

Introduced: 4/28/64
Referred: Local Government

1 IN THE HOUSE

BY THE RULES COMMITTEE
BY REQUEST

2 HOUSE BILL NO. 467

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act permitting the political subdivi-
7 sions of the State to borrow money in
8 anticipation of the sale of general obliga-
9 tion bonds and revenue bonds; and providing
10 for an effective date."

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

12 * Section 1. AS 37.30 is amended by adding a new chapter to
13 read:

14 Sec. 37.30.010. BORROWING IN ANTICIPATION OF THE SALE
15 OF BONDS PERMITTED. A political subdivision of the State
16 which is authorized by law to incur bonded indebtedness may
17 borrow money in anticipation of the sale of general obliga-
18 tion and revenue bonds, if

19 (1) the general obligation bonds to be sold have been
20 authorized by the governing body of the political subdivi-
21 sion and ratified by a majority vote of the qualified voters
22 of the political subdivision who vote on the question; and

23 (2) the revenue bonds to be sold have been authorized
24 by law.

25 Sec. 37.30.020. ISSUANCE OF NOTES. The governing body
26 of the political subdivision shall issue notes for the amounts
27 borrowed with a maturity date not to exceed one year from
28 the date of issue. All such notes and the interest thereon
29 are payable at a fixed place, on or before a fixed time, or

1 or at a fixed time, from the proceeds of the sale of bonds,
2 in anticipation of which the original note or notes were
3 issued, unless the bonds have not been sold by the maturity
4 date of the notes.

5 Sec. 37.30.030. ISSUANCE OF NEW NOTES. In the event
6 that the sale of the bonds shall not have occurred before
7 the maturity of the notes issued in anticipation of the sale
8 of bonds, the governing body of the political subdivision
9 shall issue new notes in order to meet payment of the notes
10 then maturing or shall renew the outstanding bond obligation
11 notes. Any new notes issued or any renewals of outstanding
12 bond anticipation notes shall bear a maturity date not to
13 exceed one year from the date of issue. In no event shall
14 notes, new notes issued to meet notes then maturing, and
15 renewals of notes be outstanding for a total elapsed time
16 of three years.

17 Sec. 37.30.040. REPAYMENT OF NOTES. Every note shall
18 be payable from the proceeds of the next succeeding sale of
19 bonds or from the proceeds of the sale of new bond anticipa-
20 tion notes.

21 Sec. 37.30.050. SECURITY FOR REPAYMENT OF GENERAL
22 OBLIGATION BONDS. Notes issued in anticipation of the sale
23 of general obligation bonds and the interest thereon are
24 secured by the full faith, credit, taxing power and resources
25 of the political subdivisions of the State.

26 Sec. 37.30.060. SECURITY FOR REPAYMENT OF REVENUE BONDS.
27 Notes issued in anticipation of the sale of revenue bonds and
28 the interest thereon are secured in the same manner as are the
29 revenue bonds in anticipation of which the notes are issued.

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Sec. 37.30.070. LIMITATION ON ISSUANCE OF NOTES. The total amount of such notes issued and outstanding shall at no time exceed the total amount of bonds authorized to be issued.

Sec. 37.30.080. USE OF PROCEEDS FROM SALE OF NOTES. The proceeds from the sale of notes shall be used only for the purposes for which the proceeds from the sale of bonds may be used or to meet payment of outstanding bond anticipation notes.

Sec. 37.30.090. SALE OF NOTES. Notes issued pursuant to this chapter shall be sold by the political subdivision of the state in such manner and at such price or prices as it shall determine, at either public or private sale; provided that no such note shall be sold for less than par and accrued interest or at an interest rate exceeding six per cent per annum.

* Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.