

# LEGAL SERVICES

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## MEMORANDUM

February 24, 2015

**SUBJECT:** HB 21 Sectional Summary  
(Work Order No. 29-LS0123\W; Regional transit authorities)

**TO:** Representative Andy Josephson  
Attn: Johnathan Church

**FROM:** Kathleen Strasbaugh  
Legislative Counsel

You have requested a sectional summary of HB 21 concerning regional transit authorities. Please note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1** establishes regional transit authorities.

**Sec. 29.35.750. Subsection (a)** provides that the purpose of a regional transit authority is to provide for public transportation within the boundaries of the authority.

**Subsection (b)** sets out the means by which an authority may be created.

**Subsection (c)** allows more than one municipality to join a regional transit authority.

**Subsection (d)** lists the requirements for an ordinance enabling an authority, provides that an enabling ordinance may include the designation of the commissioner of transportation and public facilities or the selection of a metropolitan planning organization as a member of the board, and provides that an authority has an independent legal existence and that creation of the authority is an exercise of a municipality's transportation system powers.

**Subsection (f)** provides that a municipality may create or participate in another regional transit authority, but the provisions of this bill apply only to an authority created under the bill.

**Sec. 29.35.752. Subsection (a)** requires an enabling ordinance to provide for the dissolution of an authority and for meeting the authority's obligations and distributing its assets on dissolution.

**Subsection (b)** provides that a municipality may withdraw from the authority without dissolving the authority and sets out its obligations if it does withdraw.

**Subsection (c)** prohibits the use of the municipal initiative or referendum process for withdrawal from participation in an authority.

**Sec. 29.35.754** authorizes a municipality to transfer or lease real and personal property for use by the authority consistent with the purposes of the authority as adopted in the enabling ordinance.

**Sec. 29.35.756. Subsection (a)** sets out the powers and duties that an authority may exercise, subject to the enabling ordinance.

**Subsection (b)** requires an authority to maintain certain types of insurance.

**Sec. 29.35.758** authorizes an authority, as provided in an enabling ordinance, to borrow money, lists the means by which the principal and interest on bonds of the authority may be paid, and provides that they are negotiable instruments under the Uniform Commercial Code.

**Sec. 29.35.768** exempts an authority and its bonds from state and municipal taxes, and provides that an authority and a participating municipality may negotiate for payments in lieu of taxes.

**Sections AS 29.35.760 - 29.35.766** authorize the issuance of bonds and set out the associated legal requirements.

**Sec. 29.35.770** provides that the authority is to be administered by a board and that the board must appoint a chief executive officer and set to compensation of the chief executive officer of not more than \$200,000 a year.

**Sec. 29.35.772** provides that a collective bargaining agreement for state or municipal employees transferred to the authority shall remain in effect for a fixed period of time unless the parties agree to a new contract before the agreement expires, and allows the employees to retain certain rights.

**Sec. 29.35.774** requires the board to adopt bylaws and regulations and lists subjects that must be included in the bylaws and regulations.

**Sec. 29.35.776** provides that the authority is subject to state public records and open meeting laws.

**Sec. 29.35.778** requires the authority to prepare and distribute an annual report, to have an annual audit, and to make its records available to an auditor for a municipality participating in the authority.

**Sec. 29.35.780** concerns the rights of bond holders to enforce agreements with the authority and to compel the authority to perform its duties.

**Sec. 29.35.790** provides that if a provision of the bill conflicts with the municipal code, the provision of the bill controls.

**Sec. 29.35.799** provides definitions for the provisions of AS 29.35.750 - 29.35.799.

**Section 2** adds a definition of "transportation system" to AS 29.71.800, which provides definitions for AS 29.