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Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 468

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the acquisition, construction and
7 equipping of a parking structure at the University of
8 Alaska; relating to the issuance and sale of not to
9 exceed \$3,000,000 of negotiable revenue bonds of the
10 university to pay part or all of the cost of the
11 structure; creating a parking structure revenue fund
12 of the university; relating to the payment and refund-
13 ing of the bonds and the enforcement of the covenants
14 of the bonds; and providing for an effective date."

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

16 * Section 1. (a) There is a special fund of the university to be known
17 as the "Anchorage Community College Parking Structure Revenue Fund" which
18 shall be completely segregated and set apart from all other funds of the
19 university, which is a trust fund for the uses and purposes provided in
20 this Act, and into which shall be paid all fees charged for the use of the
21 parking structure as determined by the board.

22 (b) The money in the revenue fund shall be used only for the
23 purpose of paying or securing the payment of the principal of and interest,
24 and redemption premium, if any, on the bonds, for the purpose of paying or
25 securing the payment of the principal of and interest on any other revenue
26 bonds of the university issued by authorization of the legislature to pro-
27 vide funds to acquire, construct and equip additions or improvements to the
28 improvements, the purpose of paying the normal and necessary costs of
29 equipping, maintaining and operating the improvements, the purpose of

1 paying the cost of renewals, replacements and normal and extraordinary
2 repairs to the improvements, the purpose of redeeming before their fixed
3 maturities any and all revenue bonds of the university issued for the
4 improvements, the purpose of providing funds to acquire, construct and
5 equip necessary additions and improvements to the improvements and modifi-
6 cations and extensions of the improvements, and the purpose of providing
7 funds to pay any and all other normal and necessary costs relating to the
8 ownership, use and operation of the improvements, all to the extent fixed
9 and determined by the board in one or more bond resolutions, trust inden-
10 tures, or trust agreements securing or providing for the issuance of the
11 bonds adopted or entered into in accordance with this Act.

12 (c) The board may provide for the investment of money in the revenue
13 fund in the manner it may fix and determine by resolution. The interest
14 earned upon or any proceeds derived from the sale of these investments
15 shall be deposited in and become a part of the revenue fund.

16 * Sec. 2. The university may acquire, construct and equip or provide
17 for the acquisition, construction and equipping of the improvements in
18 the manner as determined by the board.

19 * Sec. 3. (a) For the purpose of providing part or all of the money
20 necessary to pay the costs of acquiring, constructing and equipping the
21 improvements, the issuance and sale of revenue bonds of the university in
22 the total principal sum of not to exceed \$3,000,000 is authorized. The
23 principal of and interest on these bonds shall be paid out of and secured
24 by the money required in sec. 1 of this Act to be paid into the revenue
25 fund and out of any other revenues or money received by the university
26 which the legislature may authorize to be pledged to such payment, and
27 which revenues shall likewise be paid into the revenue fund.

28 (b) The board shall create a special bond redemption fund of the
29 university which shall be a trust fund for paying and securing the payment

1 of the principal of and interest and redemption premium, if any, on the
2 bonds, which fund shall be at all times completely segregated and set
3 apart from all other funds of the university. The board on behalf of the
4 university may obligate and bind the university to set aside and pay into
5 the bond redemption fund any part or parts of, or all of, or a fixed pro-
6 portion of, or a fixed amount of the money in the revenue fund, sufficient
7 to pay the principal of and interest on the bonds as they become due and,
8 if it determines necessary, to set aside and maintain reserves therefor.
9 The bond redemption fund shall be drawn upon solely for the purpose of
10 paying the principal of and interest and redemption premium, if any, on
11 the bonds, and the bonds do not constitute a general obligation of the
12 state or the university.

13 * Sec. 4. (a) The bonds may be sold in the amounts or series and at
14 the time or times as determined by the board. The bonds or each series of
15 bonds shall be sold at a price so that the effective interest rate over
16 the life of the bonds sold does not exceed eight per cent a year. Interest
17 shall be paid annually or semi-annually, and no interest coupon shall
18 evidence interest at a rate greater than eight per cent. The bonds shall
19 mature at such time or times as fixed by the board; shall be sold at
20 public or private sale; may be subject to redemption before their fixed
21 maturity or maturities as determined by the board and with premium or
22 premiums as fixed by the board; may be in denominations determined by the
23 board; may be issued in coupon form and made payable to bearer, or may be
24 registerable as to principal or principal and interest, or may be made
25 payable to the purchaser or purchasers thereof, all under regulations and
26 conditions as the board shall provide; shall be payable as to principal and
27 interest at the place or places determined by the board; shall be signed
28 on behalf of the university by the president of the board and shall be
29 attested by the secretary of the board, both of whose signatures may be

1 facsimile signatures; shall have the seal of the university impressed,
2 printed or lithographed on them, and each of the interest coupons attached
3 to them shall be signed by the facsimile signatures of the president and
4 secretary; and shall be issued under and subject to such terms, conditions
5 and covenants providing for the payment of the principal of them and
6 interest on them and such other terms, conditions, covenants and protective
7 features safeguarding the payment and relating to the maintenance, opera-
8 tion and improvement of the improvements as found necessary by the board,
9 which covenants may include but are not limited to provisions providing for
10 the charging, collecting and depositing of student fees, provisions
11 requiring the setting aside and maintaining of certain reserves to secure
12 the payment of the principal and interest and provisions requiring the
13 setting aside and maintenance of certain reserves to maintain, equip,
14 repair, renew, renovate and replace the improvements and all facilities
15 and equipment used in connection with the improvements. The board may
16 provide that any additional bonds hereafter authorized by the legislature
17 to be payable out of the same source or sources as the bonds authorized
18 by this Act may later be issued on a parity with the bonds authorized by
19 this Act upon compliance with any conditions which the board may prescribe,
20 or may provide that no additional bonds may be so issued payable out of
21 the same said source or sources on a parity with the bonds authorized by
22 this Act.

23 (b) If found reasonably necessary the board may select a trustee or
24 trustees for the owners and holders of the bonds or any series of them, for
25 the safeguarding and disbursement of the proceeds of sale of the bonds or
26 for such duties with respect to the authentication, delivery and registra-
27 tion of the bonds, or otherwise with respect to the bonds, the funds
28 established under this Act and the moneys pledged to those funds as the
29 board may determine, and shall fix the rights, duties, powers and

1 obligations of the trustee or trustees.

2 (c) In its determination of all of the matters and questions relating
3 to the issuance and sale of the bonds and the fixing of the maturities,
4 terms, conditions and covenants of them, the decisions of the board shall
5 be those found to be reasonably necessary for the best interests of the
6 university and its students and those which will accomplish the most advan-
7 tageous sale of the bonds, with due regard, however, to necessary or normal
8 costs of maintenance and operation, renewals and replacements of and
9 repairs to the improvements and to other improvements and facilities owned,
10 used, operated or leased by the university, the future growth and expansion
11 of the university and all of its improvements and facilities, and the possi-
12 bility of additional revenue bond financing for university purposes. Any
13 such decisions of the board, as expressed in any resolution authorizing
14 the issuance of any bonds, shall be final and conclusive when any bonds
15 have been issued pursuant to the bond resolution.

16 (d) A resolution authorizing the issuance of bonds may provide that
17 the bonds issued shall contain a recital that they are issued under this
18 Act, and bonds containing this recital shall be conclusively considered to
19 be valid and to have been issued in conformity with this Act.

20 (e) The validity of the authorization and issuance of bonds is not
21 affected by any proceedings for the acquisition or construction of the
22 improvements for which the bonds have been issued or by contracts in con-
23 nection with acquisition or construction.

24 * Sec. 5. (a) The board shall adopt the resolution or resolutions and
25 prepare all other documents and proceedings necessary for the issuance, sale
26 and delivery of the bonds or a part or series of the bonds. The resolution
27 or resolutions shall fix the principal amount, denomination, date, maturi-
28 ties, place or places of payment, rights of redemption, if any, terms,
29 form, conditions and covenants of the bonds or each series of them and

1 their date and manner of sale.

2 (b) The owner and holder of a bond or the trustee for the owners and
3 holders of the bonds or any series of them may by appropriate proceedings
4 in a court of record of the state, require and compel the transfer, setting
5 aside and payment of money and the enforcement of all of the terms, condi-
6 tions and covenants as provided in this Act and in the resolution or
7 resolutions authorizing the issuance of the bonds or any series of them.

8 * Sec. 6. The bonds and the coupons attached to them are fully negoti-
9 able instruments under the laws of the state.

10 * Sec. 7. (a) The bonds or any part of them may be refunded at or
11 before their maturity by the issuance of refunding revenue bonds of the
12 university if in the opinion of the board refunding is advantageous to and
13 in the best interests of the university and its students.

14 (b) The issuance of refunding bonds need not be authorized by an Act
15 of the legislature, and the board is authorized and directed to adopt the
16 resolution or resolutions and prepare all other documents and proceedings
17 necessary for the issuance, exchange or sale, and delivery of such bonds.
18 All provisions of this Act applicable to revenue bonds are applicable to the
19 refunding bonds and to the issuance, sale or exchange of them, except as
20 otherwise provided in this section.

21 (c) Refunding bonds may be issued in a principal amount sufficient
22 to provide funds for the payment of all bonds to be refunded by them, and
23 in addition, for the payment of all expenses incident to the calling,
24 retiring or paying of the outstanding bonds, and the issuance of the
25 refunding bonds. These expenses include the difference in amount between
26 the par value of the refunding bonds and any amount less than par for
27 which the refunding bonds are sold, the amount necessary to be made avail-
28 able for the payment of interest upon the refunding bonds from the date of
29 sale of them to the date of payment of the bonds to be refunded or to the

1 date upon which the bonds to be refunded will be paid pursuant to the call
2 of them or agreement with the holders of them, and the premium, if any,
3 necessary to be paid in order to call or retire the outstanding bonds and
4 the interest accruing on them to the date of the call or retirement.

5 * Sec. 8. The bonds are legal investments for all banks, trust com-
6 panies, savings banks, savings and loan associations and other persons
7 carrying on a banking business, all insurance companies and other persons
8 carrying on an insurance business, and all executors, administrators,
9 trustees and other fiduciaries. The bonds may be accepted as security for
10 deposits of all funds of the state and its political subdivisions.

11 * Sec. 9. All bonds are hereby declared to be issued for an essential
12 public purpose, and the bonds, and the interest on them and the income
13 from them shall at all times be exempt from taxation by or under authority
14 of the state or its political subdivisions.

15 * Sec. 10. The state pledges to and covenants and agrees with the
16 holders of bonds that the state will not limit or alter the rights vested
17 in the university or the board by this Act to fulfill the terms of agree-
18 ments made with the holders of the bonds and will not in any way impair
19 the rights or remedies of the holders, and will not modify in any way the
20 exemptions from taxation provided for in this Act, until the bonds,
21 together with interest on them and all costs and expenses in connection
22 with any action or proceeding by or on behalf of such holders, are fully
23 met and discharged.

24 * Sec. 11. A pledge made in respect of the bonds under this Act shall
25 be valid and binding from the time the pledge is made. The money or pro-
26 perty so pledged and thereafter received by the authority shall immediately
27 be subject to the lien of the pledge without any physical delivery or
28 further act and the lien of the pledge is valid and binding as against
29 all parties having claims of any kind in tort, contract or otherwise

1 against the university irrespective of whether such parties have notice of
2 the claim. No resolution, trust indenture, trust agreement or any other
3 instrument by which a pledge is created need be recorded, or filed under
4 the uniform commercial code.

5 * Sec. 12. In this Act, unless the context otherwise requires

6 (1) "board" means the Board of Regents of the university;

7 (2) "bonds" means the university revenue bonds authorized by
8 sec. 3 of this Act;

9 (3) "costs" means the costs of acquiring, constructing and
10 equipping the improvements, including, without limitation, interest on the
11 bonds prior to and during such construction and during such period of time
12 after construction as the board determines, and such reserves to secure
13 the bonds as the board determines;

14 (4) "improvements" means the parking structure at Anchorage
15 Community College, constituting one or more buildings or other facilities,
16 including real property or interest in real property necessary in connec-
17 tion with the improvements, as may be determined by the board, and acquired,
18 constructed and equipped out of the proceeds of the sale of the bonds as
19 authorized by sec. 2 of this Act.

20 (5) "revenue fund" means the "Anchorage Community College
21 Parking Structure Revenue Fund" created by sec. 1 of this Act;

22 (6) "university" means the University of Alaska.

23 * Sec. 13. This Act shall be liberally construed in order to carry out
24 the purposes for which it was adopted, and all existing laws in conflict
25 with any of the provisions of this Act are superseded insofar as necessary
26 to accomplish the purposes of and carry out the provisions of this Act.

27 * Sec. 14. This Act takes effect on the day after its passage and
28 approval or on the day it becomes law without approval.

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