

Introduced: 2/18/80
Referred: Community &
Regional Affairs and
Finance

1 IN THE SENATE

BY HOHMAN

2 SENATE BILL NO. 486

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 revenue bonds for marine industrial
7 parks."

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

9 * Section 1. AS 37.15 is amended by adding new sections to read:

10 ARTICLE 4. MARINE INDUSTRIAL PARK BONDS.

11 Sec. 37.15.560. BOND AUTHORIZATION. For the purpose of providing
12 part or all of the money to be used, with or without grants or other
13 money which may become available, the issuance and sale of revenue bonds
14 of the state is authorized for the marine industrial park facilities as
15 authorized in AS 37.15.570. The principal of and interest on the bonds
16 shall be paid out of and secured by the gross revenues derived by the
17 state from the ownership, lease, use and operation of the marine in-
18 dustrial parks, and of all the facilities related to the marine in-
19 dustrial parks and out of any other revenues which the legislature may
20 provide exclusive of any state tax or license.

21 Sec. 37.15.570. CONSTRUCTION FUND. (a) There is a special fund
22 of the state known as the "Marine Industrial Park Construction Fund,"
23 into which shall be paid the proceeds of the sale of the bonds (except
24 for accrued interest paid on them, which shall be paid into the bond
25 redemption fund) and grants or other money which is legally provided for
26 the same purposes for which the bonds are authorized. The money in the
27 construction fund shall be used to pay the costs of land acquisition and
28 development, and for equipping, constructing and installing wharves and
29 harbors for marine industrial parks and incidental costs, including

1 costs of the authorization, issuance and sale of the bonds. To the
2 extent provided in the bond resolution, money in the construction fund
3 may also be used for the payment of interest on the bonds during the
4 period of actual construction, and for a further period, not to exceed
5 one year after the period of construction, as may be provided in the
6 bond resolution. Money in the construction fund may also be transferred
7 to the bond redemption fund, to the extent provided in the bond resolu-
8 tion, to establish a reserve for the payment of the principal of and
9 interest on the bonds.

10 (b) The bond resolution may provide for the investment of money in
11 the construction fund in the manner the committee determines. The
12 interest earned on or any profits derived from the sale of these invest-
13 ments shall be deposited in and become a part of the construction fund.

14 Sec. 37.15.580. REVENUE FUND. (a) There is another special fund
15 of the state, known as the "Marine Industrial Park Revenue Fund," which
16 shall be completely segregated and set apart from all other funds of the
17 state, which is a trust fund for the uses and purposes provided in
18 AS 37.15.560 - 37.15.680, and into which shall be paid all revenues,
19 fees, charges and rentals derived by the state from the ownership,
20 lease, use and operation of the marine industrial parks and all faci-
21 lities and improvements related to the marine industrial parks and all
22 facilities and improvements used in connection with the marine in-
23 dustrial parks. These revenues, charges, fees and rentals may not
24 include the proceeds of a state tax or license. The money in the reve-
25 nue fund shall only be used for

26 (1) paying or securing the payment of the principal of and
27 interest on the bonds issued under AS 37.15.560 - 37.15.680 and of and
28 on any other revenue bonds authorized by the legislature to provide
29 money to acquire, equip, construct and install additions and im-

1 improvements to, and extensions of and facilities for, the marine indus-
2 trial parks;

3 (2) paying the normal and necessary costs of maintaining and
4 operating the marine industrial parks and the improvements and facili-
5 ties of the marine industrial parks;

6 (3) paying the costs of renewals, replacements and extra-
7 ordinary repairs to the marine industrial parks and to the improvements
8 and facilities of the marine industrial parks;

9 (4) redeeming before their fixed maturities revenue bonds
10 issued for the purposes of the marine industrial parks;

11 (5) providing money to acquire, construct and install neces-
12 sary additions and improvements to and extensions of and facilities for
13 the marine industrial parks and all of their facilities; and

14 (6) providing money to pay any and all other costs relating
15 to the ownership, use and operation of the marine industrial parks.

16 (b) The investment of money in the revenue fund may be made in a
17 manner the committee determines. The interest earned on or any profits
18 derived from the sale of these investments shall be deposited in and
19 become a part of the revenue fund.

20 Sec. 37.15.590. REDEMPTION FUND. There is another special fund of
21 the state, known as the "Marine Industrial Park Revenue Bond Redemption
22 Fund," which is a trust fund for paying and securing the payment of the
23 principal of and interest and redemption premium, if any, on the bonds.
24 The bond redemption fund shall be at all times completely segregated and
25 set apart from all other funds of the state. The committee, on behalf
26 of the state, shall obligate and bind the state to set aside and pay
27 into the bond redemption fund any part of, or all of, or a fixed propor-
28 tion of, or a fixed amount of the money in the revenue fund sufficient
29 to pay the principal of and interest and redemption premium, if any, on

1 the bonds as the payments become due and, if the committee considers it
2 necessary it shall set aside and maintain reserves for these purposes.
3 The bond redemption fund shall be used for the purpose of paying the
4 principal of and interest and redemption premium, if any, on the bonds,
5 and the bonds do not constitute a general obligation of the state.

6 Sec. 37.15.600. BOND TERMS. (a) The bonds shall be sold in the
7 amounts or series and at the time or times determined by the committee.
8 Before selling a series of bonds, the committee shall give notice in-
9 viting sealed bids in the manner it may prescribe. If satisfactory bids
10 are received, the bonds offered for sale shall be awarded to the highest
11 responsible bidder. If the committee determines that the bids received
12 are not satisfactory as to price or responsibility of the bidders, it
13 may reject all bids received. The bonds, or each series of them, shall
14 be sold at such a price that the effective interest rate over the life
15 of the bonds does not exceed eight percent per year. Interest on the
16 bonds shall be payable annually or semiannually.

17 (b) The bonds shall mature at the time or times as fixed by the
18 committee. The bonds may be subject to redemption before their fixed
19 maturities as determined by the committee and with the premium or pre-
20 miums as fixed by the committee, but a bond may not be subject to re-
21 demption before its fixed maturity date unless the right so to redeem
22 that bond is expressly mentioned on the face of the bond. The bonds may
23 be in denominations determined by the committee; may be issued in coupon
24 form or in fully registered form, and may be registrable as to principal
25 or both principal and interest, all under regulations and conditions the
26 committee shall provide; shall be payable as to principal and interest
27 at the place or places as determined by the committee; shall be signed
28 on behalf of the state by the governor and shall be attested by the
29 lieutenant governor, both of which signatures may be facsimile signa-

1 tures; shall have the seal of the state impressed, printed or litho-
2 graphed on them, and each of the interest coupons attached to them shall
3 be signed by the facsimile signatures of the governor and lieutenant
4 governor; shall be issued under and subject to the terms, conditions and
5 covenants providing for the payment of the principal of them and in-
6 terest on them and on other terms, conditions, covenants and protective
7 features safeguarding this payment and relating to the maintenance,
8 operation and improvement of the marine industrial parks as found neces-
9 sary by the committee. These covenants may include a provision re-
10 quiring the setting aside and maintenance of reserves to secure the
11 payment of the principal and interest. The committee may provide that
12 any additional bonds be payable out of the same source or sources as the
13 bonds authorized by AS 37.15.560 and that the additional bonds be issued
14 on a parity with the bonds authorized by AS 37.15.560 upon compliance
15 with conditions which the committee may prescribe.

16 (c) If the committee finds it reasonably necessary, the committee
17 may select a trustee or trustees for the holders of the bonds or any
18 series of them, for the safeguarding and disbursement of any of the
19 money in any of the funds created by AS 37.15.570, 37.15.580 and 37.15.-
20 590, or for those duties with respect to the authentication, delivery
21 and registration of the bonds as the committee may determine, and the
22 committee shall fix the rights, duties, powers and obligations of the
23 trustee or trustees.

24 (d) In its determination of matters relating to the issuance and
25 sale of the bonds and the fixing of the maturities, terms, conditions
26 and covenants of them as provided in (a), (b) and (c) of this section,
27 the decisions of the committee shall be (1) those found to be reasonably
28 necessary for the best interests of the state and its inhabitants, and
29 (2) those which will accomplish the most advantageous sale of the bonds,

1 with due regard for necessary or normal costs of maintenance and opera-
2 tion of the marine industrial parks, for renewals and replacements of
3 and repairs to the marine industrial parks, and to improvements to and
4 facilities of marine industrial parks, for the future growth and expan-
5 sion of the marine industrial parks and all of their facilities, and for
6 the possibility of additional revenue bond financing for marine indus-
7 trial parks. The decisions of the committee, as expressed in a bond
8 resolution, are final and conclusive when any bonds have been issued
9 pursuant to the bond resolution.

10 (e) A bond resolution may provide that the bonds issued shall
11 contain a recital that they are issued under AS 37.15.560 - 37.15.680,
12 and the bonds containing this recital shall be conclusively considered
13 valid and to have been issued in conformity with those sections.

14 (f) The validity of the authorization and issuance of bonds is not
15 affected by any proceedings for the acquisition or construction of the
16 additions, improvements, extensions or facilities for which the bonds
17 have been issued or by any contracts in connection with the acquisition
18 or construction.

19 Sec. 37.15.610. BOND RESOLUTION. The committee is authorized to
20 adopt a bond resolution and prepare all other documents and proceedings
21 necessary for the issuance, sale and delivery of the bonds the committee
22 determines to be necessary, or any part or series of the bonds. The
23 bond resolution shall fix the principal amount, denomination, date,
24 maturities, place or places of payment, rights of redemption, if any,
25 terms, form, conditions and covenants of the bonds or each series of
26 them. The committee shall also determine and provide for the date and
27 manner of sale of the bonds, and shall provide whether the notice of
28 sale is to be published elsewhere in addition to the publication re-
29 quired by AS 37.15.600.

1 Sec. 37.15.620. ENFORCEMENT BY HOLDER. The holder of bonds or the
2 trustee for the holders of the bonds or any series of them, may by
3 appropriate proceedings in the courts of record of the state, require
4 and compel the transfer, setting aside and payment of money and the
5 enforcement of all of the terms, conditions and covenants as required.

6 Sec. 37.15.630. AMOUNTS REQUIRED FOR PAYMENTS. The committee
7 shall, before December 31 of each year, beginning with the year in which
8 the bonds are issued, certify to the commissioners of revenue and trans-
9 portation and public facilities the amounts required in the next calen-
10 dar year by a bond resolution to be paid out of the revenue fund into
11 the bond redemption fund and to be paid into and maintained in a reserve
12 fund or account or other fund or account created by a bond resolution,
13 and shall also certify to the commissioners the last date or dates upon
14 which payments may be made.

15 Sec. 37.15.640. BOND NEGOTIABILITY. The bonds and the coupons
16 attached to them are fully negotiable instruments under the laws of the
17 state.

18 Sec. 37.15.650. MARINE INDUSTRIAL PARK CHARGES. The commissioner
19 of transportation and public facilities shall fix and collect the fees,
20 charges and rentals derived by the state from the ownership, lease, use
21 and operation of the marine industrial parks and all of the facilities
22 and improvements of them or used in connection with them that will
23 provide revenues sufficient to comply with the covenants of the bond
24 resolution.

25 Sec. 37.15.660. REFUNDING. (a) The bonds or any part of them may
26 be refunded at or before their maturity by the issuance of refunding
27 revenue bonds of the state if in the opinion of the committee refunding
28 is advantageous to and in the best interests of the state and its in-
29 habitants.

1 (b) The committee is authorized and directed to adopt the resolu-
2 tion or resolutions and prepare all other documents and proceedings
3 necessary for the issuance, exchange or sale, and delivery of refunding
4 bonds. All provisions of AS 37.15.560 - 37.15.680 applicable to revenue
5 bonds are applicable to the refunding bonds and to the issuance, sale or
6 exchange of them, except as otherwise provided in this section.

7 (c) Refunding bonds may be issued in a principal amount sufficient
8 to provide money for the payment of all bonds to be refunded by them,
9 and, in addition, for the payment of all expenses incident to the cal-
10 ling, retiring or paying of the outstanding bonds, and the issuance of
11 the refunding bonds. These expenses include the difference in amount
12 between the par value of the refunding bonds and any amount less than
13 par for which the refunding bonds are sold, any amount necessary to be
14 made available for the payment of interest upon the refunding bonds from
15 the date of sale of them to the date of payment of the revenue bonds to
16 be refunded or to the date upon which the revenue bonds to be refunded
17 will be paid pursuant to the call of them or agreement with the holders
18 of them, and the premium, if any, necessary to be paid in order to call
19 or retire the outstanding revenue bonds and the interest accruing on
20 them to the date of the call or retirement.

21 Sec. 37.15.670. BONDS AS LEGAL INVESTMENTS. The bonds are legal
22 investments for all banks, trust companies, savings banks, savings and
23 loan associations and other persons carrying on a banking business, all
24 insurance companies and other persons carrying on an insurance business,
25 and all executors, administrators, trustees and other fiduciaries. The
26 bonds may be accepted as security for deposits of all funds of the state
27 and its political subdivisions.

28 Sec. 37.15.680. DEFINITIONS. As used in AS 37.15.560 - 37.15.680,
29 unless the context otherwise requires:

1 (1) "bond redemption fund" means the Marine Industrial Park
2 Revenue Bond Redemption Fund created by AS 37.15.590, including any
3 accounts which are created in that fund after the effective date of this
4 Act;

5 (2) "bond resolution" means the resolution or resolutions
6 authorizing the issuance of bonds, adopted by the committee under
7 AS 37.15.610;

8 (3) "bonds" means the marine industrial park revenue bonds
9 authorized by AS 37.15.560 - 37.15.680;

10 (4) "commissioner of transportation and public facilities"
11 means the principal executive officer of the Department of Transporta-
12 tion and Public Facilities of the state as provided in AS 44.42.010, or
13 his successor;

14 (5) "commissioner of revenue" means the principal executive
15 officer of the Department of Revenue of the state as provided in AS 44.-
16 25.010, or his successor;

17 (6) "committee" means the state bond committee;

18 (7) "construction fund" means the Marine Industrial Park
19 Construction Fund created by AS 37.15.570;

20 (8) "marine industrial park" means an industrial park used
21 for marine and marine-oriented industries;

22 (9) "revenue fund" means the Marine Industrial Park Revenue
23 Fund created by AS 37.15.580.
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