

AMENDMENT #4

OFFERED IN THE HOUSE
TO: HB 23

BY REPRESENTATIVE COSTELLO

1 Page 1, line 2, following "Authority;":

2 Insert "requiring legislative approval of a financial plan before the authority may
3 issue bonds or enter into a public-private agreement for construction of the Knik Arm
4 bridge or appurtenant facilities;"

5

6 Page 1, following line 5:

7 Insert new bill sections to read:

8 **** Section 1.** AS 19.75.111(a) is amended to read:

9 (a) Except as otherwise explicitly made applicable to the authority, the
10 performance of the authority's duties and the exercise of its powers, including its
11 powers to issue bonds and otherwise incur debt, shall be governed exclusively by this
12 chapter. In furtherance of its purposes, the authority may

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

16 (2) sue and be sued;

17 (3) adopt a seal;

18 (4) adopt, amend, and repeal regulations under AS 44.62 and establish
19 bylaws;

20 (5) make and execute agreements, contracts, and all other instruments
21 with any public or private person, governmental unit or agency, corporation, or other
22 business entity lawfully conducting business in the United States for the exercise of its
23 powers and functions under this chapter and for the financing, design, construction,

1 maintenance, improvement, or operation of facilities, properties, or projects of the
 2 authority, including making and executing contracts with any person, firm,
 3 corporation, governmental agency, or other entity for the purpose of

4 (A) incurring indebtedness, obtaining investments in the
 5 authority's projects, acquiring or granting lump sum payments for services in
 6 advance or in arrears, grants, and other financing; and

7 (B) entering into public-private partnerships or service
 8 contracts in any form; **the authority may not enter into a partnership or**
 9 **contract for construction of the Knik Arm bridge unless the authority has**
 10 **obtained the approval of the legislature of a financial plan as provided in**
 11 **(c) of this section;**

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

14 (7) issue and refund bonds in accordance with this chapter, in order to
 15 pay the cost of the Knik Arm bridge and its appurtenant facilities; the authority may
 16 also secure payment of the bonds as provided in this chapter;

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

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

25 (10) fix and collect fees, rents, tolls, rates, or other charges for the use
 26 of the Knik Arm bridge and appurtenant facilities, or for a service developed,
 27 operated, or provided by the authority; notwithstanding AS 37.10.050(a), fees, rents,
 28 tolls, rates, and other charges fixed and collected under this paragraph may exceed the
 29 actual operating cost of the use of the bridge, facility, or service;

30 (11) bring civil actions, refer criminal actions to the appropriate
 31 authority, and take other actions or enter into agreements with law enforcement and

1 collection agencies to enforce the collection of its fees, rents, tolls, rates, other
2 charges, penalties, and other obligations;

3 (12) pledge, encumber, transfer, or otherwise obligate revenue derived
4 by the authority from the ownership, use, or operation of toll facilities, including fees,
5 rents, tolls, rates, charges, or other revenue of the authority or money that the
6 legislature may appropriate, except a state tax or license, as security for bonds or other
7 indebtedness or agreements of the authority;

8 (13) deposit or invest its funds, subject to agreements with
9 bondholders;

10 (14) procure insurance against any loss in connection with its
11 operation;

12 (15) contract for and engage the services of consultants, experts, and
13 financial and technical advisors that the authority considers necessary for the exercise
14 of its powers and functions under this chapter;

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

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

20 (18) exercise powers of eminent domain or file a declaration of taking
21 as necessary for the Knik Arm bridge and appurtenant facilities under AS 09.55.240 -
22 09.55.460 to acquire land or an interest in land; the authority's exercise of powers
23 under this paragraph may not exceed the permissible exercise of those powers by the
24 state;

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

27 (20) do all acts and things necessary to carry out the powers expressly
28 granted or necessarily implied in this chapter; nothing in this chapter limits the powers
29 of the authority that are expressly granted or necessarily implied.

30 * **Sec. 2.** AS 19.75.111 is amended by adding a new subsection to read:

31 (c) The authority may not enter into a public-private partnership or service

contract for construction of the Knik Arm bridge or appurtenant facilities unless the authority submits to the legislature a financial plan including all projected construction, maintenance, and operation costs for the first 40 years of the project and the financial plan has been approved by the legislature by law."

Page 1, line 6:

Delete "**Section 1**"

Insert "**Sec. 3**"

Renumber the following bill sections accordingly.

Page 2, line 6:

Delete "a new subsection"

Insert "new subsections"

Page 2, lines 6 - 23:

Delete all material and insert:

"* Sec. 5. AS 19.75.211 is amended by adding new subsections to read:

(e) Before issuing bonds for the Knik Arm bridge under this section, the authority shall submit to the state bond committee a description of the bond issue, a copy of the resolution of the board of directors of the authority supporting the bond issue, a report setting out the sources and amounts of revenue that will be used for payment of the principal of and interest on the bonds and the effect the issuance of the bonds by the authority would have on the ability of the state or political subdivision of the state to market bonds, and a preliminary prospectus, offering circular, or official statement relating to the bond issue.

(f) Bonds may not be issued unless

(1) the state bond committee finds, based on the information submitted by the authority under this section and other information that is reasonably available to or requested by the committee, that either the Knik Arm bridge revenue and other revenue available to the authority or the revenue of the private person or enterprise

1 under a public-private partnership agreement entered into by the authority under
 2 AS 19.75.111(a) can be reasonably expected to be adequate for payment of the
 3 principal of and interest on the bonds to be issued and that issuance of the bonds by
 4 the authority would not be expected adversely to affect the ability of the state or its
 5 political subdivisions to market bonds; and

6 (2) the authority submits to the legislature a financial plan including all
 7 projected construction, maintenance, and operation costs for the first 40 years of the
 8 project and the financial plan has been approved by the legislature by law."