

BY THE LABOR & COMMERCE COMMITTEE

1 IN THE SENATE

2

SENATE BILL NO. 532

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to acquisition and ownership of  
7 capital stock of a public utility by a political  
8 subdivision."

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

10 \* Section 1. AS 37.10.085(a) is amended to read:

11 (a) Except as provided in (c) of this section, neither [NEITHER]

12 the state nor a political subdivision of the state may

13 (1) make a subscription to the capital stock of a corpora-  
14 tion;

15 (2) lend its credit for the use of a corporation; or

16 (3) borrow money for the use of a corporation.

17 \* Sec. 2. AS 37.10.085 is amended by adding a new subsection to read:

18 (c) To the extent that the political subdivision is authorized  
19 to acquire, own, or operate a public utility, it may exercise that  
20 power by acquiring and owning, in a manner consistent with law, all of  
21 the capital stock of a corporation that owns or operates a public  
22 utility. The political subdivision's authority with respect to lend-  
23 ing its credit and borrowing money for the use of the corporation is  
24 the same as if the political subdivision had acquired the assets of  
25 the corporation.