

Original sponsor: State Affairs Committee

1 IN THE HOUSE BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 538 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Municipal Bond Bank  
7 Authority; and providing for an effective date."

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

9 \* Section 1. AS 44.85.170(b) is amended to read:

10 (b) Notwithstanding any provision of law, to the extent that any  
11 department or agency of the state is the custodian of money payable to  
12 a municipality, at any time after written notice to the department or  
13 agency head from the bond bank authority that the municipality is in  
14 default on the payment of principal or interest on municipal [GENERAL  
15 OBLIGATION] bonds [OF THE MUNICIPALITY] then held or owned by the bond  
16 bank authority, the department or agency shall withhold the payment of  
17 that money from that municipality and pay over the money to the bond  
18 bank authority for the purpose of paying principal of and interest on  
19 the bonds [OF THE BOND BANK AUTHORITY].

20 \* Sec. 2. AS 44.85.410(3) is amended to read:

21 (3) "municipal bond" means a bond or note or evidence of  
22 debt that [WHICH] constitutes

23 (A) a general obligation bond that is a direct and  
24 general obligation of a political subdivision of the state, all  
25 the taxable property within which is subject to taxation to pay  
26 the bond, note or evidence of debt, and the interest without  
27 limitation, as to rate or amount generally to the extent permit-  
28 ted by law or to avoid a default as provided for second class  
29 cities under AS 29.45.590; [OR]

1 (B) a revenue bond, except a revenue bond for elec-  
2 trical generation purposes other than diesel-powered generation,  
3 issued by a municipality which pledges the revenue of a revenue-  
4 producing capital improvement and which is payable solely from  
5 the revenue of the revenue-producing capital improvement; [OR]

6 (C) a general obligation bond or revenue bond combined  
7 or additionally secured; [OR]

8 (D) a bond of a borough issued as a general obligation  
9 of a service area under AS 29.47.440 or former AS 29.58.340; or

10 (E) an obligation of a municipality secured only by  
11 special assessments on benefited property, tax increments, or a  
12 lease;

13 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).