

Original sponsor: Special Committee on
Banking by request

Offered: 4/5/82
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 748 (Finance)

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 37.15.210(b) is amended to read:

19 (b) Refunding bonds and the coupons attached to them are negotiable
20 instruments. The effective rate of interest over the life of refunding
21 bonds may not exceed 10 percent a year or that rate of interest which is
22 110 percent of the rate of the Bond Buyer Index of 20 Municipal Bond
23 Average Yields for the week previous to the date of sale of bonds, which-
24 ever is higher, and the amount of premium which is paid to effect the
25 redemption of outstanding bonds may not be considered in determining the
26 effective rate of interest.

27 * Sec. 3. AS 37.15.380 is amended to read:

28 Sec. 37.15.380. SALE OF NOTES. Notes issued under this chapter
29 shall be sold by the state bond committee in such manner and at such

1 price or prices as it shall determine, at either public or private sale;
2 however, no such note shall be sold for less than par and accrued inter-
3 est or at an interest rate exceeding 11 [10] percent a year or that rate
4 of interest which is 110 percent of the rate of Bond Buyer Index of 20
5 Municipal Bond Average Yields for the week previous to the date of sale
6 of the notes, whichever is higher.

7 * Sec. 4. AS 37.15.390 is amended to read:

8 Sec. 37.15.390. EXECUTION OF NOTES. Notes for money borrowed in
9 anticipation of receipts from the sale of bonds shall be signed by the
10 governor and countersigned by the lieutenant governor. The governor's
11 and lieutenant governor's signatures [SIGNATURE] may be [A] facsimile
12 signatures [SIGNATURE].

13 * Sec. 5. AS 37.15.450(a) is amended to read:

14 (a) The bonds shall be sold in such amounts or series and at such
15 time or times as determined by the committee. Before selling a series
16 of bonds, the committee shall give notice inviting sealed bids in such
17 manner as it may prescribe. If satisfactory bids are received, the
18 bonds offered for sale shall be awarded to the highest responsible
19 bidder. If the committee determines that the bids received are not
20 satisfactory as to price or responsibility of the bidders, it may reject
21 all bids received. The bonds, or each series of them, shall be sold at
22 such a price so that the effective interest rate over the life of the
23 bonds does not exceed 11 [10] percent per year or that rate of interest
24 which is 125 percent of the rate of the Bond Buyer Index of 20 Municipal
25 Bond Average Yields for the week previous to the date of sale of the
26 bonds, whichever is higher. Interest shall be payable annually or
27 semiannually.

28 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
29 070(c).