

salaries shall deduct and withhold a tax in the amount of sixteen percent of the tax deducted and withheld under the provisions of subchapter (D), Chapter 9 of the Internal Revenue Code, except that in the case of employees whose wage or salary includes a cost-of-living allowance which is exempt from the Federal income tax, the amount to be deducted and withheld hereunder shall be determined as if such cost-of-living allowance had

not been so exempt. Every employer making a deduction and a withholding as outlined above, shall furnish to the employee upon request a record of the amount of tax withheld from such employee on forms to be prescribed, prepared and furnished by the Commissioner of Revenue.

Sec. 3. This Act shall apply retroactively from January 1, 1961.

Approved April 8, 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 Univer-

sity 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 maturities, 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 57

AN ACT

Relating to the change, relocation, or removal of utility facilities for purposes of the federal-aid systems of highway construction and improvement; declaring such costs to be part of highway construction; providing for reimbursement to utilities for such costs; and providing for an effective date.

(C.S.H.B. 172)

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

Section 1. For the purposes of this Act,

a. "commissioner" shall mean the Commissioner of Public Works, or any official

or employee authorized to act for him.

b. "utility" shall include publicly, privately and cooperatively owned utilities.

c. "cost of change, relocation, or removal" shall include the entire cost in-