

Original sponsor: Gardiner

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1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 264

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fisheries enhancement; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 16.10.375 is repealed and re-enacted to read:

10 Sec. 16.10.375. REGIONAL SALMON PLAN. The commissioner shall  
11 designate regions of the state for the purpose of salmon production and  
12 have developed and amend as necessary a comprehensive salmon plan for  
13 each region, including provisions for both public and private nonprofit  
14 hatchery systems. Subject to plan approval by the commissioner, com-  
15 prehensive salmon plans shall be developed by regional planning teams  
16 consisting of department personnel and representatives of the appro-  
17 priate qualified regional associations formed under sec. 380 of this  
18 chapter.

19 \* Sec. 2. AS 16.10.400(a) and (e) are amended to read:

20 (a) The commissioner or his designee may issue a permit, subject  
21 to the restrictions [HE CONSIDERS DESIRABLE OR THAT ARE] imposed by  
22 statute or regulation under secs. 400 - 470 of this chapter, to a non-  
23 profit corporation organized under AS 10.20, after the permit appli-  
24 cation has been reviewed by the regional planning team, for the con-  
25 struction and operation of a salmon hatchery.

26 (e) A qualified regional association formed under sec. 380 of this  
27 chapter, if it has become a nonprofit corporation under AS 10.20, has a  
28 preference right to a permit if its proposed hatchery is provided for in  
29 the comprehensive plan for that region developed under sec. 375 of this

1 chapter. Any other [A] local nonprofit hatchery corporation [ESTAB-  
2 LISHED OR] approved by a qualified regional association has an identical  
3 preference right.

4 \* Sec. 3. AS 16.10.430(a) is amended to read:

5 (a) If a permit holder fails to comply with the conditions and  
6 terms of the permit issued under secs. 400 - 470 of this chapter within  
7 a reasonable period after notification of his noncompliance by the  
8 department, his permit may be suspended or revoked, in the discretion of  
9 the commissioner after the regional planning team for the area in which  
10 the hatchery is located is notified and granted an opportunity to com-  
11 ment upon the proposed suspension or revocation.

12 \* Sec. 4. AS 16.10.450 is amended to read:

13 Sec. 16.10.450. SALE OF SALMON AND SALMON EGGS BY HATCHERY. A  
14 hatchery operator who sells salmon returning from the natural waters of  
15 the state, or sells salmon eggs to another hatchery operating under  
16 secs. 400 - 470 of this chapter, after utilizing the funds for reason-  
17 able operating costs, including debt retirement, [OR] expanding its  
18 facilities, salmon rehabilitation projects, fisheries research, or for  
19 costs of operating the qualified regional association for the area in  
20 which the hatchery is located, shall expend the remaining funds on  
21 [FISHERIES RESEARCH, SALMON REHABILITATION PROJECTS, OR] other fisheries  
22 activities of the qualified regional association. Fish returning to  
23 [SOLD BY] hatcheries and sold for human consumption shall be of com-  
24 parable quality to fish harvested by commercial fisheries in the area,  
25 and shall be sold at prices commensurate with the current market.

26 \* Sec. 5. AS 16.10.470 is repealed and re-enacted to read:

27 Sec. 16.10.470. ANNUAL REPORT. (a) A person who holds a permit  
28 for the operation of a salmon hatchery under secs. 400 - 470 of this  
29 chapter shall submit an annual report to the department and to the

1 qualified regional association of the area in which the hatchery is  
2 located to include but not be limited to statistics on the number of  
3 eggs and fish handled by the hatchery, whether for production or sale.

4 (b) A person who holds a permit for the operation of a salmon  
5 hatchery under secs. 400 - 470 of this chapter shall submit an annual  
6 financial report to the Department of Commerce and Economic Development  
7 on a form to be provided by the Department of Commerce and Economic  
8 Development.

9 \* Sec. 6. AS 16.10.500 is amended to read:

10 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the  
11 state, under secs. 500 - 550 of this chapter, to promote the enhancement  
12 of the state's fisheries by means of grants for organizational and plan-  
13 ning purposes to regional associations which have qualified under sec.  
14 380 of this chapter, and by means of long-term, low interest loans for  
15 hatchery planning, [AND] construction, and operation.

16 \* Sec. 7. AS 16.10 is amended by adding a new section to read:

17 Sec. 16.10.505. FISHERIES ENHANCEMENT REVOLVING LOAN FUND. There  
18 is created within the Department of Commerce and Economic Development a  
19 revolving fund to be known as the fisheries enhancement revolving loan  
20 fund. The fund shall be used to carry out the purposes of secs. 500 -  
21 550 of this chapter and for no other purpose.

22 \* Sec. 8. AS 16.10.510(1) and (2) are amended to read:

23 (1) make loans to permit holders, under secs. 400 - 470 of  
24 this chapter, including those holders issued permits before the effec-  
25 tive date of this Act, for the planning, [AND] construction, and opera-  
26 tion of hatchery facilities;

27 (2) make loans to qualified regional associations which have  
28 formed a nonprofit corporation or a local nonprofit corporation [ESTAB-  
29 LISHED OR] approved by a qualified regional association, for

1 preconstruction activities necessary to obtain a permit [, PROVIDED THE  
2 HATCHERY HAS RECEIVED PRELIMINARY PROJECT APPROVAL FROM THE COMMISSIONER  
3 OF FISH & GAME];

4 \* Sec. 9. AS 16.10.510(8) is repealed and re-enacted to read:

5 (8) no repayment of principal is required for an initial  
6 period of six years, and no interest on the principal shall accrue  
7 during that period. This provision applies to loans made under this  
8 chapter before the effective date of this Act.

9 \* Sec. 10. AS 16.10.510 is amended by adding a new paragraph to read:

10 (9) make grants for organizational and planning purposes to  
11 qualified regional associations which have formed a nonprofit corpora-  
12 tion, in amounts not exceeding \$100,000 per region and up to an addi-  
13 tional \$100,000 on a 50/50 cash matching basis with the regional associ-  
14 ations which have an authorized assessment under sec. 530 or 540 of this  
15 chapter. The state portion of the matching share shall be available  
16 when a final vote for assessments is made under sec. 530 or 540 of this  
17 chapter. This provision applies to qualified regional associations  
18 which have formed a nonprofit corporation before the effective date of  
19 this Act.

20 \* Sec. 11. AS 16.10.520(a) is amended to read:

21 (a) A single fisheries enhancement loan may not exceed \$3,000,000  
22 for a hatchery constructed under a permit granted to a qualified re-  
23 gional association which has formed a nonprofit corporation, or to a  
24 local nonprofit corporation [ESTABLISHED OR] approved by a qualified  
25 regional association. A loan for any other nonprofit hatchery corpora-  
26 tion project may not exceed \$300,000.

27 \* Sec. 12. AS 16.10.520(b) is amended to read:

28 (b) Loans [NO LOAN] may not exceed 75 per cent of the total  
29 project cost as determined by the commissioner except that loans for the

1 total project cost may be made if the fishermen of a region vote to  
2 assess themselves under sec. 530 or 540 of this chapter in an amount  
3 determined by the commissioner to be sufficient to insure within six  
4 years or less, the establishment of an equity position of 10 per cent  
5 of the amount of the loan. For purposes of this subsection, "total  
6 project cost" includes planning, construction and operations.

7 \* Sec. 13. AS 16.10.530(a) is repealed and re-enacted to read:

8 (a) The commissioner, on request of the qualified regional as-  
9 sociation for the area in which the assessment is to be levied, shall  
10 establish areas in which an assessment shall be levied on the sale of  
11 one or more species of salmon caught by persons licensed under AS 16.-  
12 05.540 - 16.05.600, in the area in which the assessment is to be levied.  
13 A request by the qualified regional association shall include a descrip-  
14 tion of compliance with (e) of this section. The commissioner shall  
15 determine whether the procedural requirements under (e) of this sec-  
16 tion were followed and whether the proposed assessment is reasonable.  
17 An assessment levied under this section shall be for the purpose of  
18 providing revenue for the qualified regional association for the area  
19 in which the assessment is made. The rate and conditions of assess-  
20 ments shall be stated by the appropriate qualified regional association  
21 in conjunction with the request to the commissioner under this sub-  
22 section.

23 \* Sec. 14. AS 16.10.530(c) and (d) are amended to read:

24 (c) The commissioner and the appropriate qualified regional asso-  
25 ciation must agree on a means of collection of the assessment [BEFORE A  
26 LOAN IS MADE,] and the commissioner may, by regulation, require its  
27 collection by buyers of the salmon upon the sale of which an assessment  
28 is levied.

29 (d) The assessment shall terminate upon request of the qualified

1 regional corporation when all financial obligations relating to the  
2 assessments have been met [THE PRINCIPAL AND INTEREST ON THE LOAN IS  
3 PAID].

4 \* Sec. 15. AS 16.10.530 is amended by adding new subsections to read:

5 (e) Before an assessment is made under this section, the qualified  
6 regional association for the area in which the assessment is to be  
7 levied shall hold an initial public meeting to explain and discuss the  
8 necessity for the assessment and to explain the registration procedure  
9 established under (f) of this section. Reasonable public notice of the  
10 meeting shall be sent to all limited entry permit holders actively  
11 participating in a fishery in the area, posted in at least three cen-  
12 trally located public places in the area, and published in at least one  
13 newspaper of general circulation at least one time a week for three  
14 consecutive weeks in the area, if one exists. The notice shall briefly  
15 state the amount of the assessment and a short general description of  
16 the purposes for which the assessment money will be used. A ballot  
17 shall be mailed to all limited entry permit holders actively participat-  
18 ing in a fishery in the area at least 20 days before the initial public  
19 meeting and contain a copy of the notice and ask the question whether an  
20 assessment shall be imposed. At the public meeting the returned ballots  
21 shall be counted by a special committee appointed by the regional  
22 association for that purpose, and a vote by written ballot shall be  
23 taken on the question from among the limited entry permit holders  
24 present at the initial public meeting. After the vote is taken at the  
25 initial meeting a second public meeting shall be held, upon the limited  
26 notice of publication in a newspaper of general circulation, each day  
27 for five consecutive days and the mailing of personal notice to all  
28 limited entry permit holders who actively participate in a fishery in  
29 the area at least 14 days before the second public meeting, to give

1 those who did not vote by written ballot at the initial public meeting  
2 an opportunity to vote. These votes shall be counted with the votes  
3 counted at the initial meeting. A majority vote for the assessment is  
4 required from the combined total of the returned ballots and the votes  
5 by ballot cast at both public meetings, before an assessment may be  
6 imposed. No person may vote twice.

7 (f) The qualified regional association shall establish standard  
8 registration procedures for voting on assessments under this section.

9 \* Sec. 16. AS 16.10 is amended by adding new sections to read:

10 Sec. 16.10.600. CREATION OF AUTHORITIES. (a) An association  
11 qualified under sec. 380 of this chapter as a regional association is  
12 given the authority to form a regional salmon enhancement authority.  
13 There is created with respect to each of the associations qualified  
14 under sec. 380 of this chapter a public body corporate and politic as a  
15 political subdivision of the state to function in the operating areas of  
16 the individual associations. Each authority may exercise all powers  
17 conferred by secs. 600 - 690 of this chapter.

18 (b) A regional salmon enhancement authority may not transact  
19 business or exercise powers granted to it until the governing body of  
20 the association has, by resolution, declared there is a need for the  
21 authority to function, given it the authority to function and appointed  
22 persons to serve as the board of commissioners of the authority. The  
23 number of members of the board of commissioners, their terms of office  
24 and the filling of vacancies in office shall be determined by resolution  
25 of the governing body of the association.

26 (c) The regional salmon enhancement authority has jurisdiction to  
27 operate in all or part of the operating area of the individual associ-  
28 ation as determined by resolution of the governing body of the associa-  
29 tion.

1           Sec. 16.10.610. TAX EXEMPTION. (a) A salmon enhancement author-  
2           ity is exempt from payment of taxes or assessments for a period of 20  
3           years from the effective date of this Act on property owned by the  
4           authority which is used for salmon enhancement purposes.

5           (b) All obligations issued under secs. 600 - 690 of this chapter  
6           are issued by a body corporate and public which is a political sub-  
7           division of the state and for an essential public and governmental  
8           purpose, and the obligations, and the interest and income on and from  
9           the obligations, and all fees, charges, funds, revenues, income and  
10          other money pledged or available to pay or secure the payment of the  
11          obligations or interest are exempt from taxation for a period of 20  
12          years from the effective date of this Act, except for transfer, inheri-  
13          tance and estate taxes.

14          (c) All obligations or liabilities of a regional salmon enhance-  
15          ment authority remain its own and are not obligations or liabilities of  
16          the state.

17          Sec. 16.10.620. POWERS OF THE AUTHORITY. A salmon enhancement  
18          authority has the general power to

19               (1) adopt, alter and use a corporate seal;

20               (2) prescribe, adopt, amend and repeal bylaws;

21               (3) sue and be sued in its own name;

22               (4) appoint officers, agents and employees and vest them with  
23          powers and duties and to fix, change and pay compensation for their  
24          services as the authority may determine;

25               (5) borrow money, make and issue bonds, notes and other  
26          evidences of indebtedness of the authority for any of its corporate  
27          purposes and to secure payment of its bonds and of other obligations by  
28          pledge of or lien on all or any of its assets, contracts, revenue and  
29          income;

1           (6) make and issue bonds for the purpose of funding, refund-  
2           ing, purchasing, paying or discharging any of the outstanding bonds or  
3           obligations issued or assumed by it or bonds or obligations the princi-  
4           pal or interest of which is payable in whole or in part from its revenue;

5           (7) make and execute agreements, contracts and other instru-  
6           ments necessary or convenient in the exercise of its powers and func-  
7           tions, including contracts with any person, firm, corporation, govern-  
8           ment agency or other entity;

9           (8) receive, administer and comply with the conditions and  
10          requirements of an appropriation, gift, grant or donation of property or  
11          money;

12          (9) invest or reinvest money or funds held by the authority  
13          in obligations or other securities or investments in which banks or  
14          trust companies in the state may legally invest funds held in reserves  
15          or sinking funds or funds not required for immediate disbursement, and  
16          in certificates of deposits or time deposits;

17          (10) acquire, hold, use, lease, sell or otherwise dispose of  
18          property of any kind, real, personal or mixed or any interest in it;

19          (11) do all acts and things necessary, convenient or desirable  
20          to carry out the powers granted or implied in secs. 600 - 690 of this  
21          chapter;

22          (12) adopt, amend and repeal rules and regulations necessary  
23          for the exercise and performance of its powers and duties.

24          Sec. 16.10.630. BONDS AND NOTES. (a) The authority, by board of  
25          commissioners resolution, may issue bonds and bond anticipation notes in  
26          order to provide funds to carry out and effectuate its purposes.

27          (b) The principal and interest on these bonds or notes is payable  
28          from authority funds. Bond anticipation notes may be payable from the  
29          proceeds of the sale of bonds or from the proceeds of sale of other bond

1 anticipation notes or, if bond or bond anticipation note proceeds are  
2 not available, such notes may be paid from other funds or assets of the  
3 authority. Bonds or notes may be additionally secured by a pledge of a  
4 grant or contribution from the federal or state government, a corpora-  
5 tion, association, institution or person, or a pledge of money, income,  
6 or revenues of the authority from any source.

7 (c) Bonds or bond anticipation notes may be issued as provided by  
8 board resolution, in one or more series and shall (1) be dated; (2) bear  
9 interest at the prescribed rate per year or within the maximum rate; (3)  
10 be in a certain denomination or form, either coupon or registered; (4)  
11 carry the conversion or registration provisions; (5) have rank or  
12 priority; (6) be executed in a certain manner and form; (7) be payable  
13 from the sources in the medium of payment and place or places inside or  
14 outside the state; (8) be subject to authentication by a trustee or  
15 fiscal agent; and (9) be subject to terms of redemption, with or without  
16 premium. Bond anticipation notes mature at a time determined by the  
17 authority. Bonds mature at a time, not exceeding 50 years from the date  
18 of their issuance, as determined by the authority. Before the prepara-  
19 tion of definitive bonds or bond anticipation notes, the authority may  
20 issue interim receipts or temporary bonds or bond anticipation notes,  
21 without or without coupons, exchangeable for bonds or bond anticipation  
22 notes when the definitive bonds or bond anticipation notes have been  
23 executed and are available for delivery.

24 (d) Bond or bond anticipation notes may be sold in the manner, on  
25 the terms, and at the price the authority determines.

26 (e) If an officer whose actual or facsimile signature appears on  
27 any bonds or notes or coupons attached to them ceases to be an officer  
28 before the delivery of the bond, note or coupon, his signature is valid  
29 as if he had remained in office until delivery.

1 (f) In a resolution by the board of commissioners of the authority  
2 authorizing or relating to the issuance of bonds or bond anticipation  
3 notes, the authority may, with the holders of the bonds or bond antici-  
4 pation notes,

5 (1) pledge to any payment or purpose all or any part of  
6 revenues to which it is or will be entitled to and similarly pledge the  
7 money derived from the revenues, and the proceeds of any bonds or notes;

8 (2) covenant against pledging all or any part of its re-  
9 venues, or against permitting or suffering a lien on the revenues or its  
10 property;

11 (3) covenant as to the use and disposition of any and all  
12 payments of principal or interest received by the authority on mortgage  
13 loans, construction loans or other investments held by the authority;

14 (4) covenant as to establishment of reserves or sinking funds  
15 and the making of provision for and the regulation and disposition of  
16 the reserves or sinking funds;

17 (5) covenant with respect to or against limitations on a  
18 right to sell or otherwise dispose of property of any kind;

19 (6) covenant as to bonds and notes to be issued, and their  
20 limitations, terms and conditions, and as to the custody, application  
21 and disposition of the proceeds of the bonds and notes;

22 (7) covenant as to the issuance of additional bonds or notes,  
23 or as to limitations on the issuance of additional bonds or notes and  
24 the incurring of the other debts;

25 (8) covenant as to the payment of the principal of or inter-  
26 est on the bonds or notes, as to the sources and methods of the payment,  
27 as to the rank or priority of the bonds or notes with respect to a lien  
28 or security, or as to the acceleration of the maturity of the bonds or  
29 notes;

1 (9) provide for the replacement of lost, stolen, destroyed or  
2 mutilated bonds or notes;

3 (10) covenant against extending the time for the payment of  
4 bonds or notes or interest on the bonds or notes;

5 (11) covenant as to the redemption of bonds or notes and  
6 privileges of their exchange for other bonds or notes of the authority;

7 (12) covenant to create or authorize the creation of special  
8 funds of money to be held in pledge or otherwise for operation expenses,  
9 payment or redemption of bonds or notes, reserves or other purposes, and  
10 as to use and disposition of the money held in the funds;

11 (13) establish the procedure, if any, by which the terms of  
12 any contract or covenant with or for the benefit of the holders of bonds  
13 or notes may be amended or abrogated, the amount of bonds or notes the  
14 holders of which must consent to amendment or abrogation, and the manner  
15 in which the consent may be given;

16 (14) covenant as to the custody of any of its properties or  
17 investments, their safekeeping and insurance, and the use and disposi-  
18 tion of insurance money;

19 (15) covenant as to the time or manner of enforcement or  
20 restraint from enforcement of any rights of the corporation arising by  
21 reason of or with respect to nonpayment of principal or interest of any  
22 mortgage loans or construction loans;

23 (16) provide for the rights and liabilities, powers and duties  
24 arising upon the breach of a covenant, condition or obligation, and to  
25 prescribe the events of default and the terms and conditions upon which  
26 any or all of the bonds, notes or other obligations of the authority  
27 become or may be declared due and payable before maturity and the terms  
28 and conditions upon which such a declaration and its consequences may be  
29 waived;

1           (17) vest in a trustee or trustees inside or outside the state  
2 property, rights, powers and duties in trust as the authority may  
3 determine, which may include any or all of the rights, powers and duties  
4 of a trustee appointed by the holders of bonds or notes, and to limit or  
5 abrogate the right of the holders of bonds or notes of the authority to  
6 appoint a trustee under secs. 600 - 690 of this chapter or limit the  
7 rights, powers and duties of the trustee;

8           (18) pay the costs or expenses incident to the enforcement of  
9 the bonds or notes or of the provisions of the resolution or of a  
10 covenant or agreement of the authority with the holders of its bonds or  
11 notes;

12           (19) agree with a corporate trustee which may be a trust  
13 company or bank having the powers of a trust company inside or outside  
14 the state as to the pledging or assigning of revenues or funds to which  
15 or in which the authority has any rights or interest; and further pro-  
16 vide for other rights and remedies exercisable by the trustee as may be  
17 proper for the protection of the holders of any bonds or notes of the  
18 authority and not otherwise in violation of law and may provide for the  
19 restriction of the rights of an individual holder of bonds or notes of  
20 the authority;

21           (20) appoint and provide for the duties and obligations of a  
22 paying agent or other fiduciary, by resolution, inside or outside the  
23 state;

24           (21) limit the rights of the holders of bonds or notes to  
25 enforce a pledge or covenant securing bonds or notes;

26           (22) make covenants other than expressly authorized in this  
27 section, of like or different character, and to make covenants as may be  
28 necessary or desirable, to better secure bonds or notes or which, in the  
29 discretion of the authority, will tend to make bonds or notes more

1 marketable, notwithstanding the fact that the covenants are not enumer-  
2 ated in this section.

3 Sec. 16.10.640. VALIDITY OF PLEDGE. The pledge of assets or  
4 revenues of the authority to the payment of the principal or interest of  
5 obligations of the authority is valid and binding from the time the  
6 pledge is made and assets or revenues pledged are immediately subject to  
7 the lien of the pledge without physical delivery or further action. The  
8 lien of a pledge is valid and binding against all parties having claims  
9 of any kind in tort, contract or otherwise against the authority,  
10 irrespective of whether those parties have notice of the lien of the  
11 pledge. Nothing prohibits the authority from selling assets subject to  
12 a pledge, except that a sale may be restricted by the trust agreement or  
13 resolution providing for the issuance of the obligations.

14 Sec. 16.10.650. REMEDIES. A holder of obligations or coupons  
15 attached to them issued under the provisions of secs. 600 - 690 of this  
16 chapter, and a trustee under a trust agreement or resolution authorizing  
17 the issuance of the obligations, if not restricted by the trust agree-  
18 ment or resolution, either at law or in equity, may enforce all rights  
19 granted under the coupons or under the trust agreement or resolution, or  
20 under any other contract executed by the authority under secs. 600 - 690  
21 of this chapter, and may enforce and compel the performance of all  
22 duties required by secs. 600 - 690 of this chapter or by the trust  
23 agreement or resolution to be performed by the authority or by an offi-  
24 cer of it.

25 Sec. 16.10.660. NEGOTIABLE INSTRUMENTS. All obligations and  
26 interest coupons attached to the obligations are negotiable instruments  
27 under the laws of this state, subject only to applicable registration  
28 provisions.

29 Sec. 16.10.670. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations

1 issued under the provisions of secs. 600 - 690 of this chapter are  
2 securities in which all public officers and public bodies of the state  
3 and its political subdivisions, all insurance companies, trust com-  
4 panies, banking associations, investment companies, executors, adminis-  
5 trators, trustees and other fiduciaries may properly and legally invest  
6 funds, including capital in their control or belonging to them. These  
7 obligations may be deposited with the state or municipal officer of an  
8 agency or political subdivision of the state for any purpose for which  
9 the deposit of bonds, notes or obligations of the state is authorized by  
10 law.

11 Sec. 16.10.680. REFUNDING OBLIGATIONS. (a) The authority may  
12 provide for the issuance of refunding obligations for the purpose of re-  
13 funding obligations then outstanding which have been issued under the  
14 provisions of secs. 600 - 690 of this chapter, including the payment of  
15 redemption premium on them and interest accrued or to accrue to the date  
16 of redemption of the obligations. The issuance of the obligations, the  
17 maturities and other details of them, the rights of the holders of them,  
18 and the rights, duties and obligations of the authority in respect of  
19 them are governed by the provisions of secs. 600 - 690 of this chapter  
20 which relate to the issuance of appropriate obligations.

21 (b) Refunding obligations may be sold or exchanged for outstanding  
22 obligations issued under secs. 600 - 690 of this chapter. If sold, the  
23 proceeds may be applied, in addition to other authorized purposes, to  
24 the purchase, redemption or payment of the outstanding obligations.  
25 Pending the application of the proceeds of any such refunding obli-  
26 gations, with any other available funds, to the payment of the principal  
27 (accrued interest and any redemption premium on the obligations being  
28 refunded, and, if so provided or permitted in the resolution authorizing  
29 the issuance of the refunding obligations or in the trust agreement

1 securing them, to the payment of any interest on the refunding obliga-  
2 tions and any expenses in connection with the refunding), the proceeds  
3 may be invested in direct obligations of, or obligations the principal  
4 of and the interest on which are unconditionally guaranteed by, the  
5 United States of America which mature or which will be subject to re-  
6 demption, at the option of the holders of them, not later than the  
7 respective dates when the proceeds, together with the interest accruing  
8 on them, will be required for the purposes intended.

9 Sec. 16.10.690. CREDIT OF STATE NOT PLEDGED. Obligations issued  
10 under the provisions of secs. 600 - 690 of this chapter do not consti-  
11 tute a debt, liability or obligation of the state or of any other  
12 political subdivision of the state or a pledge of the faith and credit  
13 of the state or a political subdivision of the state but are payable  
14 solely from the revenues or assets of the authority. Each obligation  
15 issued under secs. 600 - 690 of this chapter shall contain on its face a  
16 statement that the authority is not obligated to pay it nor the interest  
17 on it except from the revenues or assets pledged for it and that neither  
18 the faith and credit nor the taxing power of the state or of any other  
19 political subdivision of the state is pledged to the payment of the  
20 principal of or interest on the obligation.

21 \* Sec. 17. Notification, public meeting and voting procedures instituted  
22 before the effective date of this Act that are substantially in compliance  
23 with AS 16.10.530(e) shall be considered to constitute compliance with this  
24 Act, and are ratified upon the effective date of this Act.

25 \* Sec. 18. AS 16.10.400(d) and 16.10.530(b) are repealed.

26 \* Sec. 19. This Act takes effect immediately in accordance with AS 01.10.  
27 070(c).