upon its becoming law without such  
22 approval.

23  
24  
25  
26  
27  
28  
29