

LDIR#094

MUNICIPAL

BOND BANK

AUTHORITY

Sec. 37.15.010. Full faith and credit for general obligation bonds. The full faith, credit and resources of the state are hereby pledged to the payment of the principal of and interest and redemption premium, if any, on all general obligation bonds of the state authorized pursuant to art. IX, § 8 of the constitution. (§ 1 ch 175 SLA 1960; am § 1 ch 104 SLA 1967)

Revisor's note.—The following laws relate to issuance of general obligation bonds under the provisions of this chapter:

Ch. 170, SLA 1960, and ch. 50, SLA 1961, provide for the issuance of bonds in the amount of \$23,000,000, for ferries and ferry facilities and roads and highways.

Ch. 171, SLA 1960, and ch. 54, SLA 1961, provide for the issuance of bonds in the amount of \$1,500,000 for vocational education schools.

Ch. 172, SLA 1960, and ch. 64, SLA 1961, provide for the issuance of bonds in the amount of \$2,000,000 for gymnasium and general utility facilities for the University of Alaska.

Ch. 173, SLA 1960, ch. 66, SLA 1961, and ch. 100, SLA 1962, provide for the issuance of bonds in the amount of \$2,500,000 for hospital construction and equipment matching funds.

Ch. 174, SLA 1960, and ch. 65, SLA 1961, provide for the issuance of bonds in the amount of \$1,500,000 for state bush airfields.

Ch. 121, SLA 1962, provides for the issuance of bonds in the amount of \$5,950,000 for construction of academic and related facilities at the University of Alaska.

Ch. 122, SLA 1962, provides for the issuance of bonds in the amount of \$5,000,000 for certain elementary and secondary public schools.

Ch. 123, SLA 1962, provides for the issuance of bonds in the amount of \$4,175,000 for trunk airports.

Ch. 157, SLA 1962, provides for the issuance of bonds in the amount of \$2,200,000 for a vocational education school.

Ch. 57, SLA 1963, providing for the issuance of bonds in the amount of \$2,200,000 for a vocational education school, affects ch. 157, SLA 1962, relating to the issuance of bonds for a vocational education school.

Ch. 48, SLA 1964, as amended by ch. 68, SLA 1966, and ch. 28, SLA 1967,

provide for the issuance of bonds in the amount of \$8,185,000 to meet the effects of the March 27, 1964, earthquake.

Ch. 94, SLA 1964, provides for the issuance of bonds in the amount of \$2,000,000 for a branch of the Alaska Pioneers' Home at Fairbanks.

Ch. 118, SLA 1964, and ch. 96, SLA 1965, provide for the issuance of bonds in the amount of \$5,000,000 for state buildings for use by the Department of Health and Welfare.

Ch. 86, SLA 1966, provides for the issuance of bonds in the amount of \$900,000 to provide outdoor recreation facilities.

Ch. 121, SLA 1966, provides for the issuance of bonds in the amount of \$2,285,000 for elementary and secondary public schools throughout the state.

Ch. 134, SLA 1966, provides for the issuance of bonds in the amount of \$15,500,000 for state ferries and ferry facilities.

Ch. 165, SLA 1966, provides for the issuance of bonds in the amount of \$16,900,000 for buildings for the University of Alaska throughout the state.

Ch. 166, SLA 1966, provides for the issuance of bonds in the amount of \$10,500,000 for highways and roads in the state.

Ch. 167, SLA 1966, provides for the issuance of bonds in the amount of \$11,500,000 for trunk, secondary and bush airports owned or operated by the state or its political subdivisions.

Ch. 168, SLA 1966, provides for the issuance of bonds in the amount of \$5,000,000 for regional high schools throughout the state.

Ch. 73, SLA 1967, and ch. 142, SLA 1968, provide for the issuance of bonds in the amount of \$5,000,000 and \$11,200,000, respectively, for highways and roads in the state.

Ch. 91, SLA 1968, provides for the issuance of bonds in the amount of

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH 5 — JUNEAU 99801

March 11, 1975

James B. Rhode, SA
House Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Rhode:

Enclosed is a memorandum from Jack Chenoweth to Larry Eppenbach on current bond issues outstanding in various communities of the State.

These are the communities we would deem in need of assistance. The smaller cities have the most need such as Sitka, Cordova, Nome, Petersburg, Seward and Valdez.

Sincerely,



Sterling Gallagher
Commissioner

SG:gd

Enclosure

MEMORANDUM

State of Alaska

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

TO: Larry Eppenback
Deputy Commissioner of Treasury
Department of Revenue

DATE: December 13, 1974

FILE NO:

TELEPHONE NO:

FROM: Jack Chenoweth
Director
Local Government Assistance Division

SUBJECT: Municipal bond bank: reported authorized but unissued and anticipated general obligation bond issues.

Questionnaires directed to some 40 Alaska municipalities inquired as to anticipated general obligation bond issues. The information returned is summarized below. The Cities of Anchorage and Fairbanks, the Greater Anchorage Area Borough and the Fairbanks North Star Borough are excluded.

| | AUTHORIZED BUT UNISSUED | ANTICIPATED | PURPOSE |
|---|--|--------------|--|
| Juneau <i>maybe</i> | \$ 2,500,000 | \$ 4,000,000 | School Fire facilities and equipment |
| Sitka <i>maybe</i> | -0- | 1,000,000 | Roads |
| Kenai Peninsula Borough <i>maybe</i> | -0- | 3,500,000 | Schools |
| Kodiak Island Borough <i>maybe</i> | 35,000 | None | Schools |
| Matanuska-Susitna Borough <i>Not No</i> | 15,500,000 | None | Schools |
| North Slope Borough | 20,000,000 2,900,000 650,000 50,000 50,000 7,650,000 | None | Schools Roads Public housing Water/sewer Utilities Other capital improvements |
| Bethel <i>maybe</i> | None | 250,000 | Dock improvements |
| Cordova <i>maybe</i> | 1,000,000 | 5,500,000 | Civic center complex School |

| | | <u>AUTHORIZED BUT UNISSUED</u> | <u>ANTICIPATED</u> | <u>PURPOSE</u> |
|------------|--------------|--------------------------------|------------------------------|--|
| Ketchikan | <i>maybe</i> | \$ 1,250,000 | \$ | Sewer treatment facility |
| | | | None | |
| Kodiak | <i>maybe</i> | 1,380,000 | None | Water and sewer/streets |
| Nome | <i>maybe</i> | 1,000,000 | 2,000,000 | Schools Port facilities |
| Pelican | <i>maybe</i> | None | 58,500 | Sewage treatment facility |
| Petersburg | <i>maybe</i> | None | 5,500,000 | School <i>Charter limited - 30% assumed bond</i> |
| Seward | <i>maybe</i> | 600,000 | 50,000 | Water/sewer/sewage treatment Dock improvement |
| Skagway | <i>maybe</i> | 200,000 | None | Sewer |
| Soldotna | <i>maybe</i> | 1,400,000 | None | Water/sewer |
| Wrangell | <i>maybe</i> | 750,000 | 350,000 | Sewer Pool |
| Valdez | | None | <i>No help</i> 12,500,000 | School |

Other municipalities contacted but indicating no unissued bonds or anticipated projects are:

| | | | |
|---------------------------|-----------------|--------------|-----------------|
| Bristol Bay Borough | <i>maybe</i> | Kake | <i>maybe</i> |
| Haines Borough | <i>maybe</i> | Kenai | <i>maybe</i> |
| Ketchikan Gateway Borough | <i>maybe</i> | King Cove | <i>doubtful</i> |
| Barrow | <i>maybe</i> | Klawock | <i>no help</i> |
| Craig | <i>doubtful</i> | Kotzebue | <i>no help</i> |
| Dillingham | <i>maybe</i> | Menana | <i>maybe</i> |
| Haines | " | Saint Mary's | <i>doubtful</i> |
| Homer | " | Seldovia | <i>maybe</i> |
| Hoonah | <i>No Help</i> | Unalaska | <i>maybe</i> |
| Hydaburg | | Yakutat | <i>doubtful</i> |

Totals of the bonds listed are:

| | |
|-------------------------|---------------|
| Authorized but unissued | \$ 56,715,000 |
| Anticipated | \$ 34,703,500 |

Suzanne

NEW ISSUE

\$44,000,000

**Connecticut Housing Finance Authority
Housing Mortgage Finance Program Bonds,
1974 Series A**

Dated January 15, 1974

Due November 15, as shown below

The 1974 Series A Bonds are redeemable prior to maturity, at the option of the Authority, either as a whole or in part, on or after November 15, 1983, at 103% and at declining redemption prices thereafter, or in part at any time at 100% from Recoveries of Principal, all as more fully set forth herein. The 1974 Series A Bonds due November 15, 2016 are also subject to redemption in part by lot on any November 15th on and after November 15, 1991, at 100%, from mandatory Sinking Fund Installments.

Principal and semi-annual interest (May 15 and November 15, first coupon representing ten months' interest due November 15, 1974) payable at the office of the Trustee, Hartford National Bank and Trust Company, Hartford, Connecticut or at the principal office of the Hartford Trust Company of New York (A Limited Purpose Trust Company), in the Borough of Manhattan, City and State of New York. Coupon bonds, in the denomination of \$5,000 each registrable as to principal only or fully registered bonds in denominations of \$5,000 or any authorized multiple thereof. Coupon and registered bonds are interchangeable.

In the opinion of Bond Counsel, interest on the 1974 Series A Bonds is exempt from Federal income taxes under existing statutes and court decisions, except that no opinion is expressed as to the exemption from such taxes of interest on any Bond for any period during which such Bond is held by a person who, within the meaning of Section 103(c)(7) of the Internal Revenue Code of 1954, as amended, is a substantial user of facilities with respect to which the proceeds of the Bonds were used or a related person.

MATURITY SCHEDULE

\$10,560,000 Serial Bonds

| <u>Due</u> | <u>Amount</u> | <u>Coupon</u> | <u>Price or Yield</u> | <u>Due</u> | <u>Amount</u> | <u>Coupon</u> | <u>Price or Yield</u> |
|------------|---------------|---------------|-----------------------|------------|---------------|---------------|-----------------------|
| 1976 | \$430,000 | 6% | 4.30% | 1984 | \$ 730,000 | 5.20% | 4.70% |
| 1977 | 485,000 | 6 | 4.30 | 1985 | 770,000 | 5.00 | 4.80 |
| 1978 | 510,000 | 6 | 4.35 | 1986 | 820,000 | 5.00 | 4.90 |
| 1979 | 545,000 | 6 | 4.40 | 1987 | 865,000 | 5.00 | 100 |
| 1980 | 575,000 | 6 | 4.40 | 1988 | 910,000 | 5.10 | 100 |
| 1981 | 615,000 | 6 | 4.45 | 1989 | 960,000 | 5.15 | 100 |
| 1982 | 645,000 | 6 | 4.50 | 1990 | 1,010,000 | 5.20 | 100 |
| 1983 | 690,000 | 6 | 4.60 | | | | |

\$33,440,000 5.70% Term Bonds due November 15, 2016, Price 99%

(Accrued Interest To Be Added)

Bonds issued under the Resolution are obligations of the Connecticut Housing Finance Authority, a body politic and corporate constituting a public instrumentality and political subdivision of the State of Connecticut. The 1974 Series A Bonds will be issued principally to finance certain Federally insured or guaranteed mortgages or self-insured mortgages on housing for low and moderate income families and persons located within the State. The Bonds are payable from revenues derived from mortgages purchased or mortgage loans made by the Authority, together with all other monies legally available therefor, including the amounts, if any, certified by the Chairman of the Authority as necessary to restore the Housing Mortgage Capital Reserve Fund to the required minimum capital reserve and deemed appropriated from the State's general fund and paid to the Authority pursuant to the Act. In the opinion of Bond Counsel, such appropriation from the general fund of the State does not require further legislative approval. The Bonds constitute general obligations of the Authority for which the full faith and credit of the Authority is pledged. The Authority has no taxing power. The Bonds do not constitute a debt or liability of the State or a pledge of its full faith and credit or taxing power.

The 1974 Series A Bonds are offered when, as and if issued and subject to the unqualified approval of legality by Messrs. Hawkins, Delafield & Wood, New York, New York, Bond Counsel to the Authority. It is expected that the 1974 Series A Bonds in definitive form will be available for delivery in New York, New York on or about January 17, 1974.

Supps

(b), the amendment inserted "se- affected by the amendment, it is not
cured" and "(10) or (11)." set out.

As the rest of the section was not

Sec. 37.10.087. Loans to bond construction funds. (a) When a construction fund or account established to receive the proceeds of state general obligation bonds is temporarily exhausted the commissioner of administration on recommendation of the state bond committee, and with the approval of the Legislative Budget and Audit Committee, may temporarily transfer money from the general fund to the bond construction fund or account.

(b) Transfers under (a) of this section may be made only when the commissioner of revenue determines and certifies to the state bond committee that there is in the general fund an amount sufficient to meet current cash expenditure needs of the state.

(c) The amount transferred to a construction fund or account under (a) of this section may not exceed anticipated receipts from the unsold general obligation bonds to be issued and the federal programs receipts estimated to be received for the general obligation bond construction program financed from the construction fund or account.

(d) Money transferred from the general fund under (a) of this section shall be immediately returned to the general fund as soon as sufficient money has been received in the bond construction fund or account to which the transfer was made. (§ 1 ch 126 SLA 1972)

Chapter 15. State Bonding Act.

Article

3. International Airports Revenue Bonds (§§ 37.15.410—37.15.550)

Article 1. General Obligation Bonds.

Sec. 37.15.010. Full faith and credit for general obligation bonds.

Revisor's note.

Ch. 97, SLA 1972, provides for the issuance of bonds in the amount of \$3,500,000 for the purpose of matching federal funds under the Hill-Burton hospital construction program.

Ch. 99, SLA 1972, provides for the issuance of bonds in the amount of \$10,000,000 for paying the cost of capital improvements for highway construction.

Ch. 150, SLA 1972, provides for the issuance of bonds in the amount of \$11,500,000 for paying the cost of capital improvements for civic, convention and community recreation centers and all-weather sports facil-

ities. This bond issue was not approved by the voters.

Ch. 177, SLA 1972, provides for the issuance of bonds in the amount of \$18,000,000 for paying the cost of capital improvements for the University of Alaska.

Ch. 194, SLA 1972, provides for the issuance of bonds in the amount of \$24,000,000 for paying the cost of capital improvements for airports.

Ch. 195, SLA 1972, provides for the issuance of bonds in the amount of \$16,000,000 for paying the cost of acquiring, constructing and equipping state-operated schools.

Ch. 201, SLA 1972, provides for the

Offered: 1/24/75
Referred: Community &
Regional Affairs and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 72

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Municipal Bond Bank
7 Authority and prescribing its organization, powers and
8 duties; and providing for an effective date."

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

10 * Section 1. AS 44 is amended by adding a new chapter to read:

11 CHAPTER 58. ALASKA MUNICIPAL BOND BANK AUTHORITY.

12 Sec. 44.58.005. LEGISLATIVE FINDINGS. The legislature finds
13 that

14 (1) the rapid growth of municipalities in the state and the
15 incorporation of new municipalities has created a demand for capital
16 improvements which can only be met by these municipalities' borrowing
17 money through the issuance of bonds or notes;

18 (2) many of these municipalities, although creditworthy,
19 either have not issued bonds or notes or have little outstanding debt;

20 (3) the cost of borrowed money to these municipalities is
21 or may be unnecessarily high due to lack of investor familiarity with
22 the municipalities;

23 (4) other municipalities in the state pay unnecessarily
24 high borrowing costs because of the distance of the state from capital
25 markets or may find borrowing difficult or impossible because of
26 temporary economic dislocation due to loss of employment or prospective
27 loss of employment.

28 Sec. 44.58.010. LEGISLATIVE POLICY. (a) It is the policy of
29 the state

A Report on the
Proposed
Alaska Municipal Bond
Bank Authority

For the
Division of Local Government Assistance
Department of Community and Regional Affairs

Prepared by
Dean Witter & Co. Incorporated
San Francisco, California

April 1, 1974

Introduced: 2/3/70
Referred: Special Committee
on Investments and Monetary
Policy

MERDES, KOSLOSKY,
BRADSHAW, BLODGETT AND
B. PHILLIPS

1 IN THE SENATE

2 SENATE BILL NO. 452

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Municipal Bond
7 Authority as a public corporation and instrumentality
8 of the state for purchase of municipal bonds, notes
9 and other evidences of debt, prescribing its powers and
10 duties, providing for issuance, terms, payment and
11 security of its bonds and notes, and otherwise
12 facilitating the borrowing of money by political sub-
13 divisions of the state; and providing for an effective
14 date."

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

16 * Section 1. AS 44 is amended by adding a new chapter to read:

17 CHAPTER 55. ALASKA MUNICIPAL BOND AUTHORITY.

18 ARTICLE 1. CREATION AND ORGANIZATION.

19 Sec. 44.55.010. LEGISLATIVE POLICY. (a) It is the policy of the
20 state

21 (1) to foster and promote by all reasonable means the pro-
22 vision of adequate capital markets and facilities for the borrowing of
23 money by political subdivisions of the state to finance public improve-
24 ments or purposes, to assist political subdivisions in fulfilling their
25 capital needs and requirements by use of borrowed money within statutory
26 interest rate or cost of borrowing limitations, to the greatest extent
27 possible to reduce costs of borrowed money to taxpayers and residents
28 of the state, and equally to encourage continued investor interest
29 in the purchase of bonds or notes of political subdivisions as sound