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# Alaska State Legislature

## COMMITTEES:

Committee on Community and Regional Affairs  
Committee on Transportation  
Special Committee on Oil and Gas  
Special Committee on Fisheries  
Finance Sub-committee on Fish and Game



**Andre Marrou**  
Representative

## District 5

Kenai	Sterling
Soldotna	Anchor Point
Homer	Port Graham
Seldovia	English Bay
Kachemak	Nikolaevsk
Kasilof	Halibut Cove
Ninilchik	Clam Gulch

April 26, 1985

To: Mike Miller, Chairman House Judiciary Committee

From: Andre Marrou 

Subject: HB 343, No State Obligation for Municipal Bonds

The North Slope Borough is \$1,203,440,000 in debt. This is \$97,373 for each and every person living in the North Slope Borough. Valdez is \$80,497,000 in debt which is \$21,833 per capita. Nenana is indebted \$2,869,000 -- \$5,245 per capita-- or 25.5% of their total assessed value. Compare this last number with the average city debt of 3.3% of valuation. Many more statistics could be quoted supporting the view that some of our municipalities are abusing their bonding authority.

These municipalities are jeopardizing the bonding credibility of the State. There is no clear-cut State policy regarding the possible default of any municipality. For this reason, I have introduced HB 343.

I consider it morally reprehensible that citizens in a fiscally responsible community might be asked to share the debt burden of communities who act without prudence and frugality. This would occur if the State ever decided to bail out a municipality facing bankruptcy.

It is imperative that municipalities and their citizens understand that they must act responsibly when issuing bonds. A city does not have the right to rob its neighbor of potential capital projects by assuming that the State will pay its debt in case they fail.

I am respectfully requesting a hearing or committee waiver for this bill.

Please call if you have any questions.