

1 IN THE HOUSE

BY MR. O'CONNELL

2 HOUSE BILL NO. 175

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the financing of im-
7 provements by special assessment bonds in
8 first and second class cities and boroughs."

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

10 * Section 1. AS 29.10 is amended by adding a new section to
11 read:

12 Sec. 29.10.310. SPECIAL ASSESSMENT BONDS AUTHORIZED.

13 (a) The council may by ordinance cause to be issued special
14 assessment bonds to pay all or part of the cost of an im-
15 provement in the district. The principal and interest of
16 bonds issued shall be payable solely from the levy of special
17 assessments against the property to be benefitted. The
18 assessments shall constitute a sinking fund for the payment
19 of principal and interest on the bonds. Only the property
20 benefitted may be pledged by the council to secure payment.

21 (b) Upon default in a payment due on a special assess-
22 ment bond, a bondholder may enforce payment of principal and
23 interest and costs of collection in a civil action in the
24 same manner and with the same effect as actions for the fore-
25 closure of mortgages on real property. Foreclosure shall be
26 against all property on which assessments are in default.
27 The period for redemption shall be the same as in the case
28 of a mortgage foreclosure on real property.

29 (c) Before the council may issue improvement district

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assessment bonds, it shall establish a guarantee fund equal
to 20 per cent of the improvement district bonds outstanding
Interest on the guarantee fund shall be a cost of the
improvement district.