

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 and public utility districts for public  
9 works and capital improvements; repealing  
10 16-5-1 through 16-5-9 ACLA 1949 and sub-  
11 stituting 16-5-1 through 16-5-6 therefor; and  
12 providing for an effective 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14 Section 1. 16-5-1 through 16-5-9 ACLA 1949 are hereby repealed.  
15 The following sections 16-5-1 through 16-5-6 are hereby enacted in  
16 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 general obligation bonds for any or all of such purposes.  
23 Such public work shall include but not be limited to streets,  
24 bridges, wharves and harbor facilities, off-street parking  
25 facilities, sewers and sewage-disposal plants, municipal  
26 buildings, schools, libraries, gymnasias and athletic fields,  
27 fire houses, and public utilities.

28 16-5-2. MUNICIPALITIES: GENERAL OBLIGATION BOND  
29 ELECTION: NOTICE THEREOF: RATIFICATION BY MAJORITY VOTE.

1 No bonded indebtedness shall be incurred by any municipal  
2 corporation in the State of Alaska unless the proposal to incur  
3 such indebtedness be first submitted to the qualified electors  
4 of 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 qualifications of voters at such  
8 election shall be as prescribed by the Constitution of the  
9 State of Alaska, and the governing body of the municipality  
10 may prescribe additional voting qualifications at such bond  
11 issue elections. The registration for such election, the  
12 manner of conducting the same, the notice thereof, the form  
13 of ballot, and the canvass of the returns shall be prescribed  
14 by the governing body of such municipality.

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

1           cient for all purposes, the same as if such officers had  
2           remained in office until such delivery. The bonds so issued  
3           shall bear interest at a rate to be fixed by the governing  
4           body of the municipality issuing the same, payable annually  
5           or semiannually.

6           The governing body of the municipality issuing the bonds  
7           shall provide for the levy and collection of taxes in amounts  
8           sufficient to pay the principal of and interest on the bonds  
9           as the same become due, and may, in addition to payment from  
10          the levy and collection of ad valorem taxes, provide for  
11          payment of said principal and interest from such special  
12          funds or other revenues as the said governing body may  
13          specifically pledge for such payments. Such pledge of special  
14          funds or other revenues shall constitute a binding obligation,  
15          according to its terms, to continue the collection of such  
16          special funds or revenues so long as the bonds or any of them,  
17          are outstanding against the municipality, notwithstanding any  
18          other provision of law.

19          16-5-4. REVENUE BONDS BY MUNICIPALITIES OR UTILITY  
20          DISTRICTS: WORKS INCLUDED. Municipal corporations and  
21          public utility districts in the State of Alaska, acting by  
22          and through their governing bodies, are authorized without  
23          other authority than is contained in sections 16-5-4 through  
24          16-5-6 herein to construct, reconstruct, improve, extend,  
25          better, repair, equip, or acquire public works of permanent  
26          character which may be operated upon a revenue-producing  
27          basis, and, upon majority vote of those qualified to vote  
28          and voting on the question in such municipal corporation or  
29          public utility district, to issue bonds for such purposes

1 payable solely from unpledged revenue of the public works  
2 for which such bonds are issued, including future additions  
3 and improvements. The qualifications of voters at such  
4 election shall be as prescribed by the Constitution of the  
5 State of Alaska, and the governing body of the municipality  
6 or public utility district may prescribe additional voting  
7 qualifications at such bond issue elections. Such public  
8 works shall include but not be limited to water facilities,  
9 sewers and sewage-disposal facilities, heating plants and  
10 distribution facilities, gas plants and distribution  
11 facilities, electric power and light plants, and distribution  
12 facilities.

13 16-5-5. REVENUE BONDS: EXECUTION AND ISSUANCE:

14 INTEREST: SALE. Bonds issued under sections 16-5-4 through  
15 16-5-6 herein shall bear such date or dates, may be in such  
16 denominations, may mature in such amounts and at such time or  
17 times, may be payable at such place or places, may be sold  
18 at either public or private sale, may be redeemable (either  
19 with or without premium) or nonredeemable, may carry such  
20 registration privileges, and may be executed by such officers  
21 and in such manner as shall be prescribed by the governing  
22 body. In case any of the officers whose signatures appear on  
23 the bonds or coupons shall cease to be such officers before  
24 delivery of such bonds, such signatures, whether manual or  
25 facsimile shall, nevertheless, be valid and sufficient for  
26 all purposes, the same as if such officers had remained in  
27 office until such delivery. The bonds so issued shall bear  
28 interest at a rate to be fixed by the governing body, payable  
29 annually or semi-annually.

1           16-5-6. REVENUE BONDS: COVENANTS. Bonds issued under  
2 sections 16-5-4 through 16-5-6 herein or the proceedings of  
3 the governing body authorizing their issuance may contain  
4 such covenants as the governing body deems advisable concern-  
5 ing the rates or fees to be charged for services rendered by  
6 the public works, the revenue of which is pledged to the  
7 payment of such bonds; the deposit and use of the revenue of  
8 such public works; the issuance of additional bonds payable  
9 from revenue of such public works; and the rights of the bond-  
10 holders in case of default in the payment of the principal of  
11 or interest on the bonds, including the appointment of a  
12 receiver to operate such public works.

13           Sec. 2. This Act shall take effect immediately upon its  
14 passage and approval, or upon its becoming law without such  
15 approval.

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