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# HOUSE COMMITTEE REPORT

(11)

Date referred: 4/17/87

FURTHER REFERRALS:

DATE: 5/4/87

The Finance Committee has considered HB 249

"An Act relating to the issuance of bonds of the University of Alaska for refinancing housing; and providing for an effective date."

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note
- zero with analysis  same as previous zero fiscal note published 4-17-87

**SIGNING DO PASS:**

ADAMS Lee Adams

BOYER Mark Boyer

FRANK Frank

DAVIS Mike Davis

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SIGNING OTHER RECOMMENDATIONS:**

POURCHOT Pat Pourchot

LARSON Ronald J. Larson

GILL Rich Gill

WALLIS Kay Wallis

BROWN Tony Brown

RIEGER Alve Rieger

\_\_\_\_\_

\_\_\_\_\_

Lee Adams  
Chairman's signature

STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE

Bill Version: HB 249

Publish Date: \_\_\_\_\_

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_

Agency Affected: Department of Revenue

Title: University of Alaska Housing

BRU: Treasury

Refinancing Bonds \_\_\_\_\_

Sponsor: Frank

Components: \_\_\_\_\_

Requestor: House HESS

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                    | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|--------------------|-------|-------|-------|-------|-------|-------|
| OPERATING          |       |       |       |       |       |       |
| PERSONAL SERVICES  | -     | -     | -     | -     | -     | -     |
| TRAVEL             | -     | -     | -     | -     | -     | -     |
| CONTRACTUAL        | -     | -     | -     | -     | -     | -     |
| SUPPLIES           | -     | -     | -     | -     | -     | -     |
| EQUIPMENT          | -     | -     | -     | -     | -     | -     |
| LANDS & STRUCTURES | -     | -     | -     | -     | -     | -     |
| GRANTS, CLAIMS     | -     | -     | -     | -     | -     | -     |
| MISCELLANEOUS      | -     | -     | -     | -     | -     | -     |
| TOTAL OPERATING    | -     | -     | -     | -     | -     | -     |
| CAPITAL            | -     | -     | -     | -     | -     | -     |
| REVENUE            | -     | -     | -     | -     | -     | -     |

FUNDING: (Thousands of Dollars)

|               |   |   |   |   |   |   |
|---------------|---|---|---|---|---|---|
| GENERAL FUND  | - | - | - | - | - | - |
| FEDERAL FUNDS | - | - | - | - | - | - |
| OTHER         | - | - | - | - | - | - |
| TOTAL         | - | - | - | - | - | - |

POSITIONS:

|           |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|
| FULL-TIME | - | - | - | - | - | - |
| PART-TIME | - | - | - | - | - | - |
| TEMPORARY | - | - | - | - | - | - |

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*

Phone: 465-2350

Division: Treasury

Date: April 14, 1987

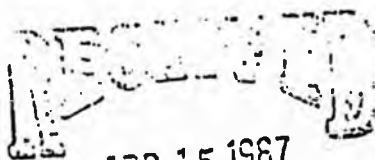
Approved by Commissioner: *J. Maloe*

Date: 4/14/87

Agency: Department of Revenue

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary



1 IN THE HOUSE

BY FRANK, BOYER AND  
KOPONEN

2

HOUSE BILL NO. 249

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the issuance of bonds of the  
7 University of Alaska for refinancing housing; and  
8 providing for an effective date."

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

10 \* Section 1. For the purpose of refinancing the existing mortgage loan  
11 on housing of the University of Alaska at Fairbanks known as Yak Estates,  
12 the issuance of revenue bonds of the university in the total principal  
13 amount not to exceed \$2,400,000 is authorized. The principal of and inter-  
14 est on the bonds shall be paid out of and secured by the amounts required  
15 in sec. 3, ch. 56, SLA 1961, to be paid into the housing system revenue  
16 fund.

17 \* Sec. 2. The bonds shall be issued and sold as provided in ch. 56, SLA  
18 1961, as amended by ch. 47, SLA 1962. The provisions of ch. 56, SLA 1961,  
19 as amended by ch. 47, SLA 1962, apply to the bonds authorized by this Act  
20 except that the limitation on investments of money in the revenue fund and  
21 on the rate of interest do not apply. The provisions of sec. 8 (relating  
22 to legal investments), sec. 9 (relating to exemption from taxation), sec.  
23 10 (relating to pledge of the state) and sec. 11 (relating to the effec-  
24 tiveness of the pledge) of ch. 93, SLA 1974, as amended, apply to the bonds  
25 authorized by this Act.

26 \* Sec. 3. The revenue bonds authorized by this Act and the interest due  
27 on them do not constitute a general obligation of the state or of the  
28 University of Alaska.

29 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Bill Version : HB 249  
Publish Date : \_\_\_\_\_

Revision Date: 4/13/87  
Title: Relating to the issuance of bonds of Univ. Ak. for refinancing housing  
Sponsor: Rep. Frank  
Requestor: House HESS

Agency Affected: University of Alaska  
BRU: \_\_\_\_\_  
Components : \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

| OPERATING              | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES      |       |       |       |       |       |       |
| TRAVEL                 |       |       |       |       |       |       |
| CONTRACTUAL            |       |       |       |       |       |       |
| SUPPLIES               |       |       |       |       |       |       |
| EQUIPMENT              |       |       |       |       |       |       |
| LAND & STRUCTURES      |       |       |       |       |       |       |
| GRANTS, CLAIMS         |       |       |       |       |       |       |
| MISCELLANEOUS          |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> |       | 0     |       |       |       |       |

|                |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|
| <b>CAPITAL</b> |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|

|                |  |   |  |  |  |  |
|----------------|--|---|--|--|--|--|
| <b>REVENUE</b> |  | 0 |  |  |  |  |
|----------------|--|---|--|--|--|--|

**FUNDING: (Thousands of Dollars)**

|               |  |   |  |  |  |  |
|---------------|--|---|--|--|--|--|
| GENERAL FUND  |  | 0 |  |  |  |  |
| FEDERAL FUNDS |  |   |  |  |  |  |
| OTHER         |  |   |  |  |  |  |
| <b>TOTAL</b>  |  |   |  |  |  |  |

**POSITIONS:**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

**ANALYSIS :** (Attach a separate page if necessary)

No cost to general fund. See attached.

Prepared by: Brian Rogers, Director of Budget Development  
Division: University of Alaska

Phone: 474-6490  
Date: 4/13/87

Approved by Commissioner: \_\_\_\_\_  
Agency: University of Alaska

Date: 4/13/87

Distribution (by preparer) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. House Bill 249

### Analysis:

The primary purpose of the legislation is to clean up the current debt structure of the University of Alaska housing system. This will simplify management of the housing by eliminating restrictive bond covenants, allowing all segments of the housing system to be accounted for and handled in the same manner. A single debt structure will also make future expansion of the housing system through new issues of revenue bonds more marketable, and eliminate the potential of having to refinance the Yak Estates debt under less favorable market conditions. Based on recent favorable low interest rates, the university also hopes to obtain a lower long-term debt service cost.

The housing system currently supports three separate types of debt issues: a 1958 GO Bond issue, six series of 1961 through 1968 Revenue Bonds, and a 1972 deed of trust note on the Yak Estates facility. Commitments for the 1958 GO Bond issue will be paid off this year. The university is currently working with the U.S. Department of Education and the State Bond Committee on a proposal to obtain a discount of approximately \$2 million on the early redemption of the 1961-1968 Revenue Bonds, which will make refinancing of these low-interest loans economically viable. Refinancing of the Yak Estates deed of trust note with a tax-exempt issue which is comparable to the revenue bond refinancing series will provide the housing system with one consistent set of covenants, restrictions, and debt service requirements.

There is no cost to the general fund of this legislation. Passage is supported by the University of Alaska Board of Regents.

# Alaska State Legislature

STEVE FRANK  
DISTRICT 20A  
Finance Committee

1125 Sunset Drive  
Fairbanks, Alaska 99701  
(907) 452-3421



While in Juneau  
P. O. Box V  
Juneau, Alaska 99811  
(907) 465-3709

## House of Representatives

TO: all members, House Finance Committee  
FROM: Rep. Steve Frank  
RE: House Bill 249  
DATE: May 4, 1987

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The major purpose of House Bill 249 is to allow the University to clean up its housing debt portfolio and manage its housing system more effectively.

Currently the University housing system has three sets of debt issues; a 1958 General Obligation Bond issue that will be paid off this summer, six series of 1961-1968 Revenue Bonds and a 1972 deed of trust note on the Yak Estates facility. However, this legislation deals only with the Yak Estates refinancing.

HB 249 would authorize the University to issue revenue bonds that would be repaid from the housing system revenue fund in order to pay off the deed of trust note on Yak Estates. Refinancing of the Yak Estates deed of trust note with a tax exempt issue which is comparable to the revenue bond refinancing series will provide the housing system with one consistent set of covenants, restrictions and debt service requirements.

A secondary consideration is that interest rates are low, thus now is a good time to go to the bond market. And finally, it should be noted that the state general fund impact of this legislation is zero, and it also has the support of the regents.

Thank you for your consideration.

House Bill No. 249  
University of Alaska  
Refinancing Yak Estates Indebtedness  
Summary

**Purpose of the refinancing:**

The primary purpose for refinancing the Yak Estates debt is to clean up the current debt structure of the university housing system. One consistent debt structure will make management of the housing system less complex by eliminating restrictive bond covenants and allowing all segments of the housing system to be accounted for and handled the same. One debt structure will also make future expansion of the housing system through new issues of revenue bonds more marketable and eliminate the potential of having to refinance the Yak Estates debt under less favorable market conditions. In addition, based on recent favorable low interest rates, the university also hopes to obtain a lower long-term debt service cost.

4 The housing system currently supports three separate types of debt issues; a 1958 General Obligation Bond issue, six series of 1961 through 1968 Revenue Bonds, and a 1972 deed of trust note on the Yak Estates facility. Commitments for the 1958 General Obligation Bond issue will be paid off this year. The university is currently working with the U.S. Department of Education and the State Bond Committee on a proposal to obtain a discount of approximately \$2 million on the early redemption of the 1961-1968 Revenue Bonds which will make refinancing of these low interest loans economically viable. Refinancing of the Yak Estates deed of trust note with a tax exempt issue which is comparable to the revenue bond refinancing series will provide the housing system with one consistent set of covenants, restrictions and debt service requirements. In addition, the refinancing will provide an enhanced ability to market additional issues of revenue bonds if future expansion of the housing system is needed and issuance of bonds is approved by the legislature.

**Sectional analysis of the bill:**

**Section 1.**

Authorizes the issuance of revenue bonds in an amount not to exceed \$2,400,000. Section 1 also provides that the principal and interest on the bonds will be paid from the housing system revenue fund which was established by ch. 56, SLA 1961 for the repayment of the 1961-1968 series revenue bonds. Revenues from the facility will also be deposited to the housing system revenue fund.

## Section 2.

Applies all provisions of the 1961 Act to this issue except for the limitation on the rate of interest which was included in the original legislation. The 1961 Act limited the interest rate of the bonds issued to six percent. Section 2 also makes specific sections of ch. 93, SLA 1974, as amended, which authorized the issuance of revenue bonds for the Anchorage Campus Student Center revenue bonds applicable to this issuance. The sections of the 1974 Act relate to technical provisions of the issue which provide that the bonds can be accepted as security for deposits of state funds, that the bonds are issued for an essential public purpose which is required for tax exempt status, that the state will not impair the ability of the university to meet its commitments to the bondholders, and that no pledge needs to be filed under the uniform commercial code.

## Section 3.

Indicates that the revenue bonds are not a general obligation of the State of Alaska or the University of Alaska. The bond will be payable exclusively from revenues of the housing system.

## Section 4.

Sets an immediate effective date.

## Attachments:

1. Long-term Debt Summary for the University of Alaska
2. 1961-1968 Revenue Bond Redemption Proposal
3. Yak Estates Refinancing Scenarios
4. Detailed Refinancing Alternative Comparisons
5. Copy of House Bill 249
6. Copy of ch. 56, SLA 1961
7. Copy of ch. 47, SLA 1962, amendment to ch. 56, SLA 1961
8. Copy of ch. 93, SLA 1974
9. Copy of ch. 34, SLA 1975, amendment to ch. 93, SLA 1974

University of Alaska  
Long-term Debt Summary

|  | <u>Maturity</u> | <u>Rate</u> | <u>Balance</u><br>12/31/86 |
|--|-----------------|-------------|----------------------------|
| <b>General:</b>                              |                 |             |                            |
| UAF Campus Center<br>Note, 1970              | 1995            | 5%          | 2,017,000                  |
| ACC/UAA Campus Center<br>Revenue Bonds, 1975 | 2000            | 8%          | 4,115,000                  |
| <b>UAF Housing System:</b>                   |                 |             |                            |
| G.O. Bonds, 1958                             | 1988            | 3%          | 130,000                    |
| Revenue Bonds, 1961-68                       | 2008            | 3%-3.75%    | 6,920,000                  |
| Yak Estates Note, 1972                       | 2012            | 8.50%       | 1,993,915                  |
| <b>UA Heating Corporation:</b>               |                 |             |                            |
| <b>Revenue Bonds:</b>                        |                 |             |                            |
| 1969 Series                                  | 1993            | 5%-6%       | 990,000                    |
| 1978-1 Series                                | 2001            | 7%-7.5%     | 3,665,000                  |
| 1978-2 Series                                | 2001            | 9.50%       | 665,000                    |
| Interim Financing, 1986                      | 1989            | Prime*.80%  | 1,100,000                  |

**UAF Housing System  
Revenue Bond Redemption Proposal**

|               | -----<br>Balance<br>Due* | May 28, 1987<br>Payoff<br>Value | -----<br>Discount<br>Amount | -----<br>Discount<br>Rate |
|---------------|--------------------------|---------------------------------|-----------------------------|---------------------------|
| 1961 Series A | 368,911                  | 265,984                         | 102,927                     | 27.9%                     |
| 1961 Series B | 478,777                  | 358,370                         | 120,407                     | 25.1%                     |
| 1962 Series   | 598,347                  | 428,120                         | 170,227                     | 28.4%                     |
| 1963 Series   | 1,358,881                | 973,494                         | 385,387                     | 28.4%                     |
| 1964 Series   | 1,861,562                | 1,322,832                       | 538,730                     | 28.9%                     |
| 1968 Series   | 1,994,925                | 1,240,533                       | 754,392                     | 37.8%                     |
|               | <u>6,661,403</u>         | <u>4,589,333</u>                | <u>2,072,070</u>            | <u>31.1%</u>              |

\* Includes accrued interest through May 28, 1987

**UAF Housing System  
Yak Estates Refinancing Scenarios**

| <u>Terms</u>  | <u>-- Debt Service --<br/>FY88</u> | <u>Service --<br/>Payout</u> | <u>Increase<br/>-Decrease</u> | <u>Discounted<br/>Value</u> |
|---------------|------------------------------------|------------------------------|-------------------------------|-----------------------------|
| Current       | 191,936                            | 4,766,410                    | --                            | --                          |
| 25 Yr., 8.00% | 196,959                            | 4,923,975                    | 157,565                       | 58,291                      |
| 20 Yr., 8.00% | 214,143                            | 4,282,860                    | -483,550                      | 58,285                      |
| 20 Yr., 7.50% | 206,238                            | 4,124,760                    | -641,650                      | -31,763                     |
| 20 Yr., 7.00% | 198,460                            | 3,969,200                    | -797,210                      | -128,360                    |
| 20 Yr., 6.50% | 190,814                            | 3,816,280                    | -950,130                      | -232,100                    |
| 15 Yr., 6.00% | 216,478                            | 3,247,170                    | -1,519,240                    | -343,644                    |
| 15 Yr., 5.50% | 203,484                            | 3,052,260                    | -1,714,150                    | -523,741                    |

University of Alaska, UAF Housing System  
Yak Estates Debt Service Refinancing Alternatives

3/1/87

| Portion refinanced      | <u>2,102,448</u>          | <u>2,102,448</u>          | <u>2,102,448</u>            | <u>2,102,448</u>          | <u>2,102,448</u>            | <u>2,102,448</u>          | <u>2,042,488</u>            |
|-------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
| Current<br>Debt Service | Refinancing<br>25yr. @ 8% | Refinancing<br>20yr. @ 8% | Refinancing<br>20yr. @ 7.5% | Refinancing<br>20yr. @ 7% | Refinancing<br>20yr. @ 6.5% | Refinancing<br>15yr. @ 6% | Refinancing<br>15yr. @ 5.5% |
| -----                   | -----                     | -----                     | -----                       | -----                     | -----                       | -----                     | -----                       |
| FY88                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY89                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY90                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY91                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY92                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY93                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY94                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY95                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY96                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY97                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY98                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY99                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY00                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY01                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY02                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 203,484                     |
| FY03                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 0                           |
| FY04                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 0                           |
| FY05                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 0                           |
| FY06                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 0                           |
| FY07                    | 191,936                   | 196,959                   | 214,143                     | 206,238                   | 198,460                     | 190,814                   | 0                           |
| FY08                    | 191,936                   | 196,959                   | 0                           | 0                         | 0                           | 0                         | 0                           |
| FY09                    | 191,936                   | 196,959                   | 0                           | 0                         | 0                           | 0                         | 0                           |
| FY10                    | 191,936                   | 196,959                   | 0                           | 0                         | 0                           | 0                         | 0                           |
| FY11                    | 191,936                   | 196,959                   | 0                           | 0                         | 0                           | 0                         | 0                           |
| FY12                    | <u>159,946</u>            | <u>196,959</u>            | <u>0</u>                    | <u>0</u>                  | <u>0</u>                    | <u>0</u>                  | <u>0</u>                    |
| Total                   | <u>4,766,410</u>          | <u>4,923,975</u>          | <u>4,282,860</u>            | <u>4,124,760</u>          | <u>3,969,200</u>            | <u>3,816,280</u>          | <u>3,052,260</u>            |
| Cash flow               |                           |                           |                             |                           |                             |                           |                             |
| increase/-decrease      | <u>157,565</u>            | <u>-483,550</u>           | <u>-641,650</u>             | <u>-797,210</u>           | <u>-950,130</u>             | <u>-1,519,240</u>         | <u>-1,714,150</u>           |
| Discount Rate           |                           |                           |                             |                           |                             |                           |                             |
|                         | <u>8.00%</u>              | <u>8.00%</u>              | <u>7.50%</u>                | <u>7.00%</u>              | <u>6.50%</u>                | <u>6.00%</u>              | <u>5.50%</u>                |
| Net present value       |                           |                           |                             |                           |                             |                           |                             |
|                         | <u>58,291</u>             | <u>58,285</u>             | <u>-31,763</u>              | <u>-128,360</u>           | <u>-232,100</u>             | <u>-343,644</u>           | <u>-523,741</u>             |

Introduced: 4/8/87  
Referred: Health, Education &  
Social Services and Finance

ATTACHMENT 5  
5-1026A

Lynch  
Carter  
Kauffman  
Carlson

1 IN THE HOUSE

BY FRANK, BOYER AND  
KOPONEN

2

HOUSE BILL NO. 249

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the issuance of bonds of the  
University of Alaska for refinancing housing; and  
providing for an effective date."

7

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

10 \* Section 1. For the purpose of refinancing the existing mortgage loan  
11 on housing of the University of Alaska at Fairbanks known as Yak Estates,  
12 the issuance of revenue bonds of the university in the total principal  
13 amount not to exceed \$2,400,000 is authorized. The principal of and inter-  
14 est on the bonds shall be paid out of and secured by the amounts required  
15 in sec. 3, ch. 56, SLA 1961, to be paid into the housing system revenue  
16 fund.

17 \* Sec. 2. The bonds shall be issued and sold as provided in ch. 56, SLA  
18 1961, as amended by ch. 47, SLA 1962. The provisions of ch. 56, SLA 1961,  
19 as amended by ch. 47, SLA 1962, apply to the bonds authorized by this Act  
20 except that the limitation on investments of money in the revenue fund and  
21 on the rate of interest do not apply. The provisions of sec. 8 (relating  
22 to legal investments), sec. 9 (relating to exemption from taxation), sec.  
23 10 (relating to pledge of the state) and sec. 11 (relating to the effec-  
24 tiveness of the pledge) of ch. 93, SLA 1974, as amended, apply to the bonds  
25 authorized by this Act.

26 \* Sec. 3. The revenue bonds authorized by this Act and the interest due  
27 on them do not constitute a general obligation of the state or of the  
28 University of Alaska.

29 \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

g. The orderly and economic development of the resources and industry of the state and the educational development of its inhabitants therefor;

h. The general welfare of the state and its inhabitants.

Sec. 2. That there be and is hereby created a special fund of the state to be known as the "Vocational Education School Construction Fund," into which shall be paid the proceeds of the sale of the bonds described in Section 1 of this Act, except for accrued interest. For the purpose of carrying out the provisions of said Ch. 171, SLA 1960, and this Act, there is hereby appropriated from the Vocational Education School Construction Fund to the Department of Public Works the sum of \$1,500,000.

Sec. 3. That there be and is hereby created another special fund of the state to be known as the "Vocational Education School General Obligation Bond Redemption Fund," to the credit of which there shall be set aside such amounts of money as may be necessary to pay the principal of and interest on the outstanding bonds of the issue described herein, and which fund shall be used for the sole purpose of paying and securing the payment of such principal and interest as the same shall become due.

Sec. 4. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 7, 1961

## CHAPTER 56

AN ACT RELATING TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN BUILDINGS OF THE UNIVERSITY OF ALASKA AND TO THE ISSUANCE AND SALE OF NOT TO EXCEED \$6,750,000 OF NEGOTIABLE REVENUE BONDS OF THE UNIVERSITY TO PAY PART OR ALL OF THE COST THEREOF; CREATING A HOUSING SYSTEM AND A HOUSING SYSTEM REVENUE FUND OF THE UNIVERSITY; AUTHORIZING THE ISSUANCE AND SALE OF REFUNDING BONDS; AND PROVIDING FOR AN EFFECTIVE DATE.

(H.B. 163)

*Be it enacted by the Legislature of the State of Alaska:*

Section 1. As used in this Act, unless the context otherwise requires:

a. "University" means the University of Alaska, located at College, Alaska.

b. "Bonds" means the University revenue bonds authorized by this Act.

c. "Board" means the Board of Regents of the University.

d. "Improvements" means the apartments, residences, dormitories, dining facilities and other buildings to be acquired, constructed and equipped out of the proceeds of sale of the Bonds, as authorized in Sec. 4 of this Act.

e. "Housing System" means the housing system of the University created in Sec. 2 of this Act.

f. "Revenue Fund" means the Housing System Revenue Fund created by Sec. 3 of this Act.

Sec. 2. There is hereby created the Housing System of the University which shall consist of all apartment, residence, dormitory, housing, dining, boarding, hospital, infirmary, parking, and student activity buildings and facilities and book stores of the University which are made a part of the Housing System by the Board.

Sec. 3. There is hereby created a special fund of the University to be known as the "Housing System Revenue Fund" which shall be completely segregated and set apart from all other funds of the University, shall be a trust fund for the uses and purposes herein provided, and into which shall be paid all revenues, fees, charges and rentals derived by the University from the ownership, lease, use or operation of the Housing System.

The moneys in the Revenue Fund shall be pledged or used only for the purpose of paying or securing the payment of the principal of and interest on the Bonds, for the purpose of paying or securing the payment of the principal of and interest on any other revenue bonds of the University issued by authorization of the legislature to provide funds to acquire, construct and equip buildings, improvements and facilities which later are made a part of the Housing System as provided in Sec. 2 of this Act, the purpose of paying the normal and necessary costs of equipping, maintaining and operating the Housing System and all of the buildings, facilities and operations thereof, the purpose of paying the cost of renewals, replacements and normal and extraordinary repairs to the Housing System and all of the buildings, facilities and equipment thereof, the purpose of redeeming ahead of their fixed maturity any and all revenue bonds of the University issued for Housing System purposes, the purpose of providing funds to acquire, construct and equip necessary additions and improvements thereto and modifications and extensions of the buildings and facilities of the Housing System and the purpose of providing funds to pay any and all other normal and necessary costs relating to the ownership, use and operation of the Housing System.

Money in the Revenue Fund may be invested in direct obligations of the United States of America maturing at least 30 days prior to the date on which such monies must be expended or transferred therefrom. The interest earned upon or any proceeds derived from

the sale of such investments shall be deposited in and become a part of the Revenue Fund.

Sec. 4. The University may acquire, construct and equip or provide for the acquisition, construction and equipping of the Improvements, to wit: one or more apartment, residence, dormitory or dining facility buildings for students or staff members or both at the University as found necessary by the Board.

Sec. 5. For the purpose of providing part or all of the money necessary to acquire, construct and equip the Improvements, the issuance and sale of revenue bonds of the University in the total principal sum of not to exceed \$6,750,000 is hereby authorized. The principal of and interest on such Bonds shall be paid out of and secured by the money required in Sec. 3 of this Act to be paid into the Revenue Fund and out of any other revenues received by the University which the legislature may authorize to be pledged to such payment, and which revenues shall likewise be paid into the Revenue Fund.

All of the bonds when issued shall be payable out of the same bond redemption fund on a parity basis. In the proceedings authorizing the issuance of the Bonds or the first part or series thereof the Board may provide conditions which must be complied with before additional revenue bonds of the University may be issued on a parity with the Bonds. Whenever the legislature authorizes the University to issue additional revenue bonds to acquire, construct or equip any apartment, residence, dormitory, housing, dining, boarding, hospital, infirmary, parking, and student activity buildings and facilities or book store, the Board shall determine whether such conditions can be met and whether the additional revenue bonds or any part thereof should be issued on a parity with the Bonds. Additional revenue bonds when issued on a parity with the Bonds are designated in this Act as "Parity Bonds."

The Board shall create a special bond redemption fund of the University which shall be a trust fund for paying and securing the payment of the principal of and interest on the Bonds and any Parity Bonds, which fund shall be at all times set apart from all other funds of the University. The Board on behalf of the University may obligate and bind the University to set aside and pay into the bond redemption fund any part or parts of, or all of, or a fixed proportion of, or a fixed amount of the money in the Revenue Fund, that will be sufficient to pay the principal of and interest on the Bonds and of and on any Parity Bonds outstanding as they shall become due and, if determined necessary, to set aside and maintain reserves therefor. The bond redemption fund shall be drawn upon solely for the purpose of paying the principal of and interest on the Bonds and any Parity Bonds, and the Bonds and

Parity Bonds shall not constitute a general obligation of the State of Alaska or the University.

Sec. 6. The Bonds may be sold in amount or series and at time or times as determined by the Board. The Bonds or each series thereof shall be sold at such price so that the effective interest rate over the life of the Bonds sold shall not exceed six per cent (6%) a year. Such interest shall be paid annually or semi-annually, and no interest coupon shall evidence interest at a rate greater than six per cent (6%). The Bonds shall mature at such time or times as fixed by the Board; shall be sold at public or private sale; may be subject to redemption prior to their fixed maturity or maturities as determined by the Board and with such premium or premiums as fixed by the Board; may be in such denomination or denominations as determined by the Board; may be issued in coupon form and made payable to bearer, or may be registrable as to principal or principal and interest, or may be made payable to the purchaser or purchasers thereof, all under such regulations and conditions as the Board shall provide; shall be payable both principal and interest at such place or places as may be determined by the Board; shall be signed on behalf of the University by the president of the Board and shall be attested by the secretary of the Board, one of which signatures may be a facsimile signature; shall have the seal of the University impressed, printed or lithographed thereon, and each of the interest coupons attached thereto shall be signed by the facsimile signatures of said president and secretary; and shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective features safeguarding such payment and relating to the maintenance, operation and improvement of the Improvements and other facilities of the Housing System as found necessary by the Board, which covenants may include but are not limited to a provision requiring the setting aside and maintaining of certain reserves to secure the payment of such principal and interest and a provision requiring the setting aside and maintaining of certain moneys to maintain, equip, repair, renew, renovate and replace the Improvements and all facilities and equipment used in connection therewith.

If found reasonably necessary, the Board may select a trustee or trustees for the owners and holders of the Bonds or any series thereof, and/or for the safeguarding and disbursement of the proceeds of sale of the Bonds, and shall fix the rights, duties, powers and obligations of such trustee or trustees.

In its determination of all of the matters and questions relating to the issuance and sale of the Bonds and the fixing of the maturi-

ties, terms, conditions and covenants thereof, the decisions of the Board shall be those found to be reasonably necessary for the best interests of the University and its students and those which will accomplish the most advantageous sale of the Bonds, with due regard, however, to necessary or normal costs of maintenance and operation, renewals and replacements of and repairs to the Improvements and to other improvements and facilities owned, used, operated or leased by the University, the future growth and expansion of the University and all of its improvements and facilities, and the possibility of additional revenue bond financing for University purposes.

Sec. 7. The Board shall adopt the resolution or resolutions and prepare all other documents and proceedings necessary for the issuance, sale and delivery of the Bonds or any part or series thereof. The resolution or resolutions shall fix the principal amount, denomination, date, maturities, place or places of payment, rights of redemption if any, terms, form, conditions and covenants of the Bonds or each series thereof and their date and manner of sale, and shall provide for the publication of the notice of such sale.

The owner and holder of any Bond or the trustee for the owners and holders of the Bonds or any series thereof may by mandamus or other appropriate proceedings in the superior court, require and compel the transferring, setting aside and payment of money and the enforcement of all of the terms, conditions and covenants as provided in this Act and in the resolution or resolutions authorizing the issuance of the Bonds or any series thereof.

Sec. 8. The Bonds and the coupons attached thereto are fully negotiable instruments under the laws of the State of Alaska.

Sec. 9. Any part or all of the Bonds may be refunded at or prior to their maturity by the issuance of refunding revenue bonds of the University if in the opinion of the Board, such refunding is advantageous to and in the best interest of the University.

The principal of and interest on such refunding revenue bonds shall be payable either from the same source or sources of money as pledged for the payment of the principal of and interest on the Bonds or from such other source or sources as may legally be provided or both. The Board shall create a special bond redemption fund of the University which shall be a trust fund for paying and securing the payment of the principal of and interest on such refunding revenue bonds, which fund shall be at all times completely segregated and set apart from all other funds of the University. The Board, on behalf of the University, shall obligate and bind the University to set aside and pay into such fund any part or parts of, or all of, or a fixed proportion of, or a fixed

amount of the money in the Revenue Fund, that will be sufficient to pay the principal of and interest on the refunding revenue bonds as the same shall become due and, if deemed necessary, to set aside and maintain reserves therefor. Such fund shall be drawn upon solely for the purpose of paying the principal of and interest on such refunding revenue bonds, and the refunding revenue bonds shall not constitute a general obligation of the State of Alaska or the University.

Any money set aside as reserves to secure the payment of the principal of and interest on the Bonds being refunded may be used either to pay the principal of, premium if any, and interest on such Bonds or may be retained by the University as reserves to secure the payment of the principal of and interest on such refunding revenue bonds to be issued. Such refunding revenue bonds may be sold at public or private sale and the proceeds of such sale, exclusive of accrued interest, shall be applied in payment of the Bonds being refunded, or the refunding revenue bonds may be exchanged privately for and in payment and discharge of a like or greater principal amount of the Bonds being refunded. The principal amount of such refunding revenue bonds may exceed the principal amount of the Bonds being refunded to the extent necessary to pay all costs incidental to such refunding and any premium required to redeem and retire the Bonds being refunded and to fund interest due or about to become due on such Bonds, and the holder or holders of any Bonds being refunded need not pay accrued interest on the refunding bonds to be delivered in exchange therefor if and to the extent that interest is due or accrued and unpaid on the outstanding Bonds being refunded.

The effective rate of interest over the life of refunding revenue bonds shall not exceed six percent (6%) a year, and the costs of refunding and the amount of any premium which might be paid to effect the redemption of the outstanding Bonds being refunded shall not be considered in determining the effective rate of interest.

Refunding revenue bonds and the coupons attached thereto are fully negotiable instruments under the laws of the State of Alaska.

The issuance of refunding revenue bonds need not be authorized by an Act of the legislature, and the Board shall adopt the resolution or resolutions and prepare all other documents and proceedings necessary for the issuance, exchange or sale and delivery of such bonds.

The provisions of this Act relating to the maturities, payment, terms, conditions, covenants, issuance and sale of the revenue bonds shall be applicable to refunding revenue bonds except as may be otherwise specifically provided in this section.

Sec. 10. This Act shall be liberally construed in order to carry out the purposes for which it was adopted, and all existing laws in conflict with any of the provisions of this Act are superseded insofar as necessary to accomplish the purposes of and carry out the provisions of this Act.

Sec. 11. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 8, 1961

## CHAPTER 64

AN ACT RELATING TO THE ISSUANCE OF \$2,000,000 OF GENERAL OBLIGATION BONDS OF THE STATE AUTHORIZED FOR A GYMNASIUM AND GENERAL UTILITY FACILITIES FOR THE UNIVERSITY OF ALASKA; PROVIDING RULES AND STANDARDS TO BE FOLLOWED IN DETERMINING THE SPECIFIC CAPITAL IMPROVEMENTS TO BE ACQUIRED, CONSTRUCTED, INSTALLED AND MADE OUT OF THE PROCEEDS OF SALE OF SUCH BONDS; CREATING A CONSTRUCTION FUND AND MAKING AN APPROPRIATION OF \$2,000,000 THEREFROM; CREATING A BOND REDEMPTION FUND; AND PROVIDING FOR AN EFFECTIVE DATE.

(H.B. 43)

*Be it enacted by the Legislature of the State of Alaska:*

Section 1. In determining the specific capital improvements to be acquired, constructed, installed and made out of the proceeds of sale of the \$2,000,000 of University of Alaska gymnasium and utilities general obligation bonds of the state provided for in Ch. 172, SLA 1960, and authorized by the qualified voters of the state at an election held therein on November 8, 1960, the governor shall consider the following rules and standards:

a. The physical education, health education, and Reserve Officers Training Corps programs in which the students at the University will participate;

b. The intramural and intercollegiate sports events which will be held in such gymnasium, the number of students participating in the same, and the number of spectators who may attend the same;

c. The present condition and extent of the general utility facilities now serving the building at the University of Alaska, and the additions, improvements and repairs thereto and extensions and replacements thereof necessary to properly serve the buildings at the University now and hereafter.

Sec. 2. That there be and is hereby created a special fund of the state to be known as the "University of Alaska Gymnasium

**SLA 1962**  
**CHAPTER 47**

**AN ACT PERTAINING TO REVENUE BONDS OF THE UNIVERSITY OF  
ALASKA; AND PROVIDING FOR AN EFFECTIVE DATE.**

**(H.B. 366)**

*Be it enacted by the Legislature of the State of Alaska:*

Section 1. Sec. 5, Ch. 56, SLA 1961, is hereby amended to read:

Sec. 5. For the purpose of providing part or all of the money necessary to acquire, construct, and equip the improvements, the issuance and sale of revenue bonds of the University in the total principal sum of not to exceed \$6,750,000 (herein called the Bonds) is hereby authorized. The principal of and interest on the Bonds shall be paid out of and secured by the money required in Sec. 3 of this Act to be paid into the Revenue Fund and out of any other source which the legislature may authorize to be pledged to such payment.

The Board shall adopt the resolution or resolutions and prepare all other documents and proceedings necessary for the issuance, sale, and delivery of the Bonds or any part or series thereof. The resolution or resolutions shall fix the principal amount, denomination or denominations, date, maturities, place or places of payment, rights of redemption if any, terms, form, conditions, and covenants of the Bonds or each part or series thereof, and the date and manner of sale thereof.

The Board, in the proceedings authorizing the issuance of the Bonds or any part or series thereof, may provide conditions which must be complied with before the rest of the Bonds and any additional revenue bonds which the legislature may authorize the University to issue may be issued on a parity with the Bonds then being issued.

The Board shall create one or more special bond redemption funds of the University for paying and securing the payment of the principal of and interest on the Bonds and any other revenue bonds which the legislature may authorize the University to issue. Such bond redemption fund or funds shall be trust funds for such purposes and shall be at all times set apart from all other funds of the University. All issues or parts or series of revenue bonds of the University issued on a parity with each other shall be payable out of the same bond redemption fund.

The Board, on behalf of the University, may obligate and bind the University to set aside and pay into such bond redemption fund or funds any part or parts of, or all of, or a fixed proportion of, or a fixed amount of the money in the Revenue Fund,

sufficient to pay the principal of and interest on the Bonds and all other revenue bonds of the University which may be issued on a parity with the Bonds or any part or series thereof as the same shall become due, and, if determined necessary, to maintain adequate reserves to secure such payment. Such bond redemption fund or funds shall be drawn upon solely for the purpose of paying the principal of and interest on the Bonds and any such additional revenue bonds, and the Bonds and any such additional revenue bonds shall not constitute a general obligation of the State of Alaska or the University.

Sec. 2. Sec. 7, Ch. 56, SLA 1961, is hereby amended to read:

Sec. 7. The owner and holder of any Bond or the trustee for the owners and holders of the Bonds or any part or series thereof may by mandamus or other appropriate proceedings in the superior court require and compel the transferring, setting aside, and payment of money and the enforcement of all of the terms, conditions, and covenants as provided in this Act and in the resolution or resolutions authorizing the issuance of the Bonds or any part or series thereof.

Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 2, 1962

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## CHAPTER 100

AN ACT RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE FOR HOSPITAL CONSTRUCTION AND EQUIPMENT; AMENDING SEC. 2, CH. 66, SLA 1961; AND PROVIDING FOR AN EFFECTIVE DATE.

(H.B. 490)

*Be it enacted by the Legislature of the State of Alaska:*

Section 1. Sec. 2, Ch. 66, SLA 1961, is amended to read:

Sec. 2. That there be and is hereby created a special fund of the state to be known as the "Hospital Construction Fund," into which shall be paid the proceeds of the sale of the bonds described in Section 1 of this chapter, except for accrued interest. For the purpose of carrying out the provisions of said Ch. 173, SLA 1960, and this Act, there is hereby appropriated from the Hospital Construction Fund to the Department of Health and Welfare the sum of \$354,000.

Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 11, 1962

Ch. 86

CHAPTER 93

AN ACT RELATING TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A CAMPUS STUDENT CENTER AT THE UNIVERSITY OF ALASKA; RELATING TO THE ISSUANCE AND SALE OF NOT TO EXCEED \$6,000,000 OF NEGOTIABLE REVENUE BONDS OF THE UNIVERSITY TO PAY PART OR ALL OF THE COST OF THE CENTER; CREATING A CAMPUS STUDENT CENTER REVENUE FUND OF THE UNIVERSITY; RELATING TO THE PAYMENT AND REFUNDING OF THE BONDS AND THE ENFORCEMENT OF THE COVENANTS OF THE BONDS; AND PROVIDING FOR AN EFFECTIVE DATE.

(HB 470)

*Be it enacted by the Legislature of the State of Alaska:*

Section 1. (a) There is a special fund of the university to be known as the "Anchorage Campus Student Center Revenue Fund" which shall be completely segregated and set apart from all other funds of the university, which is a trust fund for the uses and purposes provided in this Act, and into which shall be paid 25 per cent of all student fees, or a lesser per cent of all student fees determined by the board, and special fee assessments as determined by the board.

(b) The money in the revenue fund shall be used only for the purpose of paying or securing the payment of the principal of the interest and redemption premium, if any, on the bonds, for the purpose of paying or securing the payment of the principal of and interest on any other revenue bonds of the university issued by authorization of the legislature to provide funds to acquire, construct and equip additions or improvements to the improvements, the purpose of paying the normal and necessary costs of equipping, maintaining and operating the improvements, the purpose of paying the cost of renewals, replacements and normal and extraordinary repairs to the improvements, the purpose of redeeming before their fixed maturities any and all revenue bonds of the university issued for the improvements, the purpose of providing funds to acquire, construct and equip necessary additions and improvements to the improvements and modifications and extensions of the improvements, and the purpose of providing funds to pay any and all other normal and necessary costs relating to the ownership, use and operation of the improvements, all to the extent fixed and determined by the board in one or more bond resolutions, trust indentures, or trust agreements securing or providing for the issuance of the bonds adopted or entered into in accordance with this Act.

(c) The board may provide for the investment of money in the revenue fund in the manner it may fix and determine by resolution. The interest earned upon or any proceeds derived from the sale of these

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investments shall be deposited in and become a part of the revenue fund.

Sec. 2. The university may acquire, construct and equip or provide for the acquisition, construction and equipping of the improvements in the manner as determined by the board.

Sec. 3. (a) For the purpose of providing part or all of the money necessary to pay the costs of acquiring, constructing and equipping the improvements, the issuance and sale of revenue bonds of the university in the total principal sum of not to exceed \$6,000,000 is authorized. The principal of and interest on these bonds shall be paid out of and secured by the money required in sec. 1 of this Act to be paid into the revenue fund and out of any other revenues or money received by the university which the legislature may authorize to be pledged to such payment, and which revenues shall likewise be paid into the revenue fund.

(b) The board shall create a special bond redemption fund of the university which shall be a trust fund for paying and securing the payment of the principal of and interest and redemption premium, if any, on the bonds, and which fund shall be at all times completely segregated and set apart from all other funds of the university. The board, on behalf of the university, may obligate and bind the university to set aside and pay into the bond redemption fund any part or parts of, or all of, or a fixed proportion of, or a fixed amount of the money in the revenue fund, sufficient to pay the principal of and interest on the bonds as they become due and, if it determines necessary, to set aside and maintain reserves therefor. The bond redemption fund shall be drawn upon solely for the purpose of paying the principal of and interest and redemption premium, if any, on the bonds, and the bonds do not constitute a general obligation of the state or the university.

Sec. 4. (a) The bonds may be sold in the amounts or series and at the time or times as determined by the board. The bonds or each series of bonds shall be sold at a price so that the effective interest rate over the life of the bonds sold does not exceed eight per cent a year. Interest shall be paid annually or semiannually, and no interest coupon shall evidence interest at a rate greater than eight per cent. The bonds shall mature at such time or times as fixed by the board; shall be sold at public or private sale; may be subject to redemption before their fixed maturity or maturities as determined by the board and with premium or premiums as fixed by the board; may be in denominations determined by the board; may be issued in coupon form and made payable to bearer, or may be registerable as to principal or principal and interest, or may be made payable to the purchaser or purchasers thereof, all under regulations and conditions as the board shall provide; shall be payable as to principal and interest at the place or places determined by the board; shall be signed on behalf of the university by the president of the board and shall be attested by the secretary of

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the board, both of whose signatures may be facsimile signatures; shall have the seal of the university impressed, printed or lithographed on them, and each of the interest coupons attached to them shall be signed by the facsimile signatures of the president and secretary; and shall be issued under and subject to such terms, conditions, and covenants providing for the payment of the principal of them and interest on them and such other terms, conditions, covenants and protective features safeguarding the payment and relating to the maintenance, operation and improvement of the improvements as found necessary by the board, which covenants may include but are not limited to provisions providing for the charging, collecting and depositing of student fees, provisions requiring the setting aside and maintaining of certain reserves to secure the payment of the principal and interest and provisions requiring the setting aside and maintenance of certain reserves to maintain, equip, repair, renew, renovate and replace the improvements and all facilities and equipment used in connection with the improvements. The board may provide that any additional bonds hereafter authorized by the legislature to be payable out of the same source or sources as the bonds authorized by this Act may later be issued on a parity with the bonds authorized by this Act upon compliance with any conditions which the board may prescribe, or may provide that no additional bonds may be so issued payable out of the same said source or sources on a parity with the bonds authorized by this Act.

(b) If found reasonably necessary the board may select a trustee or trustees for the owners and holders of the bonds or any series of them for the safeguarding and disbursement of the proceeds of sale of the bonds or for such duties with respect to the authentication, delivery and registration of the bonds, or otherwise with respect to the bonds, the funds established under this Act and the moneys pledged to those funds as the board may determine, and shall fix the rights, duties, powers and obligations of the trustee or trustees.

(c) In its determination of all of the matters and questions relating to the issuance and sale of the bonds and the fixing of the maturities, terms, conditions and covenants of them, the decisions of the board shall be those found to be reasonably necessary for the best interests of the university and its students and those which will accomplish the most advantageous sale of the bonds, with due regard, however, to necessary or normal costs of maintenance and operation, renewals and replacements of and repairs to the improvements and to other improvements and facilities owned, used, operated or leased by the university, the future growth and expansion of the university and all of its improvements and facilities, and the possibility of additional revenue bond financing for university purposes. Any such decisions of the board, as expressed in any resolution authorizing the issuance of any bonds, shall be final and conclusive when any bonds have been issued pursuant to the bond resolution.

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(d) A resolution authorizing the issuance of bonds may provide that the bonds issued shall contain a recital that they are issued under this Act, and bonds containing this recital shall be conclusively considered to be valid and to have been issued in conformity with this Act.

(e) The validity of the authorization and issuance of bonds is not affected by any proceedings for the acquisition or construction of the improvements for which the bonds have been issued or by contracts in connection with acquisition or construction.

Sec. 5. (a) The board shall adopt the resolution or resolutions and prepare all other documents and proceedings necessary for the issuance, sale and delivery of the bonds or a part or series of the bonds. The resolution or resolutions shall fix the principal amount, denomination, date, maturities, place or places of payment, rights of redemption, if any, terms, form, conditions and covenants of the bonds or each series of them and their date and manner of sale.

(b) The owner and holder of a bond or the trustee for the owners and holders of the bonds or any series of them may by appropriate proceedings in a court of record of the state, require and compel the transfer, setting aside and payment of money and the enforcement of all of the terms, conditions and covenants as provided in this Act and in the resolution or resolutions authorizing the issuance of the bonds or any series of them.

Sec. 6. The bonds and the coupons attached to them are fully negotiable instruments under the laws of the state.

Sec. 7. (a) The bonds or any part of them may be refunded at or before their maturity by the issuance of refunding revenue bonds of the university if in the opinion of the board refunding is advantageous to and in the best interests of the university and its students.

(b) The issuance of refunding bonds need not be authorized by an act of the legislature, and the board is authorized and directed to adopt the resolution or resolutions and prepare all other documents and proceedings necessary for the issuance, exchange or sale, and delivery of such bonds. All provisions of this Act applicable to revenue bonds are applicable to the refunding bonds and to the issuance, sale or exchange of them, except as otherwise provided in this section.

(c) Refunding bonds may be issued in a principal amount sufficient to provide funds for the payment of all bonds to be refunded by them, and in addition, for the payment of all expenses incident to the calling, retiring or paying of the outstanding bonds, and the issuance of the refunding bonds. These expenses include the difference in amount between the par value of the refunding bonds and any amount less than par for which the refunding bonds are sold, the amount necessary to be made available for the payment of interest upon the refunding bonds from the date of sale of them to the date of payment of the bonds

to be refunded or to the date upon which the bonds to be refunded will be paid pursuant to the call of them or agreement with the holders of them, and the premium, if any, necessary to be paid in order to call or retire the outstanding bonds and the interest accruing on them to the date of the call or retirement.

Sec. 8. The bonds are legal investments for all banks, trust companies, savings banks, savings and loan associations and other persons carrying on a banking business, all insurance companies and other persons carrying on an insurance business, and all executors, administrators, trustees and other fiduciaries. The bonds may be accepted as security for deposits of all funds of the state and its political subdivisions.

Sec. 9. All bonds are hereby declared to be issued for an essential public purpose, and the bonds, and the interest on them and the income from them shall at all times be exempt from taxation by or under authority of the state or its political subdivisions.

Sec. 10. The state pledges to and covenants and agrees with the holders of bonds that the state will not limit or alter the rights vested in the university or the board by this Act to fulfill the terms of agreements made with the holders of the bonds and will not in any way impair the rights or remedies of the holders, and will not modify in any way the exemptions from taxation provided for in this Act, until the bonds, together with interest on them and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged.

Sec. 11. A pledge made in respect of the bonds under this Act shall be valid and binding from the time the pledge is made. The money or property so pledged and thereafter received by the authority shall immediately be subject to the lien of the pledge without any physical delivery or further act and the lien of the pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the university irrespective of whether such parties have notice of the claim. No resolution, trust indenture, trust agreement or any other instrument by which a pledge is created need be recorded, or filed under the uniform commercial code.

Sec. 12. In this Act, unless the context otherwise requires

(1) "board" means the Board of Regents of the university;

(2) "bonds" means the university revenue bonds authorized by sec. 3 of this Act;

(3) "costs" means the costs of acquiring, constructing and equipping the improvements, including, without limitation, interest on the bonds before and during such construction and during such period of time after construction as the board determines, and such reserves to secure the bonds as the board determines;

(4) "improvements" means the campus student center at Anchorage, constituting one or more buildings or other facilities for campus activities, including real property or interest in real property necessary in connection with the improvements, as may be determined by the board, and acquired, constructed and equipped out of the proceeds of the sale of the bonds as authorized by sec. 2 of this Act;

(5) "revenue fund" means the "Anchorage Campus Student Center Revenue Fund" created by sec. 1 of this Act;

(6) "student fees" means all fees charged students by the university at Anchorage, Alaska, not including tuition charged out-of-state students or dormitory rentals and also not including any revenues, fees, charges and rentals derived by the university from the ownership, lease, use or operation of the housing system, as the term is defined in ch. 56, SLA 1961, as amended and supplemented, which, in the opinion of the board, are not pledged or may hereafter be pledged to the holders of revenue bonds of the university now or hereafter issued pursuant to ch. 56, SLA 1961, as amended and supplemented, under existing contracts or agreements with the holders or purchasers of such revenue bonds;

(7) "university" means the University of Alaska.

Sec. 13. This Act shall be liberally construed in order to carry out the purposes for which it was adopted, and all existing laws in conflict with any of the provisions of this Act are superseded insofar as necessary to accomplish the purposes of and carry out the provisions of this Act.

Sec. 14. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

Approved May 14, 1974  
Effective May 15, 1974

Ch. 80

Ch. 82

TEMPORARY AND SPECIAL ACTS

Ch. 84

CHAPTER 32

AN ACT CREATING THE OFFICE OF THE OMBUDSMAN; AMENDING RULE 43(h) OF THE RULES OF CIVIL PROCEDURE; AND PROVIDING FOR AN EFFECTIVE DATE.

(FCCS HCS CSSB1)

*Be it enacted by the Legislature of the State of Alaska:*

Secs. 1, 2. Permanent laws. See Table of Disposition of Acts.

Sec. 3. Section 24.55.260 in sec. 1 of this Act amends Rule 43(h) of the Rules of Civil Procedure by establishing an additional privilege not to testify in a court and must receive an affirmative vote of two-thirds of the full membership of each house in order to be effective.

Sec. 4. This Act takes effect immediately in accordance with AS 01.10.070(c).

Approved April 14, 1975  
Effective April 15, 1975

Legislative committee report. — For report on ch. 32, SLA 1975 (FCCS HCS CSSB 1), see 1975 Senate Journal, p. 601.

CHAPTER 34

AN ACT RELATING TO THE UNIVERSITY OF ALASKA ANCHORAGE CAMPUS STUDENT CENTER REVENUE FUND; AND PROVIDING FOR AN EFFECTIVE DATE.

(HB 323)

*Be it enacted by the Legislature of the State of Alaska:*

Section 1. Sec. 1(a), Chapter 93, SLA 1974 is amended to read:

(a) There is a special fund of the university to be known as the "Anchorage Campus Student Center Revenue Fund" which shall be completely segregated and set apart from all other funds of the university, which is a trust fund for the uses and purposes provided in this Act, and into which shall be paid 35 per cent of all student fees, or a lesser per cent of all student fees determined by the board, and special fee assessments as determined by the board.

Sec. 2. This Act takes effect immediately in accordance with AS 01.10.070(c).

Approved April 17, 1975  
Effective April 18, 1975

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