

CS FOR SENATE BILL NO. 218(TRA) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Amended: 5/4/01

Offered: 5/2/01

Sponsor(s): SENATOR COWDERY

REPRESENTATIVE Rokeberg

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to international airports revenue bonds and requiring that the**
2 **spending plan for the International Airports Construction Fund include information**
3 **about the amounts spent during the previous fiscal year for cost overruns on certain**
4 **projects and the identification of time delays on certain projects; relating to customer**
5 **facility charges to fund facilities in airports to be constructed without using**
6 **international airport revenue bonds; and providing for an effective date."**

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

8 * **Section 1.** AS 02.15.090(a) is amended to read:

9 (a) In operating an airport or air navigation facility owned or controlled by the
10 state, the department may enter into contracts, leases, and other arrangements covering
11 periods not exceeding 55 years with a person, municipality, or the United States,
12 granting the privilege of using or improving an airport or air navigation facility or a
13 portion of it or space in it for commercial, governmental, or other public purposes,

1 including private plane tie down, or conferring the privilege of supplying goods,
 2 commodities, services, or facilities at an airport or air navigation facility. The
 3 department may establish the terms and conditions and fix the charges, rentals, and
 4 fees for the privileges or services that are reasonable and uniform for the same class of
 5 privilege or service. Charges, rentals, or fees authorized by this subsection may be
 6 fixed for the international airports by order of the commissioner or by negotiated or
 7 competitively offered contract. **However, for the privilege of occupying or using a**
 8 **state-owned facility on an airport, which facility is or will be acquired,**
 9 **constructed, equipped, installed or improved with the proceeds of indebtedness,**
 10 **the payment of which is secured solely by revenues from customer facility**
 11 **charges, the department shall require occupants or users of all or a portion of the**
 12 **facility to pay to the department, or shall require persons under contract to**
 13 **occupy or use all or a portion of the existing or proposed facility to charge their**
 14 **customers, a uniform customer facility charge stipulated by the department in an**
 15 **amount sufficient to pay the principal of, interest on, and any other cost of debt**
 16 **service on the indebtedness.** Notwithstanding AS 37.10.050(a), the fixing of
 17 charges, rentals, or fees as permitted under this subsection is not subject to the
 18 adoption of regulation provisions of AS 44.62 (Administrative Procedure Act). The
 19 terms, conditions, charges, rentals, and fees shall be established with due regard to the
 20 property and improvements used and the expense of operation to the state. However,
 21 use of state land and buildings by the Alaska Wing, Civil Air Patrol and its squadrons
 22 shall be permitted without rental charges. If the department permits space in state-
 23 owned or state-controlled airports to be used as lounges for members of the United
 24 States armed forces, the Alaska National Guard, the Alaska Naval Militia, or the
 25 Alaska State Defense Force, and if the lounges are operated by persons exempt from
 26 taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code), rent may not be charged
 27 for the use of the space. The department shall provide for public notice and an
 28 opportunity to comment before a charge, rental, or fee is fixed by order of the
 29 commissioner as permitted under this subsection. The public may not be deprived of
 30 its rightful, equal, and uniform use of the airport, air navigation facility, or a portion of
 31 them.

1 * **Sec. 2.** AS 37.15.410 is amended to read:

2 **Sec. 37.15.410. Bond authorization.** For the purpose of providing part or all
3 of the money to be used, with or without any grants or other money that may become
4 available, the issuance and sale of revenue bonds of the state in a total principal sum
5 not to exceed **\$447,900,000** [\$305,000,000] is authorized to acquire, equip, construct,
6 and install the additions, improvements, extensions, and facilities authorized in
7 AS 37.15.510. The principal of and interest on these bonds shall be paid out of and
8 secured by the gross revenue derived by the state from the ownership, lease, use, and
9 operation of the airports, and of all the facilities of them, and out of any other money
10 that may be appropriated for the purpose, **excepting only proceeds of any customer**
11 **facility charge set by the commissioner of transportation and public facilities**
12 **under AS 02.15.090.**

13 * **Sec. 3.** AS 37.15.420(c) is amended to read:

14 (c) By January 1 of each year, the commissioner of transportation and public
15 facilities shall submit to the legislature an annual spending plan that contains
16 information regarding the planned expenditure of money from the construction fund
17 during the next fiscal year **and information on certain expenditures made during**
18 **the previous fiscal year.** The spending plan must include

19 (1) the total amount of money to be spent from the construction fund;

20 (2) a description of the work to be performed on airport facilities that
21 will be financed with money from the construction fund;

22 (3) the amount from the construction fund that will be spent under
23 contracts with the private sector and a description of the goods or services to be
24 provided to the state under each of the contracts;

25 (4) the amounts that the state will spend from the construction fund for
26 purposes other than contract payments and a description of each of those purposes,
27 including financing costs, administrative and other overhead costs, and contingencies;

28 **(5) the amounts spent during the previous fiscal year for cost**
29 **overruns on projects financed in whole or part with money from the construction**
30 **fund and the sources of money used for those cost overruns;**

31 **(6) identification of time delays that occurred during the previous**

fiscal year on projects financed in whole or part with money from the construction fund and amounts spent as a result of the delays.

* **Sec. 4.** AS 37.15.430(a) is amended to read:

(a) There is established an enterprise fund known as the "International Airports Revenue Fund," into which shall be paid all revenue, fees, charges, and rentals derived by the state from the ownership, lease, use, and operation of the airports and all of the facilities and improvements of them and facilities and improvements used in connection with them, **excepting only proceeds of any customer facility charge set by the commissioner of transportation and public facilities under AS 02.15.090.** The revenue, charges, fees, and rentals may not include the proceeds of any state tax or license. The money in the revenue fund may only be used for the purpose of

(1) paying or securing the payment of the principal of and interest on the bonds and of and on any other revenue bonds issued by authorization of the legislature to provide money to acquire, equip, construct, and install additions and improvements to, and extensions of and facilities for, the airports, and to be payable out of the revenue fund;

(2) paying the normal and necessary costs of maintaining and operating the airports and all of the improvements and facilities of them;

(3) paying the costs of renewals, replacements, and extraordinary repairs to the airports and all of the improvements and facilities of them;

(4) redeeming before their fixed maturities any and all revenue bonds issued for the purposes of the airports;

(5) providing money to acquire, construct and install necessary additions and improvements to and extensions of and facilities for the airports and all of their facilities; and

(6) providing money to pay any and all other costs relating to the ownership, use, and operation of the airports.

* **Sec. 5.** AS 37.15.430 is amended by adding a new subsection to read:

(c) For proceeds of a customer facility charge set by the commissioner of transportation and public facilities under AS 02.15.090 but required to be charged to

1 customers by occupants or users of a facility acquired, constructed, equipped,
2 installed, or improved with the proceeds of indebtedness incurred by a person other
3 than the state to acquire, construct, equip, install, or improve the facility for state
4 ownership,

5 (1) the Department of Transportation and Public Facilities shall by
6 regulation or contract require that the proceeds of the customer facility charge be
7 remitted directly to a bond trustee designated to receive such proceeds and to pay the
8 principal of interest on, and any other cost of debt services on the indebtedness; and

9 (2) such proceeds shall not be considered a revenue of the state.

10 * **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).