

Introduced: 2/11/82  
Referred: Finance

1 IN THE SENATE

BY THE SPECIAL COMMITTEE  
ON BANKING BY REQUEST

2 SENATE BILL NO. 748

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH 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 11 [10] percent a year or that rate of interest  
13 which is 110 percent of the rate of the Bond Buyer index of 20 Municipal  
14 Bond Average Yields for the week previous to the date of sale of the  
15 bonds, whichever is higher. The bonds shall mature in not more than 30  
16 years from date of issue, unless a longer period is specifically autho-  
17 rized 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 11 [10] 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 11 [10] percent per year or that rate of interest  
9 which is 125 percent of the rate of the Bond Buyer Index of 20 Municipal  
10 Bond Average Yields for the week previous to the date of sale of the  
11 bonds, whichever is higher. Interest shall be payable annually or  
12 semiannually.

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