

1 IN THE HOUSE

BY STATE AFFAIRS COMMITTEE

2 CS FOR 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, equip-
7 ping, construction and installation of
8 improvements to the Anchorage and Fairbanks
9 International Airports and to the issuance
10 and sale of not to exceed \$7,000,000 of
11 negotiable revenue bonds of the state to
12 provide money to pay part or all of the cost
13 thereof; creating an International Airports
14 Construction Fund and making an appropriation
15 therefrom; creating an International Airports
16 Revenue Fund; creating an International
17 Airports 1961 Revenue Bond Redemption Fund;
18 relating to the payment and refunding of
19 such bonds and the enforcement of the cove-
20 nants thereof; and providing for an effective
21 date."

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

23 Section 1. As used in this Act, unless the context otherwise
24 requires:

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

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

29 c. "bonds" means the International Airports Revenue Bonds

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1 authorized by this Act.

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

4 e. "Construction Fund" means the International Airports
5 1961 Construction Fund created by this Act.

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

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

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

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

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

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

1 is authorized to acquire, equip, construct and install the addi-
2 tions, improvements, extensions and facilities authorized in Sec.
3 2 of this Act. The principal of and interest on such bonds shall
4 be paid out of and secured by the gross revenues derived by the
5 state from the ownership, lease, use and operation of the airports
6 and of all the facilities thereof, and out of any other revenues
7 or moneys which the state legislature may later provide exclusive
8 of any state tax or license.

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

25 Moneys in the Construction Fund may be invested in direct
26 obligations of the United States of America maturing at least
27 thirty days prior to the date on which such moneys will be needed
28 to pay such construction or incidental costs. The interest earned
29 upon, or any profits derived from the sale of, such investments

1 shall be deposited in and become a part of the Construction Fund.

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

1 Moneys in the Revenue Fund may be invested in direct obliga-
2 tions of the United States of America maturing at least thirty
3 days prior to the date on which such moneys must be expended or
4 transferred therefrom. The interest earned upon, or any profits
5 derived from the sale of, such investments shall be deposited in
6 and become a part of the Revenue Fund.

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

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

29 The bonds shall mature at such time or times as fixed by the

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

1 be payable out of the same source or sources as the bonds author-
2 ized by this Act may later be issued on a parity with the bonds
3 authorized by this Act upon compliance with any conditions which
4 the Committee may prescribe.

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

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

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

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

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

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

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

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

1 Commissioner of Public Works is also charged with the duty of
2 insuring that all other covenants of the bond resolution or
3 resolutions are complied with.

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

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

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

6 The effective rate of interest over the life of such refunding
7 revenue bonds shall not exceed six per cent (6%) per annum, and
8 the costs of such refunding and the amount of any premium which
9 might be paid to effect the redemption of the outstanding bonds
10 being refunded shall not be considered in determining such effec-
11 tive 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 authorized
15 by the qualified voters of the state or by an act of the legisla-
16 ture, and the State Bond Committee is authorized and directed to
17 adopt the resolution or resolutions and prepare all other documents
18 and proceedings necessary for the issuance, exchange or sale, and
19 delivery of such bonds.

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

1 they become due and, if deemed necessary, the Committee may set
2 aside and maintain reserves for payment of principal and interest
3 on the refunding revenue bonds. The Bond Redemption Fund shall
4 be drawn upon solely for the purpose of paying the principal of
5 and interest on the refunding revenue bonds.

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

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

15 Sec. 14. This Act takes effect on the day after its passage
16 and approval or on the day it becomes law without such approval.
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