

1 IN THE SENATE

BY SENATORS KILCHER AND BRONSON

2 SENATE BILL NO. 309

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act requiring public sale of school bond
7 issues in excess of \$50,000 in principal
8 amount."

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

10 * Section 1. AS 29.50.030 is amended to read:

11 Sec. 29.50.030. FORM, TERMS AND SALE OF BONDS. (a)

12 The governing body may fix the date of the bonds, the denomina-
13 tions, maturities, place of payment, redemption terms if any,
14 registration privileges, the manner of execution and signa-
15 tures required.

16 (b) The governing body may sell the bonds at public or
17 private sale except that all school bond issues in excess of
18 \$50,000 in principal amount shall be sold at public sale.

19 (c) If a bond issue is sold at public sale, notice of
20 the sale shall be published once a week for three consecutive
21 weeks in a newspaper of general circulation in the judicial
22 district in which the municipal corporation is located. The
23 notice shall contain the hour, date, and place at which
24 sealed bids for the issue will be received and opened. The
25 first notice shall be published at least 20 days before the
26 sale date. The governing body shall meet on the sale date,
27 open the bids received, and award the bonds to the responsible
28 bidder offering the lowest net interest cost for the issue.
29 Bids for the issue at less than the principal amount plus

1 accrued interest shall not be accepted. The governing body
2 may reject any or all bids. If all bids are rejected, or if
3 no bids are received, the governing body may sell the issue
4 at private sale.

5 (d) If an officer whose signature appears on the bonds
6 or coupons ceases to be an officer before delivery of the
7 bonds, the signature is, nevertheless, valid and sufficient
8 for all purposes, as if the officer had remained in office
9 until delivery.

10 (e) The governing body shall fix the rate of interest
11 of the bonds and determine whether they are payable annually
12 or semiannually.

13 * Sec. 2. AS 14.15.750 is amended to read:

14 Sec. 14.15.750. CONSTRUCTION OF SCHOOL FACILITIES AND
15 ISSUANCE OF BONDS. (a) A school district may construct,
16 improve, extend, repair, reconstruct, acquire and operate
17 school buildings and appurtenances and incur general obliga-
18 tion bond and revenue bond indebtedness for any of these
19 purposes.

20 (b) The provisions of AS 42.35.300 and [--] 42.35.320
21 relating to the authorization [, ISSUANCE, AND SALE] of
22 general obligation bonds and the levy of taxes to pay bonds
23 of a public utility district apply to school districts.
24 General obligation bonds shall be issued and sold by the
25 school board in accordance with sec. 755 of this chapter.

26 (c) The provisions of AS 42.35.330--42.35.350 relating
27 to revenue and refunding bonds of public utility districts
28 apply to school districts.

29 * Sec. 3. AS 14.15 is amended by adding a new section to read:

1 Sec. 14.15.755. GENERAL OBLIGATION SCHOOL BONDS -
2 ISSUANCE, SALE, AND RATE OF INTEREST. (a) The school board
3 shall prescribe the date or dates of the bonds, the de-
4 nominations, the maturities not exceeding 30 years from the
5 date of the bonds, the place of payment, the redemption and
6 registration privileges, and manner of execution of the
7 bonds.

8 (b) The school board shall sell general obligation
9 bonds at public sale except that bond issues not in excess
10 of \$50,000 of principal amount may be sold at private sale.

11 (c) If a bond issue is sold at public sale, notice of
12 the sale shall be published once a week for three consecutive
13 weeks in a newspaper of general circulation in the judicial
14 district in which the school district is located. The notice
15 shall contain the hour, date, and place at which sealed bids
16 for the issue will be received and opened. The first notice
17 shall be published at least 20 days before the sale date.
18 The school board shall meet on the sale date, open the bids
19 received, and award the bonds to the responsible bidder
20 offering the lowest net interest cost for the issue. Bids
21 for the issue at less than the principal amount plus accrued
22 interest shall not be accepted. The school board may reject
23 any or all bids. If all bids are rejected, or if no bids
24 are received, the board may sell the issue at private sale.

25 (d) If an officer whose signature appears on the bonds
26 or coupons ceases to be an officer before delivery of the
27 bonds, the signature is, nevertheless, valid and sufficient
28 for all purposes, as if the officer had remained in office
29 until delivery.

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(e) The bonds shall bear interest at a rate to be fixed by the board not exceeding six per cent a year payable semiannually.