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Referred: Finance

Original sponsors: Uehling, Hayes,
Adams, et al

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 609 (Loans)

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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

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date."

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

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* Section 1. AS 37.15.110 is amended to read:

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Sec. 37.15.110. CREATION AND MEMBERSHIP OF STATE BOND COMMITTEE.

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There is created within the Department of Revenue a committee known as

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the "state bond committee," the members of which are the commissioner

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of commerce and economic development, the commissioner of administra-

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tion, [AND] the commissioner of revenue, the chief fiscal officer of a

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city or borough, and a member of the board of directors of a public

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corporation which is an instrumentality of the state authorized to

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issue bonds. The chief fiscal officer and board member are appointed

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by the governor and serves at the pleasure of the governor. If a

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member of the committee who is a commissioner is absent or otherwise

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unable to act, the member's designee [IN THE DEPARTMENT] shall act as

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a member of the committee in the member's place.

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

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Sec. 37.15.130. OFFICERS, RECORDS AND PROCEEDINGS. (a) The

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commissioner of revenue [COMMERCE AND ECONOMIC DEVELOPMENT] is the

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chairman of the state bond committee [AND THE COMMISSIONER OF REVENUE

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IS THE SECRETARY]. A majority of the members of the committee consti-

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tute a quorum. The committee shall keep a full, complete, and perma-

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nent record of its proceedings. All records and correspondence of the

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

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

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

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

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

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

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

18 * Sec. 3. AS 37.15.140 is amended to read:

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

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

10 (c) The state bond committee shall develop written policies
11 concerning management of state debt and written informational guide-
12 lines concerning management of all debt by each debt issuing entity of
13 the state. The policies and guidelines shall include recommended
14 level of debt, debt management, bidding procedures and bid awards and
15 compensation for financial service.

16 (d) The state bond committee shall require the debt issuing
17 entities of the state to (1) prepare and submit to the committee by
18 January 31 of each year a calendar of all debt proposed to be issued
19 during the calendar year showing the amount and type of the debt and
20 the month in which issuance is proposed, and (2) prepare and submit
21 monthly a report showing all proposed changes to the calendar sub-
22 mitted.

23 (e) In this section the term "debt issuing entities of the
24 state" includes the state, each agency or instrumentality of the state
25 authorized to issue tax exempt obligations, and each municipality of
26 the state.

27 (f) In this section the term "debt" means (1) long-term bonded
28 indebtedness secured by the full faith and credit of the government
29 unit, (2) long-term bonded indebtedness secured by a mortgage or lien

1 on specific properties or receivables, (3) short-term notes, (4)
2 warrants, and (5) capital lease obligations; but "debt" does not in-
3 clude debt owed within the debt issuing agency or to another debt
4 issuing agency.

5 * Sec. 4. AS 37.15.150 is amended to read:

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

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

18 (19) employees of the state bond committee.

19 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
20 10.070(c).