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Introduced: 2/3/70  
Referred: Health, Welfare  
and Education and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 451

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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