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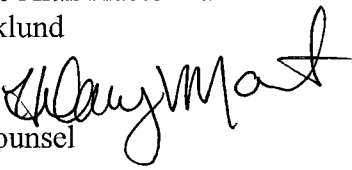
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 24, 2014

SUBJECT: Sectional Summary for FCCS HB 23
(Work Order No. 28-LS0141\H)

TO: Representative Alan Austerman
Attn: Pete Ecklund

FROM: Hilary Martin 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill -- the bill itself is the best statement of its contents.

Section 1. Authorizes the Department of Transportation and Public Facilities (department) to incur indebtedness to the Federal Highway Administration, United States Department of Transportation for the TIFIA loan.

Section 2. Amends the purpose of the Knik Arm Bridge and Toll Authority (KABATA).

Section 3. Provides that KABATA may not be terminated if it has obligations outstanding, including an obligation to the state under AS 37.15.225.

Section 4. Applies the Executive Budget Act to the operating budget of KABATA.

Section 5. Amends the powers of KABATA. Removes the authority to incur indebtedness, issue bonds, apply for permits, perform engineering and design studies, and exercise the power of eminent domain.

Section 6. Removes language authorizing KABATA to plan, design, construct, and operate the Knik Arm bridge and appurtenant facilities. Removes language giving KABATA the exclusive authority to determine and fix fees, rents, tolls, rates, and other charges.

Section 7. Removes language related to bonds from AS 19.75.261.

Section 8. Removes "acquisition, design, construction" from AS 19.75.291.

Section 9. Requires the department to transfer control of the Knik Arm bridge and appurtenant facilities to KABATA after construction of the bridge. Authorizes KABATA to operate the bridge and appurtenant facilities but retains ownership of the bridge, appurtenant facilities, and real property, and the power to reconstruct, equip, extend, maintain, or improve the bridge and appurtenant facilities with the department.

Section 10. Makes conforming changes to AS 19.75.915.

Section 11. Permits the department to set fees, rents, tolls, or other charges for the use of the Knik Arm bridge and appurtenant facilities in excess of operating costs.

Section 12. Authorizes the state to issue revenue bonds to build the Knik Arm bridge and appurtenant facilities.

Sec. 37.15.225. Authorizes the state to issue toll bridge revenue bonds. Requires the proceeds of the sale of the bonds to be deposited in the Knik Arm construction fund. Requires notice to the legislature before issuance of bonds. Prevents the state from issuing bonds until the Federal Highway Administration, United States Department of Transportation, has approved a loan to the state of at least 30 percent of the total project cost under TIFIA.

Sec. 37.15.230. Establishes the Knik Arm construction fund. The fund will be used for the construction of the Knik Arm bridge and appurtenant facilities.

Sec. 37.15.235. Limits the toll bridge revenue bonds to \$300,000,000.

Sec. 37.15.240. Creates the toll bridge revenue fund. The reserve fund may only be used to pay the bonds, redeem the bonds, and pay indebtedness under TIFIA.

Sec. 37.15.245. Creates the toll bridge revenue bond redemption fund to pay the principal and interest and redemption premium on the bonds.

Sec. 37.15.250. Allows the state bond committee to set the amounts or series, price, terms, conditions, and maturity date on the bonds.

Sec. 37.15.255. Requires the state bond committee to authorize the issuance of bonds by adopting a resolution.

Sec. 37.15.260. Creates the bond reserve fund. The reserve fund is created to pay the interest on and principal of the toll bridge revenue bonds. Money may not be withdrawn if it would reduce the amount in the reserve fund to an amount less than the required debt service. Requires the commissioner of revenue to certify to the governor and to the legislature the amount that is necessary to restore the fund to an amount equal to the required debt service reserve.

Sec. 37.15.265. Allows the holder of bonds or the trustee for the holders of the bonds to bring appropriate proceedings in the superior court.

Sec. 37.15.270. Requires the state bond committee to certify to the commissioners of revenue and administration the amounts required in the current and next fiscal year to be paid out of toll bridge revenue into a reserve fund or other fund.

Sec. 37.15.275. Allows the state bond committee to refund the bonds or any part of the bonds before their maturity or redemption date.

Sec. 37.15.280. Declares the bonds to be legal investments.

Sec. 37.15.285. States that AS 37.15.225 - 37.15.290 shall be construed liberally in order to carry out the purposes for which they were enacted.

Sec. 37.15.290. Defines terms for AS 37.15.225 - 37.15.290.

Section 13. Repeals various KABATA statutes.

Section 14. Requires KABATA to transfer all rights, titles, interests to the department.

Section 15. Makes the Act effective July 1, 2014.

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