

Introduced: 2/13/84  
Referred: House Special Committee  
on State Loans and Finance

BY UEHLING, HAYES, ADAMS,  
BETTISWORTH, ABOOD, FULLER,  
GOLL, LINDAUER, RINGSTAD  
AND SHULTZ

1 IN THE HOUSE

2 HOUSE BILL NO. 609

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to debt of the state, its agencies,  
7 and municipalities; and providing for an effective  
8 date."

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

10 \* Section 1. AS 37.15.110 is amended to read:

11 Sec. 37.15.110. CREATION AND MEMBERSHIP OF STATE BOND COMMITTEE.  
12 There is created within the Department of Revenue a committee known as  
13 the "state bond committee," the members of which are the commissioner  
14 of commerce and economic development, the commissioner of administra-  
15 tion, [AND] the commissioner of revenue, the commissioner of community  
16 and regional affairs, and a member of the board of directors of a  
17 public corporation which is an instrumentality of the state authorized  
18 to issue bonds. The board member is appointed by the governor and  
19 serves at the pleasure of the governor. If a member of the committee  
20 is absent or otherwise unable to act, the member's designee [IN THE  
21 DEPARTMENT] shall act as a member of the committee in the member's  
22 place.

23 \* Sec. 2. AS 37.15.130 is amended to read:

24 Sec. 37.15.130. OFFICERS, RECORDS AND PROCEEDINGS. (a) The  
25 commissioner of revenue [COMMERCE AND ECONOMIC DEVELOPMENT] is the  
26 chairman of the state bond committee [AND THE COMMISSIONER OF REVENUE  
27 IS THE SECRETARY]. A majority of the members of the committee  
28 constitute a quorum. The committee shall keep a full, complete, and  
29 permanent record of its proceedings. All records and correspondence

1 of the committee shall be kept in the office of the commissioner of  
2 revenue.

3 (b) The committee may meet and transact business by electronic  
4 media if

5 (1) public notice of the time and locations where the  
6 meeting will be held by electronic media has been given in the same  
7 manner as if the meeting were held in a single location;

8 (2) participants and members of the public in attendance  
9 can hear and have the same right to participate in the meeting as if  
10 the meeting were conducted in person; and

11 (3) copies of pertinent reference materials, statutes,  
12 regulations, and audio-visual materials are reasonably available to  
13 participants and to the public.

14 (c) A meeting by electronic media as provided in this section  
15 has the same legal effect as a meeting in person.

16 (d) For the purposes of this chapter public notice of 24 hours  
17 or more is adequate notice of a meeting of the committee at which the  
18 issuance of bonds is authorized.

19 \* Sec. 3. AS 37.15.140 is amended to read:

20 Sec. 37.15.140. DUTIES OF STATE BOND COMMITTEE. (a) The state  
21 bond committee shall adopt the resolution and prepare the documents  
22 necessary for the issuance, sale, and delivery of bonds.

23 (b) The state bond committee shall prepare an annual report to  
24 be submitted to the governor and legislature before January 31 of each  
25 year. The report must show (1) all outstanding debt of debt issuing  
26 entities of the state; (2) the anticipated impact on the finances and  
27 credit of the state, including the effect on long-term debt capacity  
28 and creditworthiness resulting from that debt; (3) which long-term  
29 debt is tax supported and which is supported only by revenues

1 attributable to the project being financed by the debt; (4) all  
2 long-term lease obligations of the state; (5) the volume of short-term  
3 debt issued and retired during the year by debt issuing entities of  
4 the state; and (6) specific identification of each issue for which the  
5 state has pledged some form of indirect support for the debt including  
6 any moral obligation of the state to support the debt. The committee  
7 may require that any information needed to prepare the report be fur-  
8 nished by debt issuing entities of the state at a time determined by  
9 the committee.

10 (c) The state bond committee shall develop written informational  
11 guidelines concerning management of all debt by each debt issuing  
12 entity of the state. The guidelines shall include recommended level  
13 of debt, structuring of debt offerings, and repayment schedule.

14 (d) The state bond committee shall require that a person who  
15 provides financial programming or marketing assistance in connection  
16 with the issuance of debt of debt issuing entities of the state shall  
17 be compensated for services on a determined fee basis that may not be  
18 based on the amount of the debt issued.

19 (e) The state bond committee shall require that true interest  
20 costs be the basis for determining the lowest bid on debt issued by  
21 debt issuing entities of the state. "True interest cost" means the  
22 sum of the following:

23 (1) the annual interest rate that when compounded semi-  
24 annually will discount the principal and interest payments on the debt  
25 obligation from their payment dates to the issue date; and

26 (2) the price bid to the issuer.

27 (f) The state bond committee shall require the debt issuing  
28 entities of the state to prepare and submit to the committee by Jan-  
29 uary 15 of each year a calendar of all debt proposed to be issued

1 showing the amount and type of the debt and the month in which issu-  
2 ance is proposed.

3 (g) For purposes of this section the term "debt issuing entities  
4 of the state" includes the state, each agency or instrumentality of  
5 the state authorized to issue tax exempt obligations, and each munic-  
6 ipality of the state.

7 \* Sec. 4. AS 37.15.150 is amended to read:

8 Sec. 37.15.150. STAFF AND [COMMITTEE MAY EMPLOY] SPECIAL SER-  
9 VICES. The state bond committee may appoint an executive director who  
10 may with approval of the committee select and employ additional staff  
11 as necessary. Employees of the committee are in the partially exempt  
12 service under AS 39.25.120. If the [STATE BOND] committee considers  
13 it necessary and advisable, it may procure architectural or engineer-  
14 ing, fiscal agent or municipal investment, legal and other expert or  
15 specialized services at reasonable and customary fees to assist it in  
16 accomplishing the most advantageous sale of the bonds. The fees may  
17 be paid from the proceeds of the sale or advanced from the contingency  
18 fund in the office of the governor or otherwise.

19 \* Sec. 5. AS 39.25.120 is amended by adding a new paragraph to read:

20 (19) employees of the state bond committee.

21 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
22 10.070(c).