

1 IN THE HOUSE

BY RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 147

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SECOND LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the acquisition, con-
7 struction and installation of improvements
8 to the Anchorage and Fairbanks International
9 Airports and to the issuance and sale of notes
10 to exceed \$7,000,000 of negotiable revenue
11 bonds of the state to provide money to pay
12 part or all of the cost thereof; creating
13 an International Airports Construction Fund
14 and making an appropriation therefrom;
15 creating an International Airports Revenue
16 Fund; creating an International Airports
17 1961 Revenue Bond Redemption Fund; relating
18 to the payment and refunding of such bonds
19 and the enforcement of the covenants there-
20 of; and providing for an effective date."

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

22 Section 1. As used in this Act, unless the context other-
23 wise requires:

24 a. "state" means the State of Alaska.

25 b. "airports" means the International Airports owned and
26 operated by the state and located at or near the cities of
27 Anchorage and Fairbanks.

28 c. "bonds" means the International Airports Revenue Bonds
29 authorized by this Act.

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1 d. "Revenue Fund" means the International Airports Revenue
2 Fund created by this Act.

3 e. "Construction Fund" means the International Airports
4 1961 Construction Fund created by this Act.

5 f. "Committee" means the State Bond Committee created by
6 Sec. 2, Ch. 175, SLA 1960, or any other committee, body, depart-
7 ment or officer of the state which or who shall succeed to the
8 rights, powers, duties and obligations of the State Bond Commit-
9 tee by lawful act of the legislature.

10 g. "Bond Redemption Fund" means the International Airports
11 1961 Revenue Bond Redemption Fund created by this Act and any ac-
12 counts which are hereafter created in said Fund.

13 h. "Commissioner of Public Works" means the principal ex-
14 ecutive officer of the Department of Public Works of the state as
15 provided in Sec. 19, Ch. 64, SLA 1959, or his successor.

16 i. "Commissioner of Revenue" means the principal executive
17 officer of the Department of Revenue of the state as provided in
18 Sec. 10, Ch. 64, SLA 1959, or his successor.

19 Sec. 2. The state is authorized to acquire, construct and
20 install additions and improvements to and extensions of the
21 landing, parking, loading, storing, repairing, safety, utility,
22 passenger, freight and terminal facilities at the airports found
23 to be necessary by the Commissioner of Public Works.

24 Sec. 3. For the purpose of providing part or all of the
25 money to be used, with or without any grants or other moneys
26 which may become available, the issuance and sale of revenue
27 bonds of the state in the total principal sum of not to exceed
28 \$7,000,000 is authorized to acquire, construct and install the
29 additions, improvements and extensions authorized in Sec. 1 of

1 this Act. The principal of and interest on such bonds shall be
2 paid out of and secured by the gross revenues derived by the
3 state from the ownership, lease, use and operation of the airports
4 and of all the facilities thereof, and out of any other revenues
5 or moneys which the state legislature may later provide exclusive
6 of any state tax or license.

7 Sec. 4. There is hereby created a special fund of the state
8 to be known as the "International Airports 1961 Construction
9 Fund," into which shall be paid the proceeds of the sale of the
10 bonds, except for any accrued interest paid thereon which shall
11 be paid into the Bond Redemption Fund, and any grants or other
12 moneys which are legally provided for the same purposes for which
13 the bonds are authorized. The moneys in the Construction Fund
14 shall be used for the sole purpose of paying all of the costs of
15 acquiring, constructing and installing additions and improvements
16 to and extensions of the airports and all costs incidental there-
17 to, including costs of the authorization, issuance and sale of
18 the bonds. For the purpose of carrying out the provisions of
19 this Act there is hereby appropriated from the Construction Fund
20 the sum of \$7,000,000 together with the amounts of any such grants
21 or other moneys paid into such fund for the same purposes.

22 Moneys in the Construction Fund may be invested in direct
23 obligations of the United States of America maturing at least
24 thirty days prior to the date on which such moneys will be needed
25 to pay such construction or incidental costs. The interest
26 earned upon, or any profits derived from the sale of, such in-
27 vestments shall be deposited in and become a part of the Con-
28 struction Fund.

29 Sec. 5. There is hereby created another special fund of
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1 the state to be known as the "International Airports Revenue
2 Fund," which shall be completely segregated and set apart from
3 all other funds of the state, shall be a trust fund for the uses
4 and purposes herein provided, and into which shall be paid all
5 revenues, fees, charges and rentals derived by the state from
6 the ownership, lease, use and operation of the airports and all
7 of the facilities and improvements thereof and facilities and
8 improvements used in connection therewith. Such revenues,
9 charges, fees and rentals shall not include the proceeds of any
10 state tax or license. The moneys in the Revenue Fund shall only
11 be pledged or used for the purpose of paying or securing the pay-
12 ment of the principal of and interest on the bonds and of and on
13 any other revenue bonds issued by authorization of the legisla-
14 ture to provide funds to acquire, construct and install addi-
15 tions and improvements to and extensions of the airports and to
16 be payable out of the Revenue Fund, the purpose of paying the
17 normal and necessary costs of maintaining and operating the
18 airports and all of the improvements and facilities thereof, the
19 purpose of paying the costs of renewals, replacements and extra-
20 ordinary repairs to the airports and all of the improvements and
21 facilities thereof, the purpose of redeeming ahead of their fixed
22 maturities any and all revenue bonds issued for airport purposes,
23 the purpose of providing funds to acquire, construct and install
24 necessary additions and improvements to and extensions of the
25 airports and all of their facilities, and the purpose of pro-
26 viding funds to pay any and all other normal and necessary costs
27 relating to the ownership, use and operation of the airports.

28 Moneys in the Revenue Fund may be invested in direct obliga-
29 tions of the United States of America maturing at least thirty

1 days prior to the date on which such moneys must be expended or
2 transferred therefrom. The interest earned upon, or any profits
3 derived from the sale of, such investments shall be deposited in
4 and become a part of the Revenue Fund.

5 Sec. 6. There is hereby created another special fund of
6 the state to be known as the "International Airports 1961 Revenue
7 Bond Redemption Fund," which shall be a trust fund for paying
8 and securing the payment of the principal of and interest on the
9 bonds and which shall be at all times completely segregated and
10 set apart from all other funds of the state. The State Bond
11 Committee, on behalf of the state, shall obligate and bind the
12 state to set aside and pay into the Bond Redemption Fund any
13 part or parts of, or all of, or a fixed proportion of, or a
14 fixed amount of the money in the Revenue Fund sufficient to pay
15 the principal of and interest on the bonds as the same shall
16 become due and, if deemed necessary, to set aside and maintain
17 reserves therefor. The Bond Redemption Fund shall be drawn upon
18 for the purpose of paying the principal of and interest on the
19 bonds, and the bonds shall not constitute a general obligation
20 of the state.

21 Sec. 7. The bonds may be sold in such amounts or series
22 and at such time or times as determined by the Committee. The
23 bonds, or each series thereof, shall be sold at such price so
24 that the effective interest rate over the life thereof shall not
25 exceed six per cent (6%) per annum. Interest shall be payable
26 annually or semiannually, and no interest coupon shall evidence
27 interest at a rate greater than six per cent (6%).

28 The bonds shall mature at such time or times as fixed by
29 the Committee; may be sold at public or private sale, and if sold

1 at public sale, notice of the sale shall be published at least
2 once a week for two consecutive weeks in newspapers of general
3 circulation in each of the four major senatorial districts of
4 the state and the first of each publications shall be at least
5 twenty days prior to the sale date; may be subject to redemption
6 prior to their fixed maturities as determined by the Committee
7 and with such premium or premiums as fixed by the Committee; may
8 be in denominations determined by the Committee; may be issued in
9 coupon form and made payable to bearer, or may be registrable as
10 to principal or principal and interest, or may be made payable to
11 the purchaser or purchasers thereof, all under such regulations
12 and conditions as the Committee shall provide; shall be payable
13 both principal and interest at such place or places as may be de-
14 termined by the Committee; shall be signed on behalf of the state
15 by the Governor and shall be attested by the Secretary of State,
16 one of which signatures may be a facsimile signature; shall have
17 the seal of the state impressed, printed or lithographed thereon,
18 and each of the interest coupons attached thereto shall be signed
19 by the facsimile signatures of said officials; shall be issued un-
20 der and subject to such terms, conditions and covenants providing
21 for the payment of the principal thereof and interest thereon and
22 such other terms, conditions, covenants and protective features
23 safeguarding such payment and relating to the maintenance, opera-
24 tion and improvement of the airports as found necessary by the
25 Committee, which covenants may include a provision requiring the
26 setting aside and maintaining of certain reserves to secure the
27 payment of such principal and interest. The Committee may provide
28 that any additional bonds hereafter authorized by the Legislature
29 to be payable out of the same source or sources as the bonds

1 authorized by this Act may later be issued on a parity with the
2 bonds authorized by this Act upon compliance with any conditions
3 which the Committee may prescribe.

4 If found reasonably necessary, the Committee may select a
5 trustee or trustees for the owners and holders of the bonds or
6 any series thereof and/or for the safeguarding and disbursement
7 of the moneys in the Construction Fund, and shall fix the rights,
8 duties, powers and obligations of such trustee or trustees.

9 In its determination of all of the matters and questions
10 relating to the issuance and sale of the bonds and the fixing
11 of the maturities, terms, conditions and covenants thereof as
12 above provided, the decisions of the Committee shall be those
13 found to be reasonably necessary for the best interests of the
14 state and its inhabitants, and those which will accomplish the
15 most advantageous sale of the bonds, with due regard, however, to
16 necessary or normal costs of maintenance and operation, renewals
17 and replacements of and repairs to the airports and to all im-
18 provements to and facilities thereof owned, used, operated or
19 leased in connection therewith, the future growth and expansion
20 of the airports and all of such facilities, and the possibility of
21 additional revenue bond financing for airports purposes.

22 Sec. 8. The State Bond Committee is authorized and directed
23 to adopt the resolution or resolutions (herein called the "bond
24 resolution or resolutions") and prepare all other documents and
25 proceedings necessary for the issuance, sale and delivery of the
26 bonds or any part or series thereof. The resolution or resolu-
27 tions shall fix the principal amount, denomination, date,
28 maturities, place or places of payment, rights of redemption if
29 any, terms, form, conditions and covenants of the bonds or each

1 series thereof, and their date and manner of sale, and shall
2 provide whether the notice of sale is to be published elsewhere
3 in addition to the publication required by Sec. 7 of this Act.

4 The owner and holder of any bonds, or the trustee for the
5 owners and holders of the bonds or any series thereof, may by
6 mandamus or other appropriate proceedings in the courts of record
7 of the state, require and compel the transfer, setting aside and
8 payment of money and the enforcement of all of the terms, condi-
9 tions and covenants as required and provided in this Act and
10 in the bond resolution or resolutions.

11 Sec. 9. The State Bond Committee shall, on or before
12 December thirty-first of each year commencing with the year in
13 which the bonds are issued, certify to the Commissioners of
14 Revenue and Public Works the amounts required in the next ensuing
15 calendar year by the bond resolution or resolutions to be paid
16 out of the Revenue Fund into the Bond Redemption Fund and to be
17 paid into and maintained in any reserve fund or account or any
18 other fund or account created by the bond resolution or resolu-
19 tions, and shall also certify to the Commissioners the last
20 date or dates upon which payments may be made.

21 Sec. 10. The bonds and the coupons attached thereto are
22 fully negotiable instruments under the laws of the state.

23 Sec. 11. The Commissioner of Public Works shall fix and
24 collect such fees, charges and rentals derived by the state from
25 the ownership, lease, use and operation of the airports and all
26 of the facilities and improvements thereof and used in connection
27 therewith as will provide revenues sufficient to comply with all
28 of the covenants of the bond resolution or resolutions, and the
29 Commissioner of Public Works is also charged with the duty of

1 insuring that all other covenants of the bond resolution or
2 resolutions are complied with.

3 Sec. 12. The bonds or any part of them may be refunded at
4 or prior to their maturity by the issuance of refunding revenue
5 bonds of the state if in the opinion of the State Bond Committee
6 refunding is advantageous to and in the best interests of the
7 state and its inhabitants.

8 The principal of and interest on such refunding revenue
9 bonds shall be payable from the same source or sources of money
10 as pledged for the payment of the principal of and interest on
11 the bonds or from such other source or sources as may legally
12 be provided, or from both. Refunding bonds shall not constitute
13 a general obligation of the state, nor shall the proceeds of any
14 state tax or license be pledged to their payment. Any money set
15 aside as reserves to secure the payment of the principal of and
16 interest on the bonds being refunded may be used either to pay
17 the principal of, premium if any, and interest on such bonds or
18 may be retained by the state as reserves to secure the payment
19 of the principal of and interest on such refunding revenue bonds
20 to be issued. Such refunding revenue bonds may be sold at public
21 or private sale, and the proceeds of sale, exclusive of accrued
22 interest, shall be applied in payment of the bonds being refund-
23 ed, or such refunding revenue bonds may be exchanged privately
24 for and in payment and discharge of a like or greater amount of
25 the bonds being refunded. The principal amount of the refunding
26 revenue bonds may exceed the principal amount of the bonds being
27 refunded to the extent necessary to pay all costs incidental to
28 the refunding and any premium required to redeem and retire the
29 bonds being refunded and/or to fund interest due or about to

1 become due on the bonds. The holder or holders of any bonds
2 being refunded need not pay accrued interest on the refunding
3 bonds to be delivered in exchange therefor if and to the extent
4 that interest is due or accrued and unpaid on the outstanding
5 bonds being refunded.

6 The effective rate of interest over the life of such re-
7 funding revenue bonds shall not exceed six per cent (6%) per
8 annum, and the costs of such refunding and the amount of any
9 premium which might be paid to effect the redemption of the out-
10 standing bonds being refunded shall not be considered in deter-
11 mining such effective rate of interest.

12 Refunding revenue bonds and coupons are fully negotiable
13 instruments under the laws of the state.

14 The issuance of refunding revenue bonds need not be author-
15 ized by the qualified voters of the state or by an act of the
16 legislature, and the State Bond Committee is authorized and
17 directed to adopt the resolution or resolutions and prepare all
18 other documents and proceedings necessary for the issuance,
19 exchange or sale, and delivery of such bonds.

20 The State Bond Committee shall create a special bond
21 redemption fund of the state which shall be a trust fund for pay-
22 ing and securing the payment of the principal of and interest on
23 such refunding revenue bonds, which fund shall be at all times
24 completely segregated and set apart from all other funds of the
25 state. The State Bond Committee, on behalf of the state, shall
26 obligate and bind the state to set aside and pay into such bond
27 redemption fund any part or parts of, or all of, or a fixed
28 proportion of, or a fixed amount of the money in the Revenue
29 Fund sufficient to pay the principal of and interest on such

1 refunding revenue bonds as they become due and, if deemed neces-
2 sary, the Committee may set aside and maintain reserves for pay-
3 ment of principal and interest on the refunding revenue bonds.
4 The Bond Redemption Fund shall be drawn upon solely for the pur-
5 pose of paying the principal of and interest on the refunding
6 revenue bonds.

7 The provisions of this Act relating to the maturities,
8 payments, terms, conditions, covenants, issuance and sale of the
9 bonds shall be applicable to refunding revenue bonds except as
10 may be otherwise specifically provided in this section.

11 Sec. 13. This Act shall be liberally construed in order to
12 carry out the purposes for which it was adopted, and all existing
13 laws in conflict with any of the provisions of this Act are
14 hereby superseded insofar as necessary to accomplish the purposes
15 of and carry out the provisions of this Act.

16 Sec. 14. This Act takes effect on the day after its pas-
17 sage and approval or on the day it becomes law without such ap-
18 proval.

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