

submitted to the qualified voters for their ratification of the state debt authorized by this Act, and shall do everything else necessary to place such proposition before said qualified voters at the next state general election.

Sec. 4. The proposition to be submitted to the qualified voters at said election shall read substantially as follows:

Proposition

**State General Obligation Airport
Bonds, \$1,500,000**

Shall the State of Alaska issue its general obligation bonds in the principal

sum of not to exceed \$1,500,000 bearing interest not to exceed 6% per annum and maturing in not to exceed 30 years from date of issue for the purpose of paying all or part of the cost of acquiring, constructing, equipping and making necessary capital improvements to bush airfields.

Bonds Yes

Bonds No

Sec. 5. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 23, 1960

CHAPTER 175

AN ACT

Relating to general obligation bonds of the state; creating a state bond committee; fixing its powers and duties; and providing for an effective date.

(H.B. 472)

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

Section 1. The full faith credit and resources of the State of Alaska shall be and are hereby pledged to the payment of the principal of and interest on all general obligation bonds of the state authorized by the qualified voters thereof to be issued for capital improvements. The bonds of each such authorization shall be sold in such amounts or series and at such time or times, by the state bond committee hereinafter created, as may be found to be for the best interests of the state and its inhabitants by such committee. Each issue or series of such bonds shall bear interest at an effective rate over the life thereof not to exceed 6% per annum and no semi-annual interest shall be, nor shall any coupon evidence, interest at a rate greater than 6% per annum; shall mature in not to exceed 30 years from date of issue; shall be sold at public sale, notice of which shall be published at least once a week for two consecutive weeks in newspapers of general circulation in each of the four major senatorial districts of the state and the first of each such publications shall be at least 20 days prior to such sale date;

shall be subject to redemption prior to their fixed maturities as may be determined by the state bond committee and with such premium or premiums as might be found to be necessary by such committee; shall be issued in coupon form and made payable to bearer, and/or may be registrable as to principal or principal and interest under such regulations as the state bond committee shall provide; shall be payable both principal and interest at such place or places as may be determined by the state bond committee; shall be signed on behalf of the state by the governor and shall be attested by the secretary of state, one of which signatures may be a facsimile signature; shall have the seal of the state impressed thereon and each of the interest coupons attached thereto shall be signed by the facsimile signatures of said officials; shall be issued under and subject to such terms, conditions, and covenants providing for the payment of the principal thereof and the interest thereon and such other terms, conditions, covenants, and protective provisions safeguarding such payment as found reasonably necessary by the state bond committee for the most advantageous sale thereof, which may include the

setting aside and maintaining of certain reserves to secure the payment of such principal and interest.

If found reasonably necessary by the state bond committee to accomplish the most advantageous sale of such bonds or any issue or series thereof, such committee shall select a trustee or trustees for the owners and holders of such issue or series of bonds, and/or for the safeguarding and disbursement of the proceeds of their sale for the uses and purposes for which they were issued, and shall fix the rights, duties, powers, and obligations of such trustee or trustees.

Sec. 2. There is hereby created a committee to be known as the "state bond committee", the members of which shall be the commissioner of commerce, the commissioner of administration and the commissioner of revenue.

The bond committee may adopt appropriate rules and regulations for the performance of its duties and a majority of its members shall constitute a quorum.

The commissioner of commerce shall be chairman thereof and the commissioner of revenue shall be secretary thereof. The committee shall keep a full, complete, and permanent record of its proceedings. All such records and correspondence of and relating to the committee shall be kept in the office of the commissioner of revenue.

Such committee shall have the duties and powers specifically set forth in this Act and shall exercise and have such other duties and powers as may be hereafter delegated to it by the legislature.

Sec. 3. The state bond committee is hereby authorized and directed to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale, and delivery of such bonds or any part thereof, and if deemed necessary and advisable, may procure architectural or engineering, fiscal agent or municipal investment, legal and other expert or specialized services at reasonable and customary fees to assist it in accomplishing the most advantageous sale of such bonds, which fees may be paid from the proceeds of sale thereof or advanced from the contingency fund in the office of the governor or otherwise.

Such resolution or resolutions shall fix the principal amount, denomination, date, maturities, place or places of payment, terms, rights of redemption, if any, form, conditions and covenants of such bonds, their date of sale and the form of the notice thereof, and shall provide if such notice is to be published elsewhere in addition to the publication hereinbefore required.

Sec. 4. The state bond committee shall, on or before December 31 of each year, commencing with the year in which any of such bonds are issued, certify to the commissioner of administration the amount needed in the next ensuing calendar year to meet principal, interest, and any reserve requirements on all of such bonds or issues or series thereof then outstanding, and such commissioner shall then set aside such amounts or make the necessary provisions for the setting aside of the same so that there shall be sufficient money to pay such principal and interest when the same shall become due and so that such reserve requirements, if any, will be met.

The owner and holder of each of said bonds or the trustee for any of such bonds may by mandamus or other appropriate proceeding require and compel the transfer and payment of money as directed herein.

Sec. 5. All general obligation bonds of the state and the coupons attached thereto shall be fully negotiable instruments under the laws of the state and shall be a legal investment for all state funds, or for funds under state control, and for all funds of any political subdivisions of the state.

Sec. 6. Any part or all of the general obligation bonds of the state, or any part or all of each outstanding issue or series of such bonds, may be refunded at or prior to their maturity by the issuance of general obligation refunding bonds of the state if, in the opinion of the state bond committee, such refunding is advantageous to and in the best interest of the state and its inhabitants. Any monies set aside as reserves to secure the payment of the principal of and interest on any of such bonds being refunded, may be used either to pay the principal of and interest on such bonds or may be

retained by the state to secure the payment of the principal and interest on such refunding bonds to be issued.

Such refunding bonds and the coupons attached thereto shall be fully negotiable instruments under the laws of the state. The effective rate of interest over the life of such refunding bonds shall not exceed 6% per annum and the amount of any premium which might be paid to effect the redemption of outstanding bonds shall not be considered in determining such effective rate of interest.

Such refunding bonds may be exchanged for the bonds being refunded or such refunding bonds may be sold in the manner and at such prices as the state bond committee shall determine to be for the best interest of the state and its inhabitants either at public or private sale.

The issuance of such refunding bonds need not be authorized by the qualified voters of the state and the state bond committee is hereby authorized and di-

rected to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, exchange or sale, and delivery of such bonds. The provisions of this Act relating to the terms, conditions, covenants, issuance, and sale of general obligation bonds of the state shall be applicable to such refunding bonds except as may be otherwise specifically provided in this section.

Sec. 7. This Act shall be known as the "State Bonding Act of 1960."

Sec. 8. This Act shall be liberally construed in order to carry out the purposes for which it was adopted and all existing laws, acts, chapters, sections, or provisions thereof in conflict with any of the provisions of this Act are hereby superseded insofar as necessary to accomplish the purposes of and carry out the provisions of this Act.

Sec. 9. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 23, 1960

CHAPTER 176

AN ACT

Relating to the reclassification of cities; and providing for an effective date.

(C.S.S.B. 165)

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

Section 1. **Definitions.** In this Act unless clearly not applicable

- (1) "city" means a city of the second, third, or fourth class;
- (2) "clerk" means the city clerk or other city official performing similar duties;
- (3) "council" means the governing body of a city;
- (4) "secretary" means the Secretary of State of the State of Alaska;
- (5) "mayor" means the chief executive officer of a city;
- (6) "voter" means a person who

has been a resident of the city for at least 30 days and is qualified to vote under the provisions of Sec. 1, Art. V. of the state constitution;

- (7) the singular includes the plural.

Sec. 2. **Application for Reclassification.** a. Reclassification of a city with a resident population of at least 400 persons may be initiated by the mayor and the council of the city or by 50 voters of the city who subscribe to a petition for reclassification by applying to the secretary to reclassify the city to a city of the first class.

b. Cities of the third and fourth class with a resident population of at least 200 persons may petition to be reclassified as a city of the second class in the