

1 IN THE HOUSE

BY GUESS

2 HOUSE CONCURRENT RESOLUTION NO. 42
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTH LEGISLATURE - SECOND SESSION

5 Relating to a study by the
6 Legislative Council regarding
7 the sale of bonds by political
8 subdivisions.

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

10 WHEREAS many political subdivisions in Alaska have sold
11 general obligation bonds at unfavorable rates of interest; and

12 WHEREAS the waste of public money resulting from the sale of
13 bonds at rates higher than necessary is due to a combination of
14 factors such as insufficient and unreliable information on the
15 financial status of the issuing community being distributed in
16 the bond markets; inadequate distribution of information, even
17 when sufficient, in the bond markets; unfamiliarity with the
18 practices of the markets and inexperience in selling bonds; and

19 WHEREAS poor bond ratings for some political subdivisions of
20 the state adversely affect the marketability of the general obli-
21 gation bonds of other political subdivisions and the state itself;
22 and

23 WHEREAS the anticipated development of the state and its
24 political subdivisions will, to a substantial extent, depend upon
25 their ability to finance capital improvements on favorable terms;
26 and

27 WHEREAS other states have developed means for providing their
28 political subdivisions with advice and assistance in marketing
29 bonds, with the result that these local government bodies command

1 favorable interest rates on their issues;

2 BE IT RESOLVED that the Legislative Council is directed to
3 review the local bonding situation in the state, study those
4 means used in other states to provide political subdivisions with
5 assistance in their bonding problems, and report its findings,
6 together with any suggested legislation it deems appropriate, to
7 the legislature in January, 1967.

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