

Introduced: 1/13/77

1 IN THE SENATE

BY KERTTULA

CS
2 SENATE BILL NO. 39

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the creation of salmon enhancement
7 authorities; and providing for an effective date."

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

9 * Section 1. AS 16.10 is amended by adding new sections to read:

10 Sec. 16.10.480. CREATION OF AUTHORITIES. (a) An association
11 qualified under sec. 375 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. 375 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 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 associa-
28 tion as determined by resolution of the governing body of the associa-
29 tion.

1 Sec. 16.10.490. 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 this chapter are issued by a body
6 corporate and public which is a political subdivision of the state and
7 for an essential public and governmental purpose, and the obligations,
8 and the interest and income on and from the obligations, and all fees,
9 charges, funds, revenues, income and other money pledged or available to
10 pay or secure the payment of the obligations or interest are exempt from
11 taxation for a period of 20 years from the effective date of this Act,
12 except for transfer, inheritance and estate taxes.

13 (c) All obligations or liabilities of a regional salmon enhancement
14 authority remain its own and are not obligations or liabilities of the
15 state.

16 Sec. 16.10.500. POWERS OF THE AUTHORITY. A salmon enhancement
17 authority has the general power to

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

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

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

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

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

29 (6) make and issue bonds for the purpose of funding, refund-

1 ing, purchasing, paying or discharging any of the outstanding bonds or
2 obligations issued or assumed by it or bonds or obligations the princi-
3 pal or interest of which is payable in whole or in part from its revenue;

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

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

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

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

18 (11) do all acts and things necessary, convenient or desirable
19 to carry out the powers granted or implied in this chapter;

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

22 Sec. 16.10.510. BONDS AND NOTES. (a) The authority, by board
23 resolution, may issue bonds and bond anticipation notes in order to
24 provide funds to carry out and effectuate its purposes.

25 (b) The principal and interest on these bonds or notes is payable
26 from authority funds. Bond anticipation notes may be payable from the
27 proceeds of the sale of bonds or from the proceeds of sale of other bond
28 anticipation notes or, if bond or bond anticipation note proceeds are
29 not available, such notes may be paid from other funds or assets of the

1 authority. Bonds or notes may be additionally secured by a pledge of a
2 grant or contribution from the federal or state government, a corpora-
3 tion, association, institution or person, or a pledge of money, income,
4 or revenues of the authority from any source.

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

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

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

28 (f) In a resolution of the authority authorizing or relating to
29 the issuance of bonds or bond anticipation notes, the authority may,

1 with the holders of the bonds or bond anticipation notes,

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

5 (2) covenant against pledging all or any part of its revenues,
6 or against permitting or suffering a lien on the revenues or its pro-
7 perty;

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

11 (4) covenant as to establishment of reserves or sinking funds
12 and the making of provision for and the regulation and disposition of
13 the reserves or sinking funds;

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

16 (6) covenant as to bonds and notes to be issued, and their
17 limitations, terms and conditions, and as to the custody, application
18 and disposition of the proceeds of the bonds and notes;

19 (7) covenant as to the issuance of additional bonds or notes,
20 or as to limitations on the issuance of additional bonds or notes and
21 the incurring of the other debts;

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

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

29 (10) covenant against extending the time for the payment of

1 bonds or notes or interest on the bonds or notes;

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

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

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

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

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

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

27 (17) vest in a trustee or trustees inside or outside the state
28 property, rights, powers and duties in trust as the authority may
29 determine, which may include any or all of the rights, powers and duties

1 of a trustee appointed by the holders of bonds or notes, and to limit or
2 abrogate the right of the holders of bonds or notes of the authority to
3 appoint a trustee under this chapter or limit the rights, powers and
4 duties of the trustee;

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

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

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

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

23 (22) make covenants other than expressly authorized in this
24 section, of like or different character, and to make covenants as may be
25 necessary or desirable, to better secure bonds or notes or which, in the
26 discretion of the authority, will tend to make bonds or notes more
27 marketable, notwithstanding the fact that the covenants are not enumer-
28 ated in this section.

29 Sec. 16.10.520. VALIDITY OF PLEDGE. The pledge of assets or

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

11 Sec. 16.10.530. REMEDIES. A holder of obligations or coupons
12 attached to them issued under the provisions of this chapter, and a
13 trustee under a trust agreement or resolution authorizing the issuance
14 of the obligations, if not restricted by the trust agreement or resolu-
15 tion, either at law or in equity, may enforce all rights granted under
16 the coupons or under the trust agreement or resolution, or under any
17 other contract executed by the authority under this chapter, and may
18 enforce and compel the performance of all duties required by this
19 chapter or by the trust agreement or resolution to be performed by the
20 authority or by an officer of it.

21 Sec. 16.10.540. NEGOTIABLE INSTRUMENTS. All obligations and
22 interest coupons attached to the obligations are negotiable instruments
23 under the laws of this state, subject only to applicable registration
24 provisions.

25 Sec. 16.10.550. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations
26 issued under the provisions of this chapter are securities in which all
27 public officers and public bodies of the state and its political sub-
28 divisions, all insurance companies, trust companies, banking associa-
29 tions, investment companies, executors, administrators, trustees and

1 other fiduciaries may properly and legally invest funds, including
2 capital in their control or belonging to them. These obligations may be
3 deposited with the state or municipal officer of an agency or political
4 subdivision of the state for any purpose for which the deposit of bonds,
5 notes or obligations of the state is authorized by law.

6 Sec. 16.10.560. REFUNDING OBLIGATIONS. (a) The authority may pro-
7 vide for the issuance of refunding obligations for the purpose of re-
8 funding obligations then outstanding which have been issued under the
9 provisions of this chapter, including the payment of redemption premium
10 on them and interest accrued or to accrue to the date of redemption of
11 the obligations. The issuance of the obligations, the maturities and
12 other details of them, the rights of the holders of them, and the rights,
13 duties and obligations of the authority in respect of them are governed
14 by the provisions of this chapter which relate to the issuance of
15 appropriate obligations.

16 (b) Refunding obligations may be sold or exchanged for outstanding
17 obligations issued under this chapter. If sold, the proceeds may be
18 applied, in addition to other authorized purposes, to the purchase,
19 redemption or payment of the outstanding obligations. Pending the
20 application of the proceeds of any such refunding obligations, with any
21 other available funds, to the payment of the principal (accrued interest
22 and any redemption premium on the obligations being refunded, and, if so
23 provided or permitted in the resolution authorizing the issuance of the
24 refunding obligations or in the trust agreement securing them, to the
25 payment of any interest on the refunding obligations and any expenses in
26 connection with the refunding), the proceeds may be invested in direct
27 obligations of, or obligations the principal of and the interest on
28 which are unconditionally guaranteed by, the United States of America
29 which mature or which will be subject to redemption, at the option of

1 the holders of them, not later than the respective dates when the pro-
2 ceeds, together with the interest accruing on them, will be required for
3 the purposes intended.

4 Sec. 16.10.570. CREDIT OF STATE NOT PLEDGED. Obligations issued
5 under the provisions of secs. 510 - 560 of this chapter do not consti-
6 tute a debt, liability or obligation of the state or of any other
7 political subdivision of the state or a pledge of the faith and credit
8 of the state or a political subdivision of the state but are payable
9 solely from the revenues or assets of the authority. Each obligation
10 issued under this chapter shall contain on its face a statement that the
11 authority is not obligated to pay it nor the interest on it except from
12 the revenues or assets pledged for it and that neither the faith and
13 credit nor the taxing power of the state or of a political subdivision
14 of the state is pledged to the payment of the principal of or interest
15 on the obligation.

16 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).