

Original sponsor: Gardiner

Offered: 5/3/77
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 264 (Resources)

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 AS 16.10.375 is repealed and re-enacted to read: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 and the fresh water source exceeds one cubic foot per second
2 minimum flow. Any other [A] local nonprofit hatchery corporation [ESTAB-
3 LISHED OR] approved by a qualified regional association has an identical
4 preference right.

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

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

13 * Sec. 4. AS 16.10.450 is amended to read:

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

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 AS 16.10.470 is repealed and re-enacted to read:

28 Sec. 16.10.470. ANNUAL REPORT. (a) A person who holds a permit
29 for the operation of a salmon hatchery under secs. 400 - 470 of this

1 chapter shall submit an annual report no later than December 15 to the
2 department and to the qualified regional association for the area in
3 which the hatchery is located, to include but not be limited to informa-
4 tion pertaining to species; brood stock source; number, age, weight, and
5 length of spawners; number of eggs taken and fry fingerling produced;
6 and the number, age, weight, and length of adult returns attributable to
7 hatchery releases, on a form to be provided by the Department of Fish
8 and Game.

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

14 * Sec. 6. AS 16.10.500 is amended to read:

15 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the
16 state, under secs. 500 - 550 of this chapter, to promote the enhancement
17 of the state's fisheries by means of grants for organizational and plan-
18 ning purposes to regional associations which have qualified under sec.
19 380 of this chapter, and by means of long-term, low interest loans for
20 hatchery planning, [AND] construction, and operation.

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

22 Sec. 16.10.505. FISHERIES ENHANCEMENT REVOLVING LOAN FUND. There
23 is created within the Department of Commerce and Economic Development a
24 revolving fund to be known as the fisheries enhancement revolving loan
25 fund. The fund shall be used to carry out the purposes of secs. 500 -
26 550 of this chapter and for no other purpose.

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

28 (1) make loans to permit holders, under secs. 400 - 470 of
29 this chapter, including those holders issued permits before the effec-

1 tive date of this Act, for the planning, [AND] construction, and opera-
2 tion of hatchery facilities;

3 (2) make loans to qualified regional associations which have
4 formed a nonprofit corporation or a local nonprofit corporation [ESTAB-
5 LISHED OR] approved by a qualified regional association, for precon-
6 struction activities necessary to obtain a permit [, PROVIDED THE
7 HATCHERY HAS RECEIVED PRELIMINARY PROJECT APPROVAL FROM THE COMMISSIONER
8 OF FISH & GAME];

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

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

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

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

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

26 (a) A single fisheries enhancement loan may not exceed \$3,000,000
27 for a hatchery constructed under a permit granted to a qualified re-
28 gional association which has formed a nonprofit corporation, or to a
29 local nonprofit corporation [ESTABLISHED OR] approved by a qualified

1 regional association. A loan for any other nonprofit hatchery corpora-
2 tion project may not exceed \$300,000.

3 * Sec. 12. AS 16.10.520(b) is repealed and re-enacted to read:

4 (b) Loans for the total project costs may be made if the commis-
5 sioner determines that the applicant has sufficient financial resources
6 to insure the establishment of an equity position in the project equal
7 to 10 per cent of the loan within six years or less, either through an
8 assessment levied under secs. 530 or 540 of this chapter or other means
9 approved by the commissioner. For purposes of this subsection, "total
10 project costs" includes planning and construction costs for the facility
11 and the cost of operations for not more than the first six years. The
12 costs for operations shall be loaned on an annual basis.

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

14 (a) The commissioner, on request of the qualified regional as-
15 sociation for the area in which the assessment is to be levied, and after
16 consultation with the commissioner of fish and game, shall establish
17 areas in which an assessment shall be levied on the sale of one or more
18 species of salmon caught by persons licensed under AS 16.05.540 - 16.05.
19 600, in the area in which the assessment is to be levied. A request by
20 the qualified regional association shall include a description of com-
21 pliance with (e) of this section. The commissioner shall determine
22 whether the procedural requirements under (e) of this section were
23 followed and whether the proposed assessment is reasonable. An assess-
24 ment levied under this section shall be for the purpose of providing
25 revenue for the qualified regional association for the area in which the
26 assessment is made. The rate and conditions of assessments, including
27 species to be involved, shall be stated by the appropriate qualified
28 regional association in conjunction with the request to the commissioner
29 under this subsection.

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

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

7 (d) The assessment shall terminate upon request of the qualified
8 regional corporation when all financial obligations relating to the
9 assessments have been met [THE PRINCIPAL AND INTEREST ON THE LOAN IS
10 PAID].

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

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

1 taken on the question from among the limited entry permit holders
2 present at the initial public meeting. After the vote is taken at the
3 initial meeting a second public meeting shall be held, upon the limited
4 notice of publication in a newspaper of general circulation, each day
5 for five consecutive days and the mailing of personal notice to all
6 limited entry permit holders who actively participate in a fishery in
7 the area at least 14 days before the second public meeting, to give
8 those who did not vote by written ballot at the initial public meeting
9 an opportunity to vote. These votes shall be counted with the votes
10 counted at the initial meeting. A majority vote for the assessment is
11 required from the combined total of the returned ballots and the votes
12 by ballot cast at both public meetings, before an assessment may be
13 imposed. No person may vote twice.

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

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

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

25 (b) A regional salmon enhancement authority may not transact
26 business or exercise powers granted to it until the governing body of
27 the association has, by resolution, declared there is a need for the
28 authority to function, given it the authority to function and appointed
29 persons to serve as the board of commissioners of the authority. The

1 number of members of the board of commissioners, their terms of office
2 and the filling of vacancies in office shall be determined by resolution
3 of the governing body of the association.

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

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

12 (b) All obligations issued under secs. 600 - 690 of this chapter
13 are issued by a body corporate and public which is a political sub-
14 division of the state and for an essential public and governmental pur-
15 pose, and the obligations, and the interest and income on and from the
16 obligations, and all fees, charges, funds, revenues, income and other
17 money pledged or available to pay or secure the payment of the obliga-
18 tions or interest are exempt from taxation for a period of 20 years from
19 the effective date of this Act, except for transfer, inheritance and
20 estate taxes.

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

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

- 26 (1) adopt, alter and use a corporate seal;
- 27 (2) prescribe, adopt, amend and repeal bylaws;
- 28 (3) sue and be sued in its own name;
- 29 (4) appoint officers, agents and employees and vest them with

1 powers and duties and to fix, change and pay compensation for their
2 services as the authority may determine;

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

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

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

16 (8) receive, administer and comply with the conditions and
17 requirements of an appropriation, gift, grant or donation of property or
18 money;

19 (9) invest or reinvest money or funds held by the authority
20 in obligations or other securities or investments in which banks or
21 trust companies in the state may legally invest funds held in reserves
22 or sinking funds or funds not required for immediate disbursement, and
23 in certificates of deposits or time deposits;

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

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

29 (12) adopt, amend and repeal rules and regulations necessary

1 for the exercise and performance of its powers and duties.

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

5 (b) The principal and interest on these bonds or notes is payable
6 from authority funds. Bond anticipation notes may be payable from the
7 proceeds of the sale of bonds or from the proceeds of sale of other bond
8 anticipation notes or, if bond or bond anticipation note proceeds are
9 not available, such notes may be paid from other funds or assets of the
10 authority. Bonds or notes may be additionally secured by a pledge of a
11 grant or contribution from the federal or state government, a corpora-
12 tion, association, institution or person, or a pledge of money, income,
13 or revenues of the authority from any source.

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

1 executed and are available for delivery.

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

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

8 (f) In a resolution by the board of commissioners of the authority
9 authorizing or relating to the issuance of bonds or bond anticipation
10 notes, the authority may, with the holders of the bonds or bond antici-
11 pation notes,

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

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

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

21 (4) covenant as to establishment of reserves or sinking funds
22 and the making of provision for and the regulation and disposition of
23 the reserves or sinking funds;

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

26 (6) covenant as to bonds and notes to be issued, and their
27 limitations, terms and conditions, and as to the custody, application
28 and disposition of the proceeds of the bonds and notes;

29 (7) covenant as to the issuance of additional bonds or notes,

1 or as to limitations on the issuance of additional bonds or notes and
2 the incurring of the other debts;

3 (8) covenant as to the payment of the principal of or inter-
4 est on the bonds or notes, as to the sources and methods of the payment,
5 as to the rank or priority of the bonds or notes with respect to a lien
6 or security, or as to the acceleration of the maturity of the bonds or
7 notes;

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

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

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

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

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

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

26 (15) covenant as to the time or manner of enforcement or
27 restraint from enforcement of any rights of the corporation arising by
28 reason of or with respect to nonpayment of principal or interest of any
29 mortgage loans or construction loans;

1 (16) provide for the rights and liabilities, powers and duties
2 arising upon the breach of a covenant, condition or obligation, and to
3 prescribe the events of default and the terms and conditions upon which
4 any or all of the bonds, notes or other obligations of the authority
5 become or may be declared due and payable before maturity and the terms
6 and conditions upon which such a declaration and its consequences may be
7 waived;

8 (17) vest in a trustee or trustees inside or outside the state
9 property, rights, powers and duties in trust as the authority may
10 determine, which may include any or all of the rights, powers and duties
11 of a trustee appointed by the holders of bonds or notes, and to limit or
12 abrogate the right of the holders of bonds or notes of the authority to
13 appoint a trustee under secs. 600 - 690 of this chapter or limit the
14 rights, powers and duties of the trustee;

15 (18) pay the costs or expenses incident to the enforcement of
16 the bonds or notes or of the provisions of the resolution or of a
17 covenant or agreement of the authority with the holders of its bonds or
18 notes;

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

28 (20) appoint and provide for the duties and obligations of a
29 paying agent or other fiduciary, by resolution, inside or outside the

1 state;

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

4 (22) make covenants other than expressly authorized in this
5 section, of like or different character, and to make covenants as may be
6 necessary or desirable, to better secure bonds or notes or which, in the
7 discretion of the authority, will tend to make bonds or notes more
8 marketable, notwithstanding the fact that the covenants are not enumer-
9 ated in this section.

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

21 Sec. 16.10.650. REMEDIES. A holder of obligations or coupons
22 attached to them issued under the provisions of secs. 600 - 690 of this
23 chapter, and a trustee under a trust agreement or resolution authorizing
24 the issuance of the obligations, if not restricted by the trust agree-
25 ment or resolution, either at law or in equity, may enforce all rights
26 granted under the coupons or under the trust agreement or resolution, or
27 under any other contract executed by the authority under secs. 600 - 690
28 of this chapter, and may enforce and compel the performance of all
29 duties required by secs. 600 - 690 of this chapter or by the trust

1 agreement or resolution to be performed by the authority or by an offi-
2 cer of it.

3 Sec. 16.10.660. NEGOTIABLE INSTRUMENTS. All obligations and
4 interest coupons attached to the obligations are negotiable instruments
5 under the laws of this state, subject only to applicable registration
6 provisions.

7 Sec. 16.10.670. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations
8 issued under the provisions of secs. 600 - 690 of this chapter are
9 securities in which all public officers and public bodies of the state
10 and its political subdivisions, all insurance companies, trust com-
11 panies, banking associations, investment companies, executors, adminis-
12 trators, trustees and other fiduciaries may properly and legally invest
13 funds, including capital in their control or belonging to them. These
14 obligations may be deposited with the state or municipal officer of an
15 agency or political subdivision of the state for any purpose for which
16 the deposit of bonds, notes or obligations of the state is authorized by
17 law.

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

28 (b) Refunding obligations may be sold or exchanged for outstanding
29 obligations issued under secs. 600 - 690 of this chapter. If sold, the

1 proceeds may be applied, in addition to other authorized purposes, to
2 the purchase, redemption or payment of the outstanding obligations.
3 Pending the application of the proceeds of any such refunding obli-
4 gations, with any other available funds, to the payment of the principal
5 (accrued interest and any redemption premium on the obligations being
6 refunded, and, if so provided or permitted in the resolution authorizing
7 the issuance of the refunding obligations or in the trust agreement
8 securing them, to the payment of any interest on the refunding obliga-
9 tions and any expenses in connection with the refunding), the proceeds
10 may be invested in direct obligations of, or obligations the principal
11 of and the interest on which are unconditionally guaranteed by, the
12 United States of America which mature or which will be subject to re-
13 demption, at the option of the holders of them, not later than the
14 respective dates when the proceeds, together with the interest accruing
15 on them, will be required for the purposes intended.

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

28 * Sec. 17. Notification, public meeting and voting procedures instituted
29 before the effective date of this Act that are substantially in compliance

1 with AS 16.10.530(e) shall be considered to constitute compliance with this
2 Act, and are ratified upon the effective date of this Act.

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

4 * Sec. 19. This Act takes effect immediately in accordance with AS 01.10.
5 070(c).

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