

SENATE BILL NO. 86

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY SENATOR COGHILL

Introduced: 3/10/17

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the sale or other disposal, leasing, or encumbrance of Alaska**
2 **Railroad Corporation land; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 42.40.120(b) is amended to read:

5 (b) Within 60 days after its first meeting, the board shall delegate the
6 following activities of the corporation to the chief executive officer or other executive
7 officers designated by the board:

8 (1) leasing subject to **AS 42.40.350(b) and (d)** [AS 42.40.285 AND
9 42.40.350(b) AND (d)], granting easements in, issuing permits for the use of, or
10 conveying other interests in property that do not constitute a transfer of the
11 corporation's entire interest in land;

12 (2) establishing specific rates, tariffs, divisions, and contract rate
13 agreements;

14 (3) making routine changes in service levels;

(4) establishing procurement and accounting procedures for the corporation; and

(5) performing procurement activities.

* **Sec. 2.** AS 42.40.120(c) is amended to read:

(c) Notwithstanding (a) and (b) of this section, specific board approval is required for the following:

(1) issuing bonds upon approval by the legislature;

(2) mortgaging or pledging corporation assets;

(3) donating property or other assets belonging to the corporation;

(4) acting as a surety or guarantor;

(5) adopting a long-range capital improvement and program plan;

(6) adopting annual reports;

(7) effecting general, comprehensive increases and decreases in rates;

(8) expanding or reducing services in a major way;

(9) expanding the main or branch rail lines including spur, industrial, team, switching, or side tracks, other than performing routine track alignment as necessary to maintain existing service levels;

(10) selecting independent auditors and accountants;

(11) entering into collective bargaining agreements;

(12) adopting annual budgets;

(13) beginning a capital project with an estimated completion cost of more than \$500,000 or an estimated completion time of more than one year;

(14) exchanging, donating, selling, or otherwise conveying, **disposing of, or encumbering** its entire interest in land [SUBJECT TO APPROVAL BY THE LEGISLATURE];

(15) exercising the power of eminent domain.

* **Sec. 3.** AS 42.40.350(b) is amended to read:

(b) Railroad utility corridors shall be of a width at least 100 feet on both sides of the centerline of the extended main or branch line, unless the corporation does not own or control sufficient land to allow a corridor of that width. Railroad utility corridors may be surveyed by the metes and bounds method. The corporation may not

convey or encumber its entire interest in land within a utility corridor except as provided in AS 42.40.120(c)(14) [AS 42.40.285], 42.40.370(d), and 42.40.400. However, the corporation may lease, subject to [AS 42.40.285 AND] (d) of this section, grant easements in or permits for, or otherwise authorize use of portions of a utility corridor for transportation, communication, and transmission purposes and support functions associated with those purposes, and for commercial and other uses authorized under this chapter if the use does not restrict other parallel uses of the utility corridor.

* **Sec. 4.** AS 42.40.350(c) is amended to read:

(c) The corporation may lease, subject to [AS 42.40.285 AND] (d) of this section, grant easements in or permits for, or otherwise authorize use of portions of rail land. The [HOWEVER, THE] corporation may [NOT] convey or encumber its entire interest in rail land [EXCEPT] as provided in AS 42.40.120(c)(14), 42.40.285(2) [AS 42.40.285, 42.40.352], 42.40.370(d), and 42.40.400.

* **Sec. 5.** AS 42.40.350(d) is amended to read:

(d) A lease, [OR] disposal, or encumbrance of land approved by the board [LEGISLATURE] under AS 42.40.120(c)(14) [AS 42.40.285] by the corporation to a party other than the state shall be made at fair market value as determined by a qualified appraiser or by competitive bid.

* **Sec. 6.** AS 42.40.352 is repealed and reenacted to read:

Sec. 42.40.352. Public notice and accounting for sale or other disposal or encumbrance of land. (a) Before exchanging, donating, selling, or otherwise conveying, disposing, or encumbering the corporation's entire interest in land under AS 42.40.120(c)(14), the corporation shall

(1) publish public notice of the proposed action; and

(2) provide notice to persons having a leasehold interest in the land proposed to be sold.

(b) The corporation shall separately account for the proceeds from the exchange, donation, sale, or other conveyance or disposal of the corporation's entire interest in land and shall report the earnings and balance in the account in the annual report required by AS 42.40.260. Money in the account may be appropriated in

- 1 accordance with 45 U.S.C. 1207(a) (Alaska Railroad Transfer Act of 1982).
- 2 * **Sec. 7.** AS 42.40.285(1) and 42.40.285(4) are repealed.
- 3 * **Sec. 8.** This Act takes effect immediately under AS 01.10.070(c).