

Introduced: 6/3/78
Referred: Judiciary

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 SENATE BILL NO. 637 *DM*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act requiring the use of independent financial ad-
7 visors for negotiated private sales of bonds or bond
8 anticipation notes; ratifying certain past sales; and
9 providing for an effective date."

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

11 * Section 1. FINDINGS. The legislature finds that there is a potential
12 conflict of interest in negotiating a private sale of bonds or bond anticipa-
13 tion notes to underwriters, and therefore, determines that the public in-
14 terest should be protected by the use of independent financial advisors by
15 issuers of state or municipal bonds.

16 * Sec. 2. AS 37.15.155 is repealed and re-enacted to read:

17 Sec. 37.15.155. INDEPENDENT FINANCIAL ADVISOR. In negotiating the
18 private sale of general obligation bonds, revenue bonds, or bond anti-
19 cipation notes to an underwriter, the state bond committee shall retain
20 a financial advisor who is independent from the underwriter.

21 * Sec. 3. AS 37.30.100 is repealed and re-enacted to read:

22 Sec. 37.30.100. INDEPENDENT FINANCIAL ADVISOR. In negotiating the
23 private sale of general obligation bonds, revenue bonds, or bond anti-
24 cipation notes to an underwriter, not including the Alaska Municipal
25 Bond Bank, a political subdivision shall retain a financial advisor who
26 is independent from the underwriter.

27 * Sec. 4. AS 18.55.185 is repealed and re-enacted to read:

28 Sec. 18.55.185. INDEPENDENT FINANCIAL ADVISOR. In negotiating the
29 private sale of bonds or bond anticipation notes to an underwriter, the

1 authority shall retain a financial advisor who is independent from the
2 underwriter.

3 * Sec. 5. AS 18.56.115 is repealed and re-enacted to read:

4 Sec. 18.56.115. INDEPENDENT FINANCIAL ADVISOR. In negotiating the
5 private sale of bonds or bond anticipation notes to an underwriter, the
6 corporation shall retain a financial advisor who is independent from the
7 underwriter.

8 * Sec. 6. RATIFICATION. Any sales of bonds or bond anticipation notes to
9 an underwriter before the effective date of secs. 1 - 5 of this Act are valid
10 and are ratified notwithstanding the underwriter's providing the issuer with
11 financial or fiscal programming or marketing assistance.

12 * Sec. 7. EFFECTIVE DATE. This Act takes effect immediately in accor-
13 dance with AS 01.10.070(c).
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