

Offered: 2/26/86
Referred: Community & Regional
Affairs and Finance

Original sponsor: Rules/governor

1 IN THE HOUSE

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

2

CS FOR HOUSE BILL NO. 521 (Loans)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the issuance of municipal general
7 obligation bonds; and providing for an effective
8 date."

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

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* Section 1. AS 29.10.200 is amended by adding a new paragraph to read:

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(47) AS 29.47.190 - 29.47.195 (notice of and limitation on

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debt).

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* Sec. 2. AS 29.47.190(b) is amended to read:

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(b) Before a general obligation bond issue election, the govern-

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ing body shall have published a notice of the total existing bond

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indebtedness at least once a week for three consecutive weeks. The

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first notice shall be published at least 20 days before the date of

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the election. A notice must [SHALL] include

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(1) the current total general obligation bonded indebted-

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ness, including authorized but unsold bonds, of the municipality;

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(2) the cost of the debt service on the current indebted-

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ness;

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(3) the total assessed value of taxable property in the

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municipality;

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(4) the full value of taxable property in the municipality

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as determined by the department; and

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(5) for a city in a borough, the current total general

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obligation bonded indebtedness of the borough, including authorized but

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unsold bonds.

1 * Sec. 3. AS 29.47.190 is amended by adding a new subsection to read:

2 (c) This section applies to home rule and general law municipal-
3 ities.

4 * Sec. 4. AS 29.47 is amended by adding a new section to read:

5 Sec. 29.47.195. LIMITATION ON MUNICIPAL DEBT. (a) A governing
6 body may not authorize issuance of general obligation bonds unless

7 (1) the general obligation bonded indebtedness of the
8 municipality outstanding at the time of the authorization by the
9 governing body does not exceed seven percent of the average full value
10 of taxable property of the municipality for the last two years as
11 determined by the department; and

12 (2) upon issuance of the authorized bonds the total general
13 obligation bonded indebtedness of the municipality will not exceed
14 seven percent of the average full value of taxable property of the
15 municipality for the last two years as determined by the department.

16 (b) For purposes of calculating current general obligation
17 bonded indebtedness under (a) of this section for a borough, the
18 general obligation bonded indebtedness of each city in the borough
19 shall be included. For purposes of determining the current general
20 obligation bonded indebtedness for a city in a borough, a proportional
21 share of the borough's general obligation bonded indebtedness shall be
22 included based on the value of taxable property in the city compared
23 to the total value of taxable property in the borough.

24 (c) The limitation under (a) of this section does not apply to

25 (1) general obligation bonds necessary because of a natural
26 disaster;

27 (2) general obligation bonds necessary to protect the
28 public health;

29 (3) general obligation bonds for which, without expenditure

1 of tax revenue, cash receipts from fees, rents, or other charges
2 pledged to pay the debt have been sufficient each fiscal year after
3 issuance of the bonds to meet interest and redemption payments on the
4 bonds and costs of operating and maintaining the capital project
5 financed with the bonds;

6 (4) bond anticipation notes;

7 (5) revenue anticipation notes issued in accordance with
8 article IX, sec. 10, Constitution of the State of Alaska; or

9 (6) debt for which there are sinking funds or other funds
10 on hand pledged to the payment of the debt, including the proceeds of
11 refunding bonds or refunding notes.

12 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
13 10.070(c).