

Introduced: 3/7/80
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 945 am S

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to interest rates on general obliga-
7 tion bonds; and providing for an effective date."

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

9 * Section 1. AS 37.15.030 is amended to read:

10 Sec. 37.15.030. INTEREST RATE AND MATURITY. Each issue or
11 series of bonds shall bear interest at an effective rate over the life
12 of the bonds not to exceed ten [EIGHT] percent a year. The bonds shall
13 mature in not more than 30 years from date of issue, unless a longer
14 period is specifically authorized by statute.

15 * Sec. 2. AS 37.15.380 is amended to read:

16 Sec. 37.14.380. SALE OF NOTES. Notes issued under this chapter
17 shall be sold by the state bond committee in such manner and at such
18 price or prices as it shall determine, at either public or private
19 sale; however, no such note shall be sold for less than par and
20 accrued interest or at an interest rate exceeding ten [SEVEN] percent
21 a year.

22 * Sec. 3. AS 37.15.450(a) is amended to read:

23 (a) The bonds shall be sold in such amounts or series and at
24 such time or times as determined by the committee. Before selling
25 a series of bonds, the committee shall give notice inviting sealed
26 bids in such manner as it may prescribe. If satisfactory bids are
27 received, the bonds offered for sale shall be awarded to the highest
28 responsible bidder. If the committee determines that the bids received
29 are not satisfactory as to price or responsibility of the bidders, it

1 may reject all bids received. The bonds, or each series of them, shall
2 be sold at such a price so that the effective interest rate over the
3 life of the bonds does not exceed ten [EIGHT] percent per year.
4 Interest shall be payable annually or semiannually.

5 * Sec. 4. AS 37.15.210(b) is amended to read:

6 (b) Refunding bonds and the coupons attached to them are negoti-
7 able instruments. The effective rate of interest over the life of
8 refunding bonds may not exceed ten [SEVEN] percent a year, and the
9 amount of premium which is paid to effect the redemption of outstanding
10 bonds may not be considered in determining the effective rate of
11 interest.

12 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
13 070(c).