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Referred: Local Govern-
ment and Finance

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1 IN THE HOUSE

2 HOUSE BILL NO. 228

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act to provide state assistance and standards with
7 respect to local government debt offerings."

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

9 * Section 1. AS 44.19 is amended by adding new sections to read:

10 Sec. 44.19.202. AUTHORIZATION FOR STATE TECHNICAL AND ADVISORY
11 ASSISTANCE. To facilitate the marketing of local government bonds and
12 other long-term obligations at the lowest possible net interest cost,
13 the Local Affairs Agency shall provide technical and advisory assistance
14 relating to the issuance of long-term debt to those local governments
15 whose governing bodies request such assistance. The assistance shall
16 include, but need not be limited to, (1) advice on the marketing of
17 bonds by local governments, (2) advisory review of proposed local govern-
18 ment debt issues, including the rendering of opinions as to their
19 legality, (3) conduct of training courses in debt management for local
20 financial officers, and (4) promotion of the use by local governments
21 of such tools for sound financial management as adequate systems of
22 budgeting, accounting, auditing, and reporting.

23 Sec. 44.19.203. ADVISORY REVIEW OF PROPOSED LOCAL GOVERNMENT DEBT
24 ISSUES. At the request of the governing body of a local government,
25 the Local Affairs Agency is authorized to review a proposed debt issue
26 and to render an advisory opinion based upon the facts concerning the
27 proposed issue. A request for an advisory review shall be submitted
28 to the agency in the form and with the information which the agency may
29 require.

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1 **Sec. 44.19.204. STATE SALE OF LOCAL GOVERNMENT SECURITY OFFERINGS.**
2 At the request of the governing body of a local government, the Local
3 Affairs Agency is authorized to market the local government's security
4 offerings by preparing bond issues for sale, advertising for sealed
5 bids, receiving bids at its offices, and making the award to the bidder
6 offering the most favorable terms. The agency may, at its discretion,
7 offer for concurrent sale the bonds of several local governments. State
8 sale of a local security offering under this section shall in no way
9 imply state guarantee of the debt issue.

10 **Sec. 44.19.205. POWERS AND DUTIES OF THE AGENCY.** The Local
11 Affairs Agency shall have the following powers and duties relating to
12 debt assistance:

13 (1) To require reports from local governments which will en-
14 able it adequately to provide the technical and advisory assistance
15 authorized. The reports shall provide the necessary information for a
16 complete file on local government debt, which shall be kept open for
17 public inspection at agency offices.

18 (2) To encourage, conduct or participate in training courses
19 in debt and general fiscal management and procedures and practices for
20 the benefit of local officials, and in that connection, to cooperate
21 with associations of public officials, business and professional organi-
22 zations, university faculties, or other specialists.

23 (3) To conduct studies in debt management, including ways
24 and means of appraising the terms of alternative bids. The agency may
25 employ expert consultants to assist in the studies.

26 (4) To employ or contract for the services of personnel
27 necessary to carry out the provisions of secs. 202 - 205 of this chapter.

28 (5) All departments and other agencies of the state govern-
29 ment shall provide assistance and information which, consistent with

1 law, the agency may require to enable it to carry out its debt as-
2 sistance duties.

3 (6) To compile and publish annually a report on its technical
4 assistance and advisory activities. The report shall include detailed
5 information on local government long-term debt issued and retired during
6 the previous fiscal year and outstanding at the close of the previous
7 fiscal year, and additional statistical data on local government fi-
8 nances as are obtained from the local reports required under (1) of this
9 section.

10 Sec. 44.19.206. STANDARDS FOR SALE NOTICES, PROSPECTUSES, AND
11 BID FORMS. (a) The Local Affairs Agency shall prepare regulations
12 governing the minimum content of notice of sale advertisements and
13 prospectuses issued by local governments. Regulations as to the con-
14 tent of notices and prospectuses may make an appropriate differentia-
15 tion among types of bond issues and types of local government.

16 (b) The notice of sale advertisement shall set out the purpose
17 of the bond issue, principal amount of the bond issue, designation of
18 type of bond issue according to the authorizing statute, date of issue,
19 the method of bond repayment, showing the denominations and maturities
20 offered for sale, the basis of bidding and award of the bonds, the date
21 hour, and place that bids will be opened, the name of the chief
22 financial officer who will furnish additional information about the
23 issuing local government or the bond sale, and other appropriate in-
24 formation, in accordance with the regulations prepared by the agency.

25 (c) The prospectus shall, in general: (1) report the past,
26 current, and estimates as to the future finances of the bond-issuing
27 local government; (2) include selected information concerning the
28 financial administration and organization of the bond-issuing local
29 government; (3) contain selected information concerning the economic

1 and social characteristics of the community in which the issuing local
2 government is located, including data which will permit investors and
3 other interested parties to appraise the ability of the borrowing
4 local government to assume the obligation; and (4) other appropriate
5 information, in accordance with the regulations prepared by the agency.

6 (d) The chief financial officer may, at his discretion, include
7 information in the notice of sale advertisement and in the prospectus
8 in addition to that required as the minimum content in regulations
9 issued by the agency.

10 (e) The agency shall prepare and supply standard bid forms to be
11 used by local governments in securing bids from prospective purchasers.

12 Sec. 44.19.207. DEFINITIONS. In secs. 202 - 207 of this chapter

13 (1) "local government" means a general law or home rule city
14 or borough;

15 (2) "governing body" means the body or board charged with
16 exercising the legislative authority of a local government;

17 (3) "chief financial officer" means the official immediately
18 charged with managing the fiscal affairs of a local government;

19 (4) "bonds" means debt payable more than one year after date
20 of issue or incurrence and issued according to the laws authorizing
21 local government borrowing.
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