

Introduced: 4/14/80
Referred: Finance

BY THE RULES COMMITTEE
BY REQUEST OF THE SENATE
BANKING COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 560

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 on state bonds and notes;
7 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 series
11 of bonds shall bear interest at an effective rate over the life of the
12 bonds not to exceed eleven [EIGHT] percent a year or that rate of in-
13 terest which is 110 percent of the rate of the Bond Buyer index of 20
14 Municipal Bond Average Yields for the week previous to the date of sale
15 of the bonds, whichever is higher. The bonds shall mature in not more
16 than 30 years from date of issue, unless a longer period is specifically
17 authorized by statute.

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

19 Sec. 37.15.380. SALE OF NOTES. Notes issued under this chapter
20 shall be sold by the state bond committee in such manner and at such
21 price or prices as it shall determine, at either public or private sale;
22 however, no such note shall be sold for less than par and accrued
23 interest or at an interest rate exceeding eleven [SEVEN] percent a year
24 or that rate of interest which is 110 percent of the rate of Bond Buyer
25 Index of 20 Municipal Bond Average Yields for the week previous to the
26 date of sale of the notes, whichever is higher.

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

28 (a) The bonds shall be sold in such amounts or series and at such
29 time or times as determined by the committee. Before selling a series

1 of bonds, the committee shall give notice inviting sealed bids in such
2 manner as it may prescribe. If satisfactory bids are received, the
3 bonds offered for sale shall be awarded to the highest responsible
4 bidder. If the committee determines that the bids received are not
5 satisfactory as to price or responsibility of the bidders, it may reject
6 all bids received. The bonds, or each series of them, shall be sold at
7 such a price so that the effective interest rate over the life of the
8 bonds does not exceed eleven [EIGHT] percent per year or that rate of
9 interest which is 125 percent of the rate of the Bond Buyer Index of 20
10 Municipal Bond Average Yields for the week previous to the date of sale
11 of the bonds, whichever is higher. Interest shall be payable annually
12 or semiannually.

13 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
14 070(c).