

Introduced: 3/9/67
Referred: Local Govern-
ment and Finance

1 IN THE SENATE

BY ENGSTROM BY REQUEST

2 SENATE BILL NO. 175

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to payment of principal and interest
7 by the state when a political subdivision defaults on
8 its bonds."

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

10 * Section 1. AS 37.10.085 is amended to read:

11 Sec. 37.10.085. FINANCIAL AID TO CORPORATIONS BY STATE OR
12 POLITICAL SUBDIVISION. (a) Neither the state nor a political sub-
13 division of the state may

14 (1) make a subscription to the capital stock of a corpora-
15 tion;

16 (2) lend its credit for the use of a corporation; or

17 (3) borrow money for the use of a corporation.

18 (b) The state shall, upon receipt of notice that a political
19 subdivision of the state has defaulted for more than 10 days in the
20 payment of the principal of or interest on general obligation bonds
21 issued by the political subdivision for school purposes, make payment
22 in an amount sufficient to remedy the default. Payment shall be made
23 to the applicable paying agent in the name of the political subdi-
24 vision in default from the appropriations made by the legislature for
25 state support of schools in the political subdivision, shared taxes
26 or any current aid program authorized by law.