

Introduced: 1/11/73
Referred: Local Government
and Finance

1 IN THE SENATE

BY THOMAS

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SENATE BILL NO. 38

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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EIGHTH LEGISLATURE - FIRST SESSION

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A BILL

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For an Act entitled: "An Act relating to payment of profits to political subdivisions on the state's resale of political subdivision bonds; and providing for an effective date."

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

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* Section 1. AS 37.10.079(c) is amended to read:

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(c) The purchase price for the bonds shall be their market

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value which is the price the commissioner of revenue determines most

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nearly equals the price the bonds would bear at the time of purchase

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if the bonds could then be delivered with the approving opinions,

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certificates and statements relative to no litigation, pending or

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threatened, affecting the validity of the bonds referred to in the

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original notices of sale of the bonds, provided, that this price shall

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not cause the effective interest rate on any of these bonds to exceed

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seven and one-half per cent per year. Before the purchase of the bonds

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by the commissioner of revenue, the political subdivision shall agree

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(1) to pay to the commissioner of revenue, to the extent any appro-

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priation is made available, any loss incurred by the state on resale

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of the bonds by the state, or (2) if the commissioner of revenue so

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determines, to repurchase the bonds from the commissioner of revenue

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at the same price as the bonds were sold to the state at such time

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as the political subdivision is able to sell and deliver refunding

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bonds to provide funds to repurchase the bonds purchased by the state.

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The commissioner of revenue may resell the bonds purchased from the

1 political subdivision under this section to any purchaser or pur-
2 chasers, or, in the alternative, may resell the bonds to the political
3 subdivision in accordance with the terms and conditions of this
4 subsection. The proceeds of sale shall be paid into the general fund
5 to the extent that they do not exceed the original purchase price of
6 the bonds. To the extent that the proceeds from the sale of the bonds
7 exceed the original purchase price, the commissioner of revenue shall
8 refund that excess to the issuing political subdivision.

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