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Introduced: 4/17/70
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 579

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of revenue bonds
7 for the acquisition, construction and equipping of
8 facilities at Anchorage and Fairbanks International
9 Airports; and providing for an effective date."

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

11 * Section 1. Sec. 3, ch. 88, SLA 1961, as amended by sec. 1, ch. 80,
12 SLA 1968, is amended to read:

13 Sec. 3. For the purpose of providing part or all of the money to
14 be used, with or without any grants or other moneys which may become
15 available, the issuance and sale of revenue bonds of the state in the
16 total principal sum of not to exceed \$19,925,000 [\$9,225,000] is
17 authorized to acquire, equip, construct and install the additions,
18 improvements, extensions and facilities authorized in Sec. 2 of this
19 Act. The principal of and interest on such bonds shall be paid out
20 of and secured by the gross revenues derived by the state from the
21 ownership, lease, use and operation of the airports, and of all the
22 facilities thereof, and out of any other revenues or moneys which
23 the state legislature may later provide exclusive of any state tax
24 or license.

25 * Sec. 2. Sec. 4, ch. 88, SLA 1961, as amended by sec. 5, ch. 62 and
26 sec. 2, ch. 80, SLA 1968, is amended to read:

27 Sec. 4. There is hereby created a special fund of the state to
28 be known as the "International Airports Construction Fund," into
29 which shall be paid the proceeds of the sale of the bonds (except any

1 accrued interest paid thereon, which shall be paid into the Bond
2 Redemption Fund) and any grants or other moneys which are legally
3 provided for the same purposes for which the bonds are authorized.
4 The moneys in the Construction Fund shall be used to pay the costs
5 of acquiring, equipping, constructing and installing additions and
6 improvements to and extensions of and facilities for the airports
7 and costs incidental thereto, including costs of the authorization,
8 issuance and sale of the bonds. To the extent provided in the bond
9 resolution, moneys in the Construction Fund may also be used for the
10 payment of interest on the bonds during the period of actual construc-
11 tion, and for such further period, not exceeding one year after the
12 period of construction, as may be provided in the bond resolution.
13 Moneys in the Construction Fund may also be transferred to the Bond
14 Redemption Fund, to the extent provided in the bond resolution, to
15 establish a reserve for the payment of the principal of and interest
16 on the bonds. For the purpose of carrying out the provisions of this
17 Act, there is hereby appropriated from the Construction Fund the sum
18 of

19 (1) \$9,225,000, together with the amounts of any [SUCH]
20 grants or other moneys paid into the [SUCH] fund for the same purpose,
21 for acquisition, construction and equipping of facilities previously
22 funded through revenue bond issues dated June 1, 1968 and June 1, 1969;

23 (2) \$8,700,000 for the acquisition, construction and equip-
24 ping of terminal facilities at Anchorage International Airport; and

25 (3) \$2,000,000 for the acquisition, construction and equip-
26 ping of terminal and support facilities at Fairbanks International
27 Airport.

28 The bond resolution may provide for the investment of moneys in
29 the Construction Fund in such manner as the Committee may determine.

1 The interest earned upon, or any profits derived from the sale of,
2 such investments shall be deposited in and become a part of the
3 Construction Fund.

4 * Sec. 3. Sec. 7, ch. 88, SLA 1961, is amended to read:

5 Sec. 7. (a) The bonds shall be sold in such amounts or series
6 and at such time or times as determined by the Committee. The bonds,
7 or each series thereof, shall be sold at such price so that the effec-
8 tive interest rate over the life thereof shall not exceed eight [SIX] per
9 cent [(6%)] per annum. Interest shall be payable annually or semi-
10 annually, and no interest coupon shall evidence interest at a rate
11 greater than eight [SIX] per cent [(6%)].

12 (b) The bonds shall mature at such time or times as fixed by the
13 Committee; shall be sold at public sale, and notice of the sale shall
14 be published at least once a week for two consecutive weeks in newspapers
15 of general circulation in each of the four major senatorial districts
16 of the state and the first of each publications shall be at least twenty
17 days prior to the sale date; may be subject to redemption prior to
18 their fixed maturities as determined by the Committee and with such
19 premium or premiums as fixed by the Committee; may be in denominations
20 determined by the Committee; may be issued in coupon form and made
21 payable to bearer, or may be registrable as to principal or principal
22 and interest, or may be made payable to the purchaser or purchasers
23 thereof, all under such regulations and conditions as the Committee
24 shall provide; shall be payable both principal and interest at such
25 place or places as may be determined by the Committee; shall be signed
26 on behalf of the state by the Governor and shall be attested by the
27 Secretary of State, one of which signatures may be a facsimile signature;
28 shall have the seal of the state impressed, printed or lithographed
29 thereon; and each of the interest coupons attached thereto shall be

1 signed by the facsimile signatures of said officials; shall be issued
2 under and subject to such terms, conditions and covenants providing
3 for the payment of the principal thereof and interest thereon and
4 such other terms, conditions, covenants and protective features safe-
5 guarding such payment and relating to the maintenance, operation and
6 improvement of the airports as found necessary by the Committee, which
7 covenants may include a provision requiring the setting aside and
8 maintaining of certain reserves to secure the payment of such principal
9 and interest. The Committee may provide that any additional bonds
10 hereafter authorized by the Legislature to be payable out of the same
11 source or sources as the bonds authorized by this Act may later be
12 issued on a parity with the bonds authorized by this Act upon compli-
13 ance with any conditions which the Committee may prescribe.

14 (c) If found reasonably necessary, the Committee may select a
15 trustee or trustees for the owners and holders of the bonds or any
16 series thereof and/or for the safeguarding and disbursement of the
17 moneys in the Construction Fund, and shall fix the rights, duties,
18 powers and obligations of such trustee or trustees.

19 (d) In its determination of all of the matters and questions
20 relating to the issuance and sale of the bonds and the fixing of the
21 maturities, terms, conditions and covenants thereof as above provided,
22 the decisions of the Committee shall be those found to be reasonably
23 necessary for the best interests of the state and its inhabitants,
24 and those which will accomplish the most advantageous sale of the
25 bonds, with due regard, however, to necessary or normal costs of
26 maintenance and operation, renewals and replacements of and repairs to
27 the airports and to all improvements to and facilities thereof owned,
28 used, operated or leased in connection therewith, the future growth
29 and expansion of the airports and all of such facilities, and the

1 possibility of additional revenue bond financing for airports purposes.

2 * Sec. 4. This Act takes effect on the day after its passage and approval
3 or on the day it becomes law without approval.

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