

Introduced: 4/10/70
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE SPECIAL
COMMITTEE ON MONETARY
INVESTMENT

1 IN THE HOUSE

2 HOUSE BILL NO. 841

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a debt of the state; providing
7 for the issuance of general obligation bonds in the
8 amount of \$21,300,000 for the purpose of paying the
9 cost of acquiring, constructing and equipping certain
10 elementary and secondary public schools within the
11 state; providing for the submission to a vote of the
12 qualified voters of the state of the proposition of
13 whether or not such bonds may be issued for such
14 purposes; and providing for an effective date."

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

16 * Section 1. For the purpose of paying part or all of the cost of
17 acquiring, constructing and equipping certain elementary and secondary
18 public schools within the state, general obligation bonds of the state in
19 the principal sum of not to exceed \$21,300,000 shall be issued and sold.
20 The full faith, credit, and resources of the state shall be and are hereby
21 pledged to the payment of the principal of and interest on such bonds,
22 which bonds shall be issued under the provisions of AS 37.15. The legis-
23 lature may provide additional sources of money for the payment of such
24 principal and interest, and this Act shall not be deemed to provide an
25 exclusive method of payment. Such bonds shall bear interest at a rate of
26 not to exceed eight per cent per annum and shall mature in not to exceed
27 30 years from date of issue.

28 * Sec. 2. The amounts of such bonds to be issued from time to time
29 and the time or times of their issuance shall be fixed by the State Bond

1 Committee (created by AS 37.15.110), and the specific uses of the proceeds
2 of such bonds shall be determined by the governor in accordance with the
3 following general terms and conditions:

4 (1) \$4,200,000 of the total amount of bonds authorized
5 by sec. 1 of this Act may be expended only to pay part or all of the cost
6 of designing, acquiring, constructing, equipping, and making other capital
7 improvements to state-operated elementary and secondary public schools.

8 (2) \$11,100,000 of the total amount of bonds authorized by
9 sec. 1 of this Act may be expended only to pay part or all of the cost of
10 designing, acquiring, constructing, equipping, and making other capital
11 improvements to regional and area boarding schools.

12 (3) \$3,000,000 of the total amount of bonds authorized by
13 sec. 1 of this Act may be expended only to pay part or all of the cost of
14 designing, acquiring, including prior debt service, constructing and equip-
15 ping, and making other capital improvements in districts of less than 350
16 ADM. This authorization shall be available to eligible school districts on
17 a need basis and will be distributed in accordance with the following:

18 (A) \$150,000 base, each eligible district;

19 (B) the balance distributed on a pro rata basis

20 according to total ADM of all participating districts.

21 (4) \$3,000,000 of the total amount of bonds authorized by
22 sec. 1 of this Act may be expended to pay part or all of the cost of
23 designing, acquiring, including prior debt service, constructing, equipping
24 and making other capital improvements in school districts exclusive of
25 districts granted funds under paragraph (1) above. This authorization shall
26 be distributed in accordance with the following:

27 (A) \$6,000 base, each eligible district;

28 (B) the balance distributed on a pro rata basis

29 according to total ADM of all participating districts.

1 * Sec. 3. In the event the issuance of such bonds is authorized by
2 the qualified voters of the state, the sum of \$74,500 or so much thereof
3 as shall be found necessary is appropriated from the general fund of the
4 state to carry out the provisions of this Act and to pay expenses incident
5 to the sale and issuance of the bonds authorized herein. The amounts
6 expended from the appropriation authorized by this section shall be
7 reimbursed to the general fund from the proceeds of the sale of the bonds
8 authorized by this Act.

9 * Sec. 4. In the event the issuance of such bonds is authorized by
10 the qualified voters of the state, a special fund of the state to be
11 known as the "1970 School Construction Fund" shall be created, into which
12 shall be paid the proceeds of the sale of the bonds described in sec. 1
13 of this Act except for the accrued interest and premiums. There is hereby
14 appropriated from the "1970 School Construction Fund" to the Department of
15 Education the sum of

- 16 (1) \$4,200,000 for state-operated elementary and secondary
17 public schools;
18 (2) \$3,410,000 for regional and area boarding schools;
19 (3) \$6,000,000 for school district operated schools.

20 * Sec. 5. In the event the issuance of such bonds is authorized by
21 the qualified voters of the state, a special fund of the state to be known
22 as the "1970 School General Obligation Bond Redemption Fund" shall be
23 created, to the credit of which there shall be set aside such amounts of
24 money as may be necessary to pay the principal of and interest on the
25 outstanding bonds of the issue described in sec. 1 of this Act, and which
26 fund shall be used for the sole purpose of paying and securing the payment
27 of such principal and interest as the same shall become due.

28 * Sec. 6. The question of whether or not the bonds authorized to the
29 qualified voters of the state at the next state general election to be held

1 on November 3, 1970, in accordance with the provisions of the constitution
2 and laws of the state. The secretary of state shall fix the ballot title
3 to be submitted to the qualified voters for their ratification of the state
4 debt authorized by this Act, and shall do everything else necessary to
5 place such proposition before said qualified voters at said next state
6 general election.

7 * Sec. 7. The proposition to be submitted to the qualified voters at
8 said election shall read substantially as follows:

9 Proposition

10 State General Obligation School

11 Construction Bonds \$21,300,000

12 Shall the State of Alaska issue its general obligation bonds in the
13 principal sum of not to exceed \$21,300,000 bearing interest not to
14 exceed eight per cent per annum and maturing in not to exceed 30
15 years from date of issue for the purpose of paying part or all of the
16 cost of acquiring, constructing and equipping certain elementary and
17 secondary public schools within the state?

18 Bonds Yes []

19 Bonds No []

20 * Sec. 8. This Act takes effect on the day after its passage and
21 approval or on the day it becomes law without such approval.
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