IN THE HOUSE BY THE FINANCE COMMITTEE

HOUSE BILL NO. 366

IN THE LEGISLATURE OF THE STATE OF ALASKA

SECOND LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act pertaining to revenue bonds of the University of Alaska; and providing for an effective date."

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

Section 1. Sec. 5 of Ch. 56, SLA 1961 is hereby amended to read:

Sec. 5. For the purpose of providing part or all of the money necessary to acquire, construct and equip the Improvements, the issuance and sale of revenue bonds of the University in the total principal sum of not to exceed $6,750,000 (herein called the "Bonds") is hereby authorized. The principal of and interest on the [SUCH] Bonds shall be paid out of and secured by the money required in Sec. 3 of this Act to be paid into the Revenue Fund and out of any other source [REVENUES RECEIVED BY THE UNIVERSITY] which the legislature may authorize to be pledged to such payment [, AND WHICH REVENUES SHALL LIKEWISE BE PAID INTO THE REVENUE FUND].

The Board shall adopt the resolution or resolutions and prepare all other documents and proceedings necessary for the issuance, sale and delivery of the Bonds or any part or series thereof. The resolution or resolutions shall fix the principal amount, denomination or denominations, date, maturities, place or places of payment, rights of redemption if any, terms, form, conditions and covenants of the Bonds or each part or series thereof, and the date and manner of sale thereof.

The Board, in [ALL OF THE BONDS WHEN ISSUED SHALL BE PAYABLE OUT OF THE SAME BOND REDEMPTION FUND ON A PARITY BASIS. IN] the proceedings authorizing the issuance of the Bonds or any [THE FIRST] part or series thereof, [THE BOARD] may provide conditions which must be complied with before the rest of the Bonds, and any additional revenue bonds which the legislature may authorize the University to issue, may be issued on a parity with the Bonds then being issued. [ADDITIONAL REVENUE BONDS OF THE UNIVERSITY MAY BE ISSUED ON A PARITY WITH THE BONDS. WHENEVER THE LEGISLATURE AUTHORIZES THE UNIVERSITY TO ISSUE ADDITIONAL REVENUE BONDS TO ACQUIRE, CONSTRUCT OR EQUIP ANY APARTMENT, RESIDENCE, DORMITORY, HOUSING, DINING, BOARDING, HOSPITAL, INFIRMARY, PARKING, AND STUDENT ACTIVITY BUILDINGS AND FACILITIES OR BOOK STORE, THE BOARD SHALL DETERMINE WHETHER SUCH CONDITIONS CAN BE MET AND WHETHER THE ADDITIONAL REVENUE BONDS OR ANY PART THEREOF SHOULD BE ISSUED ON A PARITY WITH THE BONDS. ADDITIONAL REVENUE BONDS WHEN ISSUED ON A PARITY WITH THE BONDS ARE DESIGNATED IN THIS ACT AS "PARITY BONDS".]

The Board shall create one or more [A] special bond redemption funds of the University [WHICH SHALL BE A TRUST FUND] for paying and securing the payment of the principal of and interest on the Bonds and any other revenue bonds which the legislature may authorize the University to issue. Such bond redemption fund or funds shall be trust funds for such purposes and [PARITY BONDS, WHICH FUND] shall be at all times set apart from all other funds of the University. All issues or parts or series of revenue bonds of the University issued on a parity with each other shall be payable out of the same bond redemption fund.

The Board, on behalf of the University, may obligate and bind the University to set aside and pay into such [THE] bond redemption fund or funds any part or parts of, or all of, or a fixed proportion of, or a fixed amount of the money in the Revenue Fund, [THAT WILL BE] sufficient to pay the principal of and interest on the Bonds and all other revenue bonds of the University which may be issued on a parity with the Bonds or any part or series thereof as the same shall become due, [OF AND ON ANY PARITY BONDS OUTSTANDING AS THEY SHALL BECOME DUE] and, if determined necessary, to [SET ASIDE AND] maintain adequate reserves to secure such payment [THEREFOR]. Such [THE] bond redemption fund or funds shall be drawn upon solely for the purpose of paying the principal of and interest on the Bonds and any such additional revenue bonds [PARITY BONDS], and the Bonds and any such additional revenue bonds [PARITY BONDS] shall not constitute a general obligation of the State of Alaska or the University.

Sec. 2. Sec. 7 of Ch. 56, SLA 1961 is hereby amended to read:

Sec. 7. [THE BOARD SHALL ADOPT THE RESOLUTION OR RESOLUTIONS AND PREPARE ALL OTHER DOCUMENTS AND PROCEEDINGS NECESSARY FOR THE ISSUANCE, SALE AND DELIVERY OF THE BONDS OR ANY PART OR SERIES THEREOF. THE RESOLUTION OR RESOLUTIONS SHALL FIX THE PRINCIPAL AMOUNT, DENOMINATION, DATE,

MATURITIES, PLACE OR PLACES OF PAYMENT, RIGHTS OF REDEMPTION IF ANY, TERMS, FORM, CONDITIONS AND COVENANTS OF THE BONDS OR EACH SERIES THEREOF AND THEIR DATE AND MANNER OF SALE, AND SHALL PROVIDE FOR THE PUBLICATION OF THE NOTICE OF SUCH SALE.] The owner and holder of any Bond or the trustee for the owners and holders of the Bonds or any <u>part or</u> series thereof may by mandamus or other appropriate proceedings in the superior court, require and compel the transferring, setting aside and payment of money and the enforcement of all of the terms, conditions and covenants as provided in this Act and in the resolution or resolutions authorizing the issuance of the Bonds or any <u>part or</u> series thereof.

Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.