

AMENDMENT #1

OFFERED IN THE HOUSE

TO: CSHB 23(FIN)

1 Page 1, line 1:

2 Delete "relating to bonds of the Knik Arm Bridge and Toll Authority"

3 Insert "creating the Knik Crossing Development Corporation as a subsidiary of
4 the Alaska Housing Finance Corporation; relating to bonds of the Knik Crossing
5 Development Corporation"

6

7 Page 1, line 2:

8 Delete "authority"

9 Insert "corporation"

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11 Page 1, line 3:

12 Delete "authority"

13 Insert "corporation"

14 Delete "Arm"

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16 Page 1, following line 5:

17 Insert new bill sections to read:

18 **"* Section 1.** AS 18.56.086 is amended by adding a new subsection to read:

19 (b) The corporation shall create the Knik Crossing Development Corporation
20 as a subsidiary corporation. The board shall be the board of directors of the Knik
21 Crossing Development Corporation and is authorized to exercise all the powers and
22 duties set out in AS 19.75.

23 *** Sec. 2.** AS 19.75.011 is amended to read:

1 **Sec. 19.75.011. Purpose.** The purpose of the corporation [AUTHORITY]
 2 created by this chapter is to develop, stimulate, and advance the economic welfare of
 3 the state and further the development of public transportation systems in the vicinity of
 4 the Upper Cook Inlet with construction of a bridge to span Knik Arm and connect the
 5 Municipality of Anchorage and the Matanuska-Susitna Borough.

6 * **Sec. 3.** AS 19.75.021(a) is repealed and reenacted to read:

7 (a) The Knik Crossing Development Corporation shall be a subsidiary
 8 corporation created by the Alaska Housing Finance Corporation under AS 18.56.086.

9 * **Sec. 4.** AS 19.75.021(b) is amended to read:

10 (b) The corporation [AUTHORITY] may not be terminated as long as it has
 11 bonds, notes, or other obligations outstanding. Upon termination of the corporation
 12 [AUTHORITY], its rights and property pass to the Alaska Housing Finance
 13 Corporation [STATE].

14 * **Sec. 5.** AS 19.75.031 is repealed and reenacted to read:

15 **Sec. 19.75.031. Board of directors of corporation.** The board of directors for
 16 the Alaska Housing Finance Corporation shall be the board of directors for the Knik
 17 Crossing Development Corporation.

18 * **Sec. 6.** AS 19.75.041(a) is amended to read:

19 (a) The powers of the corporation [AUTHORITY] are vested in the board.

20 * **Sec. 7.** AS 19.75.041(c) is amended to read:

21 (c) [THE GOVERNOR SHALL DESIGNATE ONE MEMBER OF THE
 22 BOARD TO SERVE AS THE CHAIR OF THE BOARD.] The [VOTING] members
 23 of the board shall elect a chair and other officers they determine desirable.

24 * **Sec. 8.** AS 19.75.051 is amended to read:

25 **Sec. 19.75.051. Executive director.** The corporation [AUTHORITY] shall
 26 employ an executive director who may not be a member of the board. The executive
 27 director shall serve at the pleasure of the board. The board shall establish the duties
 28 and compensation of the executive director.

29 * **Sec. 9.** AS 19.75.081 is amended to read:

30 **Sec. 19.75.081. Legal advisor.** The attorney general is the legal counsel for the
 31 corporation [AUTHORITY]. The attorney general shall advise the corporation

1 [AUTHORITY] in legal matters and represent it in suits.

2 * **Sec. 10.** AS 19.75.111 is amended to read:

3 **Sec. 19.75.111. Powers and duties of the corporation [AUTHORITY].** (a)

4 Except as otherwise explicitly made applicable to the corporation [AUTHORITY],
5 the performance of the corporation's [AUTHORITY'S] duties and the exercise of its
6 powers, including its powers to issue bonds and otherwise incur debt, shall be
7 governed exclusively by this chapter. In furtherance of its purposes, the corporation
8 [AUTHORITY] may

9 (1) own, acquire, construct, develop, create, reconstruct, equip,
10 operate, maintain, extend, and improve the Knik Arm bridge and its appurtenant
11 facilities;

12 (2) sue and be sued;

13 (3) adopt a seal;

14 (4) adopt, amend, and repeal regulations under AS 44.62 and establish
15 bylaws;

16 (5) make and execute agreements, contracts, and all other instruments
17 with any public or private person, governmental unit or agency, corporation, or other
18 business entity lawfully conducting business in the United States for the exercise of its
19 powers and functions under this chapter and for the financing, design, construction,
20 maintenance, improvement, or operation of facilities, properties, or projects of the
21 corporation [AUTHORITY], including making and executing contracts with any
22 person, firm, corporation, governmental agency, or other entity for the purpose of

23 (A) incurring indebtedness, obtaining investments in the
24 corporation's [AUTHORITY'S] projects, acquiring or granting lump sum
25 payments for services in advance or in arrears, grants, and other financing; and

26 (B) entering into public-private partnerships or service
27 contracts in any form;

28 (6) in its own name acquire, lease, rent, sell, or convey real and
29 personal property;

30 (7) issue and refund bonds in accordance with this chapter, in order to
31 pay the cost of the Knik Arm bridge and its appurtenant facilities; the corporation

1 [AUTHORITY] may also secure payment of the bonds as provided in this chapter;

2 (8) incur other indebtedness, including lines of credit and indebtedness
3 to the Federal Highway Administration, United States Department of Transportation,
4 under 23 U.S.C. 601 - 610 (Transportation Infrastructure Finance and Innovation Act
5 of 1998), as amended, and secure that indebtedness as provided in this chapter;

6 (9) apply for and accept gifts, grants, or loans from a federal agency or
7 an agency or instrumentality of the state, or from a municipality, private organization,
8 or other source, including obtaining title to state, local government, or privately owned
9 land, directly or through a department of the state having jurisdiction of the land;

10 (10) fix and collect fees, rents, tolls, rates, or other charges for the use
11 of the Knik Arm bridge and appurtenant facilities, or for a service developed,
12 operated, or provided by the corporation [AUTHORITY]; notwithstanding
13 AS 37.10.050(a), fees, rents, tolls, rates, and other charges fixed and collected under
14 this paragraph may exceed the actual operating cost of the use of the bridge, facility,
15 or service;

16 (11) bring civil actions, refer criminal actions to the appropriate
17 authority, and take other actions or enter into agreements with law enforcement and
18 collection agencies to enforce the collection of its fees, rents, tolls, rates, other
19 charges, penalties, and other obligations;

20 (12) pledge, encumber, transfer, or otherwise obligate revenue derived
21 by the corporation [AUTHORITY] from the ownership, use, or operation of toll
22 facilities, including fees, rents, tolls, rates, charges, or other revenue of the
23 corporation [AUTHORITY] or money that the legislature may appropriate, except a
24 state tax or license, as security for bonds or other indebtedness or agreements of the
25 corporation [AUTHORITY];

26 (13) deposit or invest its funds, subject to agreements with
27 bondholders;

28 (14) procure insurance against any loss in connection with its
29 operation;

30 (15) contract for and engage the services of consultants, experts, and
31 financial and technical advisors that the corporation [AUTHORITY] considers

1 necessary for the exercise of its powers and functions under this chapter;

2 (16) apply for, obtain, hold, and use permits, licenses, or approvals
3 from appropriate agencies of the state, the United States, a foreign country, and any
4 other proper agency in the same manner as any other person;

5 (17) perform reconnaissance studies and engineering, survey, and
6 design studies with respect to the Knik Arm bridge and its appurtenant facilities;

7 (18) exercise powers of eminent domain or file a declaration of taking
8 as necessary for the Knik Arm bridge and appurtenant facilities under AS 09.55.240 -
9 09.55.460 to acquire land or an interest in land; the corporation's [AUTHORITY'S]
10 exercise of powers under this paragraph may not exceed the permissible exercise of
11 those powers by the state;

12 (19) confer with municipal and other governments, metropolitan
13 planning organizations, and the department, concerning the Knik Arm bridge;

14 (20) do all acts and things necessary to carry out the powers expressly
15 granted or necessarily implied in this chapter; nothing in this chapter limits the powers
16 of the corporation [AUTHORITY] that are expressly granted or necessarily implied.

17 (b) The corporation [AUTHORITY] shall

18 (1) prepare an annual report of its operations to include a balance
19 sheet, an income statement, a statement of changes in financial position, a
20 reconciliation of changes in equity accounts, a summary of significant accounting
21 principles, an auditor's report, comments regarding the year's business, and prospects
22 for the next year; the report shall be completed by the third day of each regular session
23 of the legislature, and the corporation [AUTHORITY] shall notify the governor, the
24 commissioner of the department, the presiding officers of each house of the
25 legislature, and the Legislative Budget and Audit Committee that the report is
26 available;

27 (2) comply with the provisions of AS 37.07 (Executive Budget Act),
28 except that AS 37.07 does not apply to the activities of the corporation
29 [AUTHORITY] that relate to the corporation's [AUTHORITY'S] borrowing of
30 money as provided in this chapter, including the issuing of its obligations or evidence
31 of that borrowing and the repayment of the debt obligation;

(3) establish a personnel management system for hiring employees and setting employee-benefit packages;

(4) establish procedures, rules, and rates governing per diem and travel expenses of the employees of the corporation [AUTHORITY] in substantial conformity to statutes, procedures, rules, and rates applicable to state employees of similar state entities;

(5) coordinate the exercise of its powers to plan, design, construct, operate, and maintain the Knik Arm bridge with the department, and with the mayors of the Municipality of Anchorage and the Matanuska-Susitna Borough;

(6) have the exclusive authority to determine and fix fees, rents, tolls, rates, and other charges, including the tolls for the use of the bridge and appurtenant facilities and for the use of all other properties under the control of or owned or managed by the corporation [AUTHORITY].

* **Sec. 11.** AS 19.75.113 is amended to read:

Sec. 19.75.113. Assets, funds, and revenue of the corporation [AUTHORITY]. (a) The Department of Revenue shall separately account for all funds, assets, and revenue of the corporation [AUTHORITY].

(b) The deposit or investment of money in the corporation's [AUTHORITY'S] funds may be made as the board determines. The interest earned on or profits derived from the deposit, investment, or sale of an investment by the corporation [AUTHORITY] are funds of the corporation [AUTHORITY]."

Page 1, line 6:

Delete "Section 1"

Insert "Sec. 12"

Renumber the following bill sections accordingly.

Page 1, line 7:

Delete "authority"

Insert "corporation"

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Page 1, line 10:

Delete "authority"
Insert "corporation"

Page 1, line 12:

Delete "authority"
Insert "corporation"

Page 1, line 14:

Delete "authority"
Insert "corporation"

Page 2, following line 2:

Insert a new bill section to read:

**** Sec. 13.** AS 19.75.211(b) is amended to read:

(b) The bonds of the corporation [AUTHORITY] may be sold in the amounts or series and at the time determined by its board of directors. Bonds, or a series of bonds, may not be sold if the effective interest rate over the life of the bonds exceeds 11 percent a year or a rate of interest that is 125 percent of the rate of the Bond Buyer Index of 20 Municipal Bond Average Yields for the week previous to the date of the sale of the bonds, whichever is higher."

Renumber the following bill sections accordingly.

Page 2, line 4:

Delete "authority"
Insert "corporation [AUTHORITY]"

Page 2, line 8:

Delete "authority"

1 Insert "corporation"

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3 Page 2, line 9:

4 Delete "authority"

5 Insert "corporation"

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7 Page 2, line 12:

8 Delete "authority"

9 Insert "corporation"

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11 Page 2, line 15:

12 Delete "authority"

13 Insert "corporation"

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15 Page 2, line 18:

16 Delete "authority"

17 Insert "corporation"

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19 Page 2, line 19:

20 Delete "authority"

21 Insert "corporation"

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23 Page 2, line 21:

24 Delete "authority"

25 Insert "corporation"

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27 Page 2, following line 23:

28 Insert new bill sections to read:

29 "* **Sec. 16.** AS 19.75.221(a) is amended to read:

30 (a) In the discretion of the corporation [AUTHORITY], an issue of bonds

31 may be secured by a trust indenture or trust agreement between the corporation

1 [AUTHORITY] and a corporate trustee, by a secured loan agreement or other
 2 instrument, or by a resolution giving powers to a corporate trustee, by means of which
 3 the corporation [AUTHORITY] may

4 (1) make agreements with the trustee or the holders of the bonds that
 5 the corporation [AUTHORITY] determines to be necessary or desirable, including
 6 agreements as to the

7 (A) application, investment, deposit, use, and disposition of

8 (i) the proceeds of bonds of the corporation
 9 [AUTHORITY];

10 (ii) money or other property of the corporation
 11 [AUTHORITY]; or

12 (iii) money or other property in which the corporation
 13 [AUTHORITY] has an interest;

14 (B) fixing and collecting of fees, rents, tolls, rates, or other
 15 charges;

16 (C) assignment by the corporation [AUTHORITY] of its
 17 rights in any contract with respect to the Knik Arm bridge or in a mortgage or
 18 other security interest created with respect to the Knik Arm bridge to a trustee
 19 for the benefit of bondholders;

20 (D) terms and conditions under which the corporation
 21 [AUTHORITY] may issue additional bonds;

22 (E) vesting in a trustee of rights, powers, duties, money, or
 23 property in trust for the benefit of bondholders, including the right to enforce
 24 payment, performance, and all other rights of the corporation [AUTHORITY]
 25 or of the bondholders, under a lease, power of contract, contract of sale,
 26 mortgage, security agreement, or trust by injunction or other proceeding or by
 27 taking possession by agent or otherwise, and operating the Knik Arm bridge
 28 and collecting rents or other consideration and applying the same in
 29 accordance with the trust agreement;

30 (2) pledge, mortgage, or assign money, leases, agreements, property,
 31 or other rights or assets of the corporation [AUTHORITY] either presently in hand or

1 to be received in the future, or both; and

2 (3) provide for any other matters that affect the security or protection
3 of the bonds.

4 * **Sec. 17.** AS 19.75.221(b) is amended to read:

5 (b) Notwithstanding any other provisions of this chapter, the trust agreement
6 must contain an agreement by the corporation [AUTHORITY] that the corporation
7 [AUTHORITY] will at all times maintain fees, rents, tolls, rates, or other charges
8 sufficient to

9 (1) pay the costs of operation and maintenance of the Knik Arm bridge
10 and its appurtenant facilities and the principal of and interest on bonds issued under
11 the trust agreement as the bonds severally become due and payable;

12 (2) provide for debt service coverage as considered necessary by the
13 corporation [AUTHORITY] for the marketing of its bonds; and

14 (3) provide for renewals, replacements, and improvements of the Knik
15 Arm bridge, and to maintain reserves required by the terms of the trust agreement.

16 * **Sec. 18.** AS 19.75.221(c) is amended to read:

17 (c) For the purpose of securing one or more issues of its bonds, the
18 corporation [AUTHORITY] may establish one or more special funds, called "capital
19 reserve funds," and shall pay into those capital reserve funds the proceeds of the sale
20 of its bonds and any other money that is available to the corporation [AUTHORITY]
21 for the purposes of those funds. The funds shall be established only if the corporation
22 [AUTHORITY] determines that the establishment would enhance the marketability of
23 the bonds. All money held in a capital reserve fund, except as provided in this section,
24 shall be used as required solely for (1) the payment of the principal of and interest on
25 bonds or of the sinking fund payments with respect to those bonds, (2) the purchase or
26 redemption of bonds, or (3) the payment of a redemption premium required to be paid
27 when those bonds are redeemed before maturity. However, money in a fund may not
28 be withdrawn from the fund at any time in an amount that would reduce the amount of
29 the fund to less than the capital reserve requirement set out in (d) of this section,
30 except for the purpose of making, with respect to those bonds, payment, when due, of
31 principal, interest, redemption premiums, and the sinking fund payments for the

1 payment of which other money of the corporation [AUTHORITY] is not available.
 2 Income or interest earned by or increment to a capital reserve fund due to the
 3 investment of the fund or any other amounts in the fund may be transferred by the
 4 corporation [AUTHORITY] to other funds or accounts of the corporation
 5 [AUTHORITY] to the extent that the transfer does not reduce the amount of the
 6 capital reserve fund below the capital reserve fund requirement.

7 * **Sec. 19.** AS 19.75.221(d) is amended to read:

8 (d) If the corporation [AUTHORITY] decides to issue bonds secured by a
 9 capital reserve fund, the bonds may not be issued if the amount in the capital reserve
 10 fund is less than the amount of the capital reserve fund requirement, if any, established
 11 by resolution of the corporation [AUTHORITY], unless the corporation
 12 [AUTHORITY], at the time of issuance of the obligations, deposits in the capital
 13 reserve fund from the proceeds of the obligations to be issued or from other sources an
 14 amount that, together with the amount then in the fund, will not be less than the capital
 15 reserve fund requirement.

16 * **Sec. 20.** AS 19.75.221(f) is amended to read:

17 (f) If the corporation [AUTHORITY] decides to issue bonds secured by a
 18 capital reserve fund, the bonds may not be issued until 30 days after the corporation
 19 [AUTHORITY] has mailed notification to the state bond committee and the
 20 Legislative Budget and Audit Committee by certified mail of its intention to establish
 21 a capital reserve fund to secure the bond issue. The notification must include the
 22 amount of the capital reserve fund to be established, the amount of bonds proposed to
 23 be issued, and the total cost for which the bonds are to be issued. The notification shall
 24 be accompanied by an estimate by the corporation [AUTHORITY] of the need to
 25 withdraw money from the capital reserve fund during the term of the bond issue, the
 26 amount that may be necessary to withdraw, and the time at which withdrawals are
 27 estimated to be needed. By January 30 of each year, the corporation [AUTHORITY]
 28 shall prepare, and provide to the state bond committee and the Legislative Budget and
 29 Audit Committee, a revised estimate, considering the same factors, and a statement of
 30 all withdrawals that have occurred from the date of issuance of the bonds to the end of
 31 the preceding calendar year."

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2 Renumber the following bill sections accordingly.
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4 Page 2, line 25:
5 Delete "authority"
6 Insert "corporation [AUTHORITY]"
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8 Page 2, line 28:
9 Delete "authority"
10 Insert "corporation [AUTHORITY]"
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12 Page 2, line 29:
13 Delete "authority."
14 Insert "corporation."
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16 Page 2, line 31:
17 Delete "authority"
18 Insert "corporation"
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20 Page 3, line 2:
21 Delete "authority"
22 Insert "corporation"
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24 Page 3, line 5:
25 Delete "authority"
26 Insert "corporation"
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28 Page 3, line 6:
29 Delete "sources."
30 Insert "sources [AUTHORITY]."
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- 1 Page 3, line 11:
- 2 Delete "authority"
- 3 Insert "corporation"
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- 5 Page 3, line 13:
- 6 Delete "authority"
- 7 Insert "corporation"
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- 9 Page 3, line 14:
- 10 Delete "authority's"
- 11 Insert "corporation's"
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- 13 Page 3, line 15:
- 14 Delete "authority's"
- 15 Insert "corporation's"
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- 17 Page 3, line 19:
- 18 Delete "authority"
- 19 Insert "corporation"
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- 21 Page 3, line 29:
- 22 Delete "authority" in both places
- 23 Insert "corporation" in both places
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- 25 Page 4, line 2:
- 26 Delete "authority"
- 27 Insert "corporation"
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- 29 Page 4, line 8:
- 30 Delete "authority"
- 31 Insert "corporation"

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Page 4, line 11:

Delete "authority"
Insert "corporation"

Page 4, line 15:

Delete "authority"
Insert "corporation"

Page 4, following line 16:

Insert new bill sections to read:

**** Sec. 23.** AS 19.75.231 is amended to read:

Sec. 19.75.231. Validity of pledge. It is the intention of the legislature that a pledge made in respect of bonds shall be perfected and shall be valid and binding from the time the pledge is made, that the money or property so pledged and after that received by the corporation [AUTHORITY] shall immediately be subject to the lien of the pledge without physical delivery or further act, and that the lien of the pledge shall be valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the corporation [AUTHORITY] irrespective of whether the parties have notice. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created need be recorded or filed under the provisions of the Uniform Commercial Code in order to be perfected or to be valid, binding, or effective against the parties. This section does not affect title to or conveyances of real property, and does not limit the applicability of AS 40.17.080(b).

*** Sec. 24.** AS 19.75.241 is amended to read:

Sec. 19.75.241. Nonliability on bonds. (a) Neither the members of the board nor a person executing the bonds of the corporation [AUTHORITY] is liable personally on the bonds or is subject to personal liability or accountability by reason of the issuance of the bonds.
(b) The bonds issued by the corporation [AUTHORITY] do not constitute an indebtedness or other liability of the state or of a political subdivision of the state other

1 than the corporation [AUTHORITY], but shall be payable solely from the income,
 2 receipts, or other money or property of the corporation [AUTHORITY]. All
 3 documents published by the corporation [AUTHORITY] or to which the
 4 corporation [AUTHORITY] is a signatory and used in or for the issuance of bonds by
 5 the corporation [AUTHORITY] must state that they are prepared by or for the
 6 corporation [AUTHORITY].

7 (c) The corporation [AUTHORITY] may not pledge the faith or credit of the
 8 state or of a political subdivision of the state other than the corporation
 9 [AUTHORITY], and the issuance of a bond by the corporation [AUTHORITY] does
 10 not directly, indirectly, or contingently obligate the state or a political subdivision of
 11 the state to apply money from, levy, or pledge any form of taxation to the payment of
 12 the bond or to make payments due on the bonds from any source of funds not pledged
 13 for repayment of the bonds.

14 (d) Each obligation issued under this chapter other than a state guaranteed
 15 bond shall contain on its face a statement that the corporation [AUTHORITY] is not
 16 obligated to pay it nor the interest on it except from the revenue or assets of the
 17 corporation [AUTHORITY] and that neither the faith and credit nor the taxing power
 18 of the state or of any political subdivision of the state is pledged to the payment of the
 19 principal of or the interest on the obligation.

20 * **Sec. 25.** AS 19.75.251 is amended to read:

21 **Sec. 19.75.251. Pledge of the state.** The state pledges to and agrees with the
 22 holders of bonds issued under this chapter and with a federal agency that loans or
 23 contributes money in respect to the Knik Arm bridge that the state will not limit or
 24 alter the rights and powers vested in the corporation [AUTHORITY] under this
 25 chapter to fulfill the terms of a contract made by the corporation [AUTHORITY]
 26 with the holders or federal agency or in any way impair the rights and remedies of the
 27 holders until the bonds, together with the interest on them, with interest on unpaid
 28 installments of interest, and all costs and expenses in connection with an action or
 29 proceeding by or on behalf of the holders, are fully met and discharged. The
 30 corporation [AUTHORITY] may include this pledge and agreement of the state,
 31 insofar as it refers to holders of bonds of the corporation [AUTHORITY], in a

1 contract with the holders and, insofar as it relates to a federal agency, in a contract
2 with the federal agency."

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4 Renumber the following bill sections accordingly.

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6 Page 4, line 19:

7 Delete "authority"

8 Insert "corporation [AUTHORITY]"

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11 Page 4, line 28:

12 Delete "authority"

13 Insert "corporation"

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15 Page 4, line 30:

16 Delete "authority"

17 Insert "corporation [AUTHORITY]"

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19 Page 5, following line 11:

20 Insert new bill sections to read:

21 "** Sec. 27. AS 19.75.271 is amended to read:

22 **Sec. 19.75.271. Bonds legal investments for fiduciaries.** The bonds of the
23 corporation [AUTHORITY] are securities in which all public officers and bodies of
24 the state and all municipalities and municipal subdivisions, all insurance companies
25 and associations and other persons carrying on an insurance business, all banks,
26 bankers, trust companies, savings banks, savings associations, including savings and
27 loan associations and building and loan associations, investment companies, and other
28 persons carrying on banking business, all administrators, guardians, executors,
29 trustees, and other fiduciaries, and other persons who are now or may afterward be
30 authorized to invest in bonds or other obligations of the state may properly and legally
31 invest money, including capital in their control or belonging to them. Notwithstanding

any other provision of law, the bonds of the corporation [AUTHORITY] are also securities that may be deposited with and may be received by all public officers and bodies of the state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of the state is now or may afterward be authorized.

* **Sec. 28.** AS 19.75.281 is amended to read:

Sec. 19.75.281. Audit. The legislative auditor annually shall audit, or cause to have audited, the financial records of the corporation [AUTHORITY]. The legislative auditor may prescribe the form and content of the financial records of the corporation [AUTHORITY] and shall have access to these records at any reasonable time.

* **Sec. 29.** AS 19.75.301 is amended to read:

Sec. 19.75.301. Insurance. The corporation [AUTHORITY] shall keep in force public liability insurance in an amount reasonably calculated to cover potential claims for bodily injury, death or disability, and property damage that may arise from or be related to its operation and activities, naming the state as an additional insured.

* **Sec. 30.** AS 19.75.311 is amended to read:

Sec. 19.75.311. Safeguarding of money. The corporation [AUTHORITY] shall maximize revenue from and deposit all money in depositories acceptable to the commissioner of revenue and otherwise safeguard the money under instructions as the commissioner of revenue may from time to time issue.

* **Sec. 31.** AS 19.75.321 is amended to read:

Sec. 19.75.321. Fidelity bond. The corporation [AUTHORITY] shall obtain a fidelity bond in an amount determined by the board, for the members of the board and any official responsible for corporation [AUTHORITY] accounts and finances. A bond must be in effect for the tenure of the bonded person.

* **Sec. 32.** AS 19.75.330(a) is amended to read:

(a) The bonds of the corporation [AUTHORITY] mature at the time fixed by the board. The bonds may be subject to redemption before their fixed maturities as determined by the board, or by the corporation's [AUTHORITY'S] executive director when delegated that responsibility under AS 19.75.332, and with the premium fixed by the board, but a bond may not be subject to redemption before its fixed maturity

1 date unless the right to redeem that bond is expressly mentioned on the face of the
2 bond. The bonds

3 (1) may be in denominations determined by the board;

4 (2) may be issued in coupon form or in fully registered form, and may
5 be registrable as to principal or both principal and interest, all under regulations and
6 conditions the board provides;

7 (3) are payable as to principal and interest at the place determined by
8 the board;

9 (4) shall be signed on behalf of the corporation [AUTHORITY] as the
10 board may direct; the signatures may be facsimile signatures; each of the interest
11 coupons, if any, attached to the bonds shall be signed by the facsimile signatures of the
12 officials as the board may direct;

13 (5) shall have the seal of the corporation [AUTHORITY] impressed,
14 printed, or lithographed on them; and

15 (6) shall be issued under and subject to the terms, conditions, and
16 covenants, providing for the payment of the principal of and interest on the bonds and
17 the other terms, conditions, covenants, and protective features safeguarding this
18 payment and relating to the operations, maintenance, or capital improvements as found
19 necessary by the board, which covenants may include a provision requiring the setting
20 aside and maintenance of certain reserves to secure the payment of the principal and
21 interest or for operations, maintenance, or capital improvements.

22 * **Sec. 33.** AS 19.75.330(c) is amended to read:

23 (c) In determining the matters and questions relating to the issuance and sale
24 of the bonds and the fixing of the maturities, terms, conditions, covenants, and other
25 subjects of the bonds as provided in (a) and (b) of this section, the decisions of the
26 board shall be those found to be reasonably necessary for the best interests of the
27 corporation [AUTHORITY] and the construction, operation, and maintenance of its
28 facilities, and those that will accomplish the most advantageous sale of the bonds,
29 giving due regard to (1) necessary or normal costs of maintenance and operation; (2)
30 renewals and replacements of and repairs to the toll facilities; (3) all improvements to
31 toll facilities and property of toll facilities owned, used, operated, or leased in

1 connection with toll facilities; (4) the future growth and expansion of all of the
 2 facilities; and (5) the possibility of additional revenue bond financing for toll facilities
 3 purposes. A decision of the board as expressed in any bond resolution is final when
 4 any bonds have been issued under the bond resolution.

5 * **Sec. 34.** AS 19.75.332 is amended to read:

6 **Sec. 19.75.332. Bond resolution.** (a) When issuing bonds of the corporation
 7 [AUTHORITY], the board shall adopt the bond resolution and approve all other
 8 documents and proceedings necessary for the issuance, sale, and delivery of the bonds
 9 or any part or series of them. The bond resolution shall fix the aggregate principal
 10 amount and denomination, date, maturities, place or places of payment, rights of
 11 redemption, if any, terms, form, conditions, and covenants of the bonds or each series
 12 of them. The board shall also determine and provide for the date and manner of sale of
 13 the bonds, and shall provide where the notice of sale, if any, is to be published.

14 (b) The board may delegate to the corporation's [AUTHORITY'S] executive
 15 director the authority to approve final principal maturities and dates, interest rates,
 16 redemption rights, and interest payment dates under the terms and conditions the board
 17 determines by resolution.

18 * **Sec. 35.** AS 19.75.338(a) is amended to read:

19 (a) The bonds or any part of them may be refunded at or before their maturity
 20 by the issuance of refunding revenue bonds of the corporation [AUTHORITY] if, in
 21 the opinion of the board, refunding is advantageous to and in the best interest of the
 22 corporation [AUTHORITY].

23 * **Sec. 36.** AS 19.75.340 is amended to read:

24 **Sec. 19.75.340. Bonds as legal investments.** Bonds of the corporation
 25 [AUTHORITY], including toll facilities bonds, are legal investments for all banks,
 26 trust companies, savings banks, savings and loan associations, and other persons
 27 carrying on a banking business, all insurance companies and other persons carrying on
 28 an insurance business, and all executors, administrators, trustees, and other fiduciaries.
 29 The bonds may be accepted as security for deposits of all money of the state and its
 30 political subdivisions."
 31

1 Renumber the following bill section accordingly.

2

3 Page 5, line 13:

4 Delete "**Arm**"

5 Delete "Arm"

6

7 Page 5, line 24:

8 Delete "authority"

9 Insert "corporation"

10

11 Page 5, line 25:

12 Delete "authority"

13 Insert "corporation"

14

15 Page 5, line 26:

16 Delete "authority"

17 Insert "corporation"

18

19 Page 5, line 27:

20 Delete "Arm"

21

22 Page 5, line 29:

23 Delete "authority" in both places

24 Insert "corporation" in both places

25

26 Page 5, following line 30:

27 Insert new bill sections to read:

28 **** Sec. 38.** AS 19.75.911 is amended to read:

29 **Sec. 19.75.911. Exemption from local regulation.** Notwithstanding any
30 contrary provision of law, the activities of the corporation [AUTHORITY] are
31 exempt from land use planning, zoning, permitting, or other similar governmental

1 powers of political subdivisions of the state.

2 * **Sec. 39.** AS 19.75.915 is amended to read:

3 **Sec. 19.75.915. Liability for payment of tolls.** The owner of a vehicle using a
4 facility owned, controlled, or managed by the corporation [AUTHORITY] for which
5 a toll or fee is imposed is liable for the payment of the toll or fee solely because of the
6 vehicle ownership, unless the vehicle, except a rental vehicle, is used without the
7 owner's knowledge and incurs the toll or fee during operation.

8 * **Sec. 40.** AS 19.75.980(2) is amended to read:

9 (2) "board" means the board of directors of the corporation
10 [AUTHORITY];

11 * **Sec. 41.** AS 19.75.980(3) is amended to read:

12 (3) "department" means the Department of Revenue
13 [TRANSPORTATION AND PUBLIC FACILITIES];

14 * **Sec. 42.** AS 19.75.980 is amended by adding a new paragraph to read:

15 (5) "corporation" means the Knik Crossing Development Corporation.

16 * **Sec. 43.** AS 36.30.015(f) is amended to read:

17 (f) The board of directors of the Alaska Housing Finance Corporation,
18 notwithstanding AS 18.56.088, the membership of the Alaska Industrial Development
19 and Export Authority, notwithstanding AS 44.88.085, and the board of directors of the
20 Knik Crossing Development Corporation [KNIK ARM BRIDGE AND TOLL
21 AUTHORITY] under AS 19.75.111, shall adopt regulations under AS 44.62
22 (Administrative Procedure Act), and the board of trustees of the Alaska Retirement
23 Management Board shall adopt regulations under AS 37.10.240, to govern the
24 procurement of supplies, services, professional services, and construction for the
25 respective public corporation and board. The regulations must reflect competitive
26 bidding principles and provide vendors reasonable and equitable opportunities to
27 participate in the procurement process and must include procurement methods to meet
28 emergency and extraordinary circumstances. Notwithstanding the other provisions of
29 this subsection, the Alaska Housing Finance Corporation, the Alaska Industrial
30 Development and Export Authority, the Knik Crossing Development Corporation
31 [KNIK ARM BRIDGE AND TOLL AUTHORITY], and the Alaska Retirement

1 Management Board shall comply with AS 36.30.170(b).

2 * **Sec. 44.** AS 39.25.110(39) is amended to read:

3 (39) the executive director and employees of the **Knik Crossing**
4 **Development Corporation** [KNIK ARM BRIDGE AND TOLL AUTHORITY]
5 under AS 19.75.051 and 19.75.061;

6 * **Sec. 45.** AS 39.50.200(b)(60) is amended to read:

7 (60) the board of directors of the **Knik Crossing Development**
8 **Corporation** [KNIK ARM BRIDGE AND TOLL AUTHORITY] (AS 19.75.031 and
9 19.75.041);

10 * **Sec. 46.** The uncoded law of the State of Alaska is amended by adding a new section to
11 read:

12 TRANSITION. (a) All rights, titles, interests, agreements, contracts, instruments,
13 indebtedness, investments, leases, real and personal property, lines of credit, gifts, grants,
14 loans, fees, rents, tolls, civil actions, revenue, funds, insurance, permits, licenses, studies, and
15 intellectual property of the Knik Arm Bridge and Toll Authority are transferred to the Knik
16 Crossing Development Corporation.

17 (b) For one year following the effective date of this Act, the members of the board of
18 directors for the Knik Arm Bridge and Toll Authority on the day before the effective date of
19 this Act shall serve as a nonvoting advisory board to the board of directors of the Knik
20 Crossing Development Corporation. While serving as a nonvoting advisory board under this
21 subsection, the members of the board of directors of the Knik Arm Bridge and Toll Authority
22 shall serve without compensation but are entitled to per diem and travel expenses authorized
23 for boards and commissions under AS 39.20.180."