

COMMITTEE REPORT

4/1/75

SENATE

Mr. President:

Date 4/7/75

The Committee on FINANCE has had NB 304
relating to borrowing in anticipation of revenues
under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

Joe Kay _____
Walter Smith _____
Holmes _____
Walter Chance _____

Members NOT concurring in the Majority report:

_____ recommends:
 _____ recommends:
 _____ recommends:
 _____ recommends:
 _____ recommends:

Joe Kay Chairman

HB
304

March 18, 1975

The Honorable Mike Bradner
 Speaker of the House
 Alaska State Legislature
 Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.000(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill eliminating the interest rate ceiling of five per cent a year on short term revenue anticipation note borrowing. When used sparingly, the sale of short term revenue anticipation notes can be an important financial tool especially in a time of financial emergency. These notes would enable the Department of Revenue to adjust the flow of revenues expected during any fiscal year to better meet the monthly payroll and other operating expenditures of the State.

Although it is difficult to conclude that the five per cent ceiling would prevent the use of these notes, I have been advised that it is prudent not to preserve this ceiling as a financial option that may be of crucial importance during our future financial crunch.

Sincerely,

Jay S. Hammond
 Governor

LAW/BU:few

Introduced: 3/18/75
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 304

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to borrowing in anticipation of
7 revenues; and providing for an effective date."

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

9 * Section 1. AS 43.08.040 is amended to read:

10 Sec. 43.08.040. SALE OF NOTES. Notes authorized to be issued
11 under this chapter shall be sold by the commissioner of revenue in the
12 manner and at the price or prices as he shall determine, at either
13 public or private sale; however, [, PROVIDED THAT] no note shall be
14 sold at less than par and accrued interest [OR AT AN INTEREST RATE
15 EXCEEDING FIVE PER CENT A YEAR].

16 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

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