

Original sponsor: Finance Committee

Offered: 5/30/70  
On today's calendar

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR 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, as amended by sec. 8, ch. 62,  
5 SLA 1968, is amended to read:

6 Sec. 7. (a) The bonds shall be sold in such amounts or series  
7 and at such time or times as determined by the Committee. The bonds,  
8 or each series thereof, shall be sold at such price so that the  
9 effective interest rate over the life thereof shall not exceed  
10 eight [SEVEN] per cent [(7%)] per annum. Interest shall be payable  
11 annually or semiannually.

12 (b) The bonds shall mature at such time or times as fixed by  
13 the Committee and shall be sold at public sale, and notice of the  
14 sale shall be published at least once a week for two consecutive  
15 weeks in a newspaper of general circulation in each of the four  
16 most populous senatorial districts of the state as established  
17 by the last federal census before the sale. The first such pub-  
18 lication in each district shall be at least twenty days prior  
19 to the sale date. The bonds may be subject to redemption prior  
20 to their fixed maturities as determined by the Committee and with  
21 such premium or premiums as fixed by the Committee, but no bond shall  
22 be subject to redemption before its fixed maturity date unless the  
23 right so to redeem that bond is expressly mentioned on the face  
24 of the bond. The bonds may be in denominations determined by the  
25 Committee; may be issued in coupon form or in fully registered  
26 form, and may be registrable as to principal or both principal  
27 and interest, all under such regulations and conditions as the  
28 Committee shall provide; shall be payable as to principal and interest  
29 at such place or places as may be determined by the Committee; shall

1 be signed on behalf of the state by the Governor and shall be attested  
2 by the Secretary of State, both of which signatures may be facsimile  
3 signatures; shall have the seal of the state impressed, printed or  
4 lithographed thereon, and each of the interest coupons attached thereto  
5 shall be signed by the facsimile signatures of said officials; shall  
6 be issued under and subject to such terms, conditions and covenants  
7 providing for the payment of the principal thereof and interest thereon  
8 and such other terms, conditions, covenants and protective features  
9 safeguarding such payment and relating to the maintenance, operation  
10 and improvement of the airports as found necessary by the Committee,  
11 which covenants may include a provision requiring the setting aside  
12 and maintenance of certain reserves to secure the payment of such  
13 principal and interest. The Committee may provide that any additional  
14 bonds hereafter authorized by the Legislature to be payable out of  
15 the same source or sources as the bonds authorized by this Act may  
16 later be issued on a parity with the bonds authorized by this Act upon  
17 compliance with any conditions which the Committee may prescribe.

18 (c) If found reasonably necessary, the Committee may select a  
19 trustee or trustees for the holders of the bonds or any series thereof,  
20 for the safeguarding and disbursement of any of the moneys in any of  
21 the funds created by this Act, or for such duties with respect to the  
22 authentication, delivery and registration of the bonds as the Committee  
23 may determine, and shall fix the rights, duties, powers and obligations  
24 of such trustee or trustees.

25 (d) In its determination of all of the matters and questions  
26 relating to the issuance and sale of the bonds and the fixing of the  
27 maturities, terms, conditions and covenants thereof as above provided,  
28 the decisions of the Committee shall be those found to be reasonably  
29 necessary for the best interests of the state and its inhabitants,

1 and those which will accomplish the most advantageous sale of the  
2 bonds, with due regard, however, to necessary or normal costs of  
3 maintenance and operation, renewals and replacements of and repairs  
4 to the airports and to all improvements thereto and facilities thereof  
5 owned, used, operated or leased in connection therewith, the future  
6 growth and expansion of the airports and all of such facilities, and  
7 the possibility of additional revenue bond financing for airports  
8 purposes. Any such decisions of the Committee, as expressed in any  
9 bond resolution, shall be final and conclusive when any bonds have been  
10 issued pursuant to the bond resolution.

11 (e) Any bond resolution may provide that the bonds issued there-  
12 under shall contain a recital that they are issued pursuant to this  
13 Act, and any such bonds containing such recital shall be conclusively  
14 deemed to be valid and to have been issued in conformity with this  
15 Act.

16 (f) The validity of the authorization and issuance of bonds  
17 shall not be affected by any proceedings for the acquisition or con-  
18 struction of the additions, improvements, extensions or facilities for  
19 which the bonds have been issued or by any contracts in connection  
20 with such acquisition or construction.

21 \* Sec. 4. This Act takes effect on the day after its passage and approv-  
22 al or on the day it becomes law without approval.  
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