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Referred: State Affairs and  
Finance

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1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

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SENATE BILL NO. 154

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to equipment lease-financing and  
7 authorizing a master equipment lease-financing proj-  
8 ect; and providing for an effective date."

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

10 \* Section 1 AS 18.55.010 is amended to read:

11 Sec. 18.55.010. PURPOSE OF AS 18.55.010 -- 18.55.290. The  
12 purpose of AS 18.55.010 -- 18.55.290 is to remedy the acute housing  
13 shortage that exists in certain localities of the state by undertaking  
14 slum clearance, low-cost housing projects, housing for persons and  
15 their families engaged in national defense activities in the state,  
16 and housing projects and housing for veterans of World War II and  
17 other citizens of the state, and to remedy the short supply of neces-  
18 sary public buildings and equipment by providing for the financing,  
19 construction, and acquisition of public buildings and equipment for  
20 lease to the state.

21 \* Sec. 2. AS 18.55.080 is amended to read:

22 Sec. 18.55.080. MEMBERS OR EMPLOYEES PROHIBITED FROM ACQUIRING  
23 INTEREST IN PROJECTS. A member or employee of the authority may not  
24 acquire an interest, direct or indirect, in a housing, [OR] public  
25 building, or equipment project, or in property or a contract for  
26 materials or services included or planned to be included in a project.  
27 If a member or employee owns or controls an interest, the member or  
28 employee shall immediately disclose the interest in writing to the  
29 authority. Failure to make disclosure constitutes misconduct in

1 office.

2 \* Sec. 3. AS 18.55.100(a)(15) is amended to read:

3 (15) arrange or contract for the financing, design, con-  
4 struction, and acquisition of public buildings and equipment for lease  
5 to the state in accordance with AS 18.55.010 -- 18.55.290.

6 \* Sec. 4. AS 18.55.100(d) is amended to read:

7 (d) Notwithstanding (a)(7) and (15) of this section, a proposed  
8 public building or equipment project shall be submitted by the author-  
9 ity to the legislature for review. The authority may proceed with the  
10 public building or equipment project only if it is approved by law.  
11 An appropriation does not constitute approval by law for purposes of  
12 this subsection.

13 \* Sec. 5. AS 18.55.150 is amended to read:

14 Sec. 18.55.150. SECURITY FOR BONDS. The authority may issue  
15 bonds including but not limited to bonds on which the principal and  
16 interest are payable (1) exclusively from the income and revenue of  
17 the housing project financed with the proceeds of the bonds, (2)  
18 exclusively from the income and revenue of designated housing projects  
19 whether or not they are financed in whole or in part with the proceeds  
20 of the bonds, (3) from its revenue generally, or (4) exclusively from  
21 rents collected on public buildings or equipment. Bonds may be addi-  
22 tionally secured by a pledge of a grant or contribution from the  
23 federal government or from another source, or by a pledge of income or  
24 revenue of the authority, or by a mortgage of a housing project or  
25 other property of the authority.

26 \* Sec. 6. AS 18.55.180 is amended to read:

27 Sec. 18.55.180. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and  
28 notes of the authority are authorized by adoption of a resolution  
29 prescribing the date of issuance and maturity, interest rate,

1 denomination, form, conversion privilege, rank or priority, execution,  
2 terms of redemption, medium and place of payment. Bonds and notes may  
3 be sold in the manner, on the terms, and at the price the authority  
4 determines. Each bond and note is negotiable. The signature of a  
5 member or an officer upon a bond or note or coupon is not invalidated  
6 by that person's ceasing to hold office before the delivery of the  
7 bond or note. The recitation of a bond or note that it has been  
8 issued in the financing of a housing, [OR] public building, or equip-  
9 ment project under AS 18.55.010 -- 18.55.290 is conclusive as to the  
10 issuance of the bond or note and the character of the project in a  
11 challenge of the validity of the bond or note or the security for it.

12 \* Sec. 7. AS 18.55.200(4) is amended to read:

13 (4) covenant with respect to limitations on its right to  
14 sell, lease, or otherwise dispose of a housing, [OR] public building,  
15 or equipment project or a part of a housing, [OR] public building, or  
16 equipment project;

17 \* Sec. 8. AS 18.55.200(10) is amended to read:

18 (10) covenant, subject to the limitations contained in  
19 AS 18.55.010 -- 18.55.290, as to the rents and fees to be charged in  
20 the operation of a housing, [OR] public building, or equipment proj-  
21 ect, the amount to be raised each year or other period of time by  
22 rents, fees, and other revenues, and as to the use and disposition of  
23 these revenues;

24 \* Sec. 9. AS 18.55.200(15) is amended to read:

25 (15) vest in one or more trustees the right, in the event of  
26 a default by the authority, to take possession of a housing, [OR]  
27 public building, or equipment project or a part of the project, and so  
28 long as the authority continues in default to retain possession and to  
29 use, operate, and manage the project, and to collect the rents and

1 revenues from the project, and to dispose of the money according to  
2 the agreement between the authority and the trustees;

3 \* Sec. 10. AS 18.55.220 is amended to read:

4 Sec. 18.55.220. POWER OF AUTHORITY TO CONFER UPON OBLIGEE RIGHT  
5 TO BRING ACTION OR PROCEEDING. The authority may by resolution, trust  
6 indenture, mortgage, lease, or other contract confer upon an obligee  
7 holding or representing a specified amount in bonds, or holding a  
8 lease, the right upon a default as defined in the resolution or in-  
9 strument by civil [SUIT,] action or other proceeding

10 (1) to have possession of a housing, [OR] public building,  
11 or equipment project or part of one surrendered to the obligee, with  
12 possession retained by the obligee as long as the authority continues  
13 in default;

14 (2) to obtain the appointment of a receiver of a housing,  
15 [OR] public building, or equipment project or part of one and its  
16 rents and profits, who may enter, take possession, and for the dura-  
17 tion of the default operate and maintain it, collect and receive all  
18 fees, rents, revenues, or other charges [THEREAFTER] arising after  
19 that, and keep the money in a separate account or accounts to be  
20 applied in accordance with the obligations of the authority as the  
21 court directs;

22 (3) to require the authority and its members to account as  
23 if they were to trustees of an express trust.

24 \* Sec. 11. AS 18.55.240 is amended to read:

25 Sec. 18.55.240. POWER OF AUTHORITY TO OBTAIN FEDERAL AID AND  
26 COOPERATION. The authority may borrow, accept contributions, grants,  
27 or other financial assistance from the federal government in aid of  
28 any housing, [OR] public building, or equipment project and for this  
29 purpose may comply with conditions and enter into the mortgages, trust

1 indentures, leases, or agreements that are necessary, convenient, or  
2 desirable in order to obtain financial aid or cooperation from the  
3 federal government in the undertaking, construction, maintenance, or  
4 operation of a housing, [OR] public building, or equipment project.

5 \* Sec. 12. The Alaska State Building Authority may acquire new equip-  
6 ment or equipment on lease to the state at the time of its acquisition by  
7 the authority, for lease to the state under a master lease program, and may  
8 provide financing or refinancing, up to a total of \$40,000,000, for such  
9 acquisitions.

10 \* Sec. 13. Section 12 of this Act gives the approval referred to in  
11 AS 18.55.100(d), as amended by sec. 4 of this Act.

12 \* Sec. 14. The Department of Administration may enter into one or more  
13 lease-financing agreements with the Alaska State Building Authority for the  
14 financing or refinancing, up to a total of \$40,000,000, of equipment pur-  
15 chases by the state under a master lease program.

16 \* Sec. 15. Section 14 of this Act gives the approval referred to in  
17 AS 36.30.080(c).

18 \* Sec. 16. This Act takes effect immediately under AS 01.10.070(c).