

Introduced: 2/13/70
Referred: Special Monetary
Investment Committee and
Finance

1 IN THE HOUSE

BY RETTIG

2 HOUSE BILL NO. 672

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act ~~creating~~ the general obligation bond guarantee
7 fund; and providing for an effective date."

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

9 * Section 1. AS 37.15 is amended by adding new sections to read:

10 ARTICLE 3. GENERAL OBLIGATION BOND GUARANTEE FUND.

11 Sec. 37.15.410. ESTABLISHMENT OF FUND. There is established in
12 the Department of Revenue the general obligation bond fund, funded by
13 appropriations by the legislature. Money in the fund shall be held and
14 applied solely to further guarantee and provide additional pledge of
15 payment of all state general obligation bonds issued before, on or
16 after the effective date of this Act.

17 Sec. 37.15.420. PAYMENT FROM FUND. When the commissioner of
18 revenue is informed that a state general obligation debt service payment
19 may not be met, the department shall make payment from the fund directly
20 to the pertinent paying agent in the name of the state if such payment
21 is necessary to avoid a default. The payment shall be considered,
22 to the extent of the payment, a transfer of indebtedness from the
23 holder of the debt instrument in respect of which payment was made to
24 the state.

25 Sec. 37.15.430. EXCESS FUNDS. Money in the guarantee fund which
26 exceeds at any time the amount appropriated to the fund, whether by
27 reason of investment or otherwise, shall be withdrawn by the department
28 and transferred to the general fund.

29 Sec. 37.15.440. INVESTMENT OF FUND. (a) Money in the guarantee

1 fund may be invested at any time in the direct obligations of or obliga-
2 tions on which the principal and interest is guaranteed by, the United
3 States, the state, or a political subdivision of the state.

4 (b) For the purpose of valuation, investments of the guarantee
5 fund shall be valued at the lowest of (1) the par value, (2) cost to
6 the state, or (3) market value of the investments. Valuation on a
7 particular date shall include the amount of interest earned or accrued
8 to that date on any amount or investment of the guarantee fund.

9 * Sec. 2. This Act takes effect on July 1, 1970.