

Introduced: 6/3/78
Referred: Judiciary

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 SENATE BILL NO. 637 am

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 AS 18.56.115 is repealed and re-enacted to read:

17 Sec. 18.56.115. INDEPENDENT FINANCIAL ADVISOR. In negotiating the
18 private sale of bonds or bond anticipation notes to an underwriter, the
19 corporation shall retain a financial advisor who is independent from the
20 underwriter.

21 * Sec. 3. RATIFICATION. Any sales of bonds or bond anticipation notes to
22 an underwriter before the effective date of secs. 1 - 2 of this Act are valid
23 and are ratified notwithstanding the underwriter's providing the issuer with
24 financial or fiscal programming or marketing assistance.

25 * Sec. 4. EFFECTIVE DATE. This Act takes effect immediately in accor-
26 dance with AS 01.10.070(c).