

AMENDMENT #1

OFFERED IN THE SENATE
TO: SB 103

BY SENATOR MYERS

1 Page 1, line 1, following "Act":

2 Insert "relating to the duties of the Department of Transportation and Public
3 Facilities;"

4
5 Page 1, line 2, following "Board;"

6 Insert "relating to the powers and duties of the Alaska Marine Highway System
7 Operation and Planning Board;"

8
9 Page 1, line 6, through page 2, line 3:

10 Delete all material and insert:

11 "Sec. 19.65.011. Short-term and 30-year comprehensive
12 [COMPREHENSIVE] long-range plan. The Department of Transportation and
13 Public Facilities, in consultation with the Alaska Marine Highway System Operation
14 and Planning [TRANSPORTATION ADVISORY] Board, shall prepare a short-
15 term and a 30-year comprehensive long-range plan for the development and
16 improvement of the Alaska marine highway system. The department [AND
17 SHALL], in consultation with the Alaska Marine Highway System Operation and
18 Planning [TRANSPORTATION ADVISORY] Board, shall revise and update the
19 short-term comprehensive plan annually and the 30-year comprehensive long-
20 range plan [, REVISE AND UPDATE THE PLAN] at least once every five years.
21 The department shall submit the short-term and 30-year comprehensive long-range
22 plans [PLAN] and revisions and updates of the plans [PLAN] to the senate secretary
23 and chief clerk of the house of representatives and shall notify the legislature that

1 **the plans are available."**

2
3 Page 4, lines 19 - 25:

4 Delete all material and insert:

5 "(d) Every five years, the board shall transmit to the governor by September 1
6 a report containing progress on, revisions of, and updates to the 30-year
7 comprehensive long-range plan prepared under AS 19.65.011. The board shall include
8 in the report marine transportation system objectives, planning assumptions, a timeline
9 for major operations milestones, and new initiatives. When preparing the report, the
10 board shall pay special attention to initiatives that provide strategic and operational
11 guidance for transportation systems of a similar size and complexity."

AMENDMENT #2

OFFERED IN THE SENATE
TO: SB 103

BY SENATOR SHOWER

Page 1, lines 1 - 3:

Delete all material and insert:

""An Act relating to the Alaska marine highway system; establishing the Alaska Marine Highway System Corporation; and providing for an effective date.""

Page 1, line 5, through page 5, line 22:

Delete all material and insert:

**** Section 1.** AS 08.88.690 is amended to read:

Sec. 08.88.690. Exemptions. A real estate licensee is exempt from the signature requirements of AS 08.88.600 - 08.88.695 when the licensee provides specific assistance to

(1) a corporation that issues publicly traded securities;

(2) a business that has a net worth in the previous calendar year of \$2,000,000 or more, if the business requests the exemption from the licensee; or

(3) a governmental agency; in this paragraph, "governmental agency" means a department, division, public agency, political subdivision, or other public instrumentality of the state or federal government, including the University of Alaska, the Alaska Railroad Corporation, the Alaska Housing Finance Corporation, the Alaska Industrial Development and Export Authority, **the Alaska Marine Highway System Corporation**, and other public corporations.

*** Sec. 2.** AS 18.56.600(2) is amended to read:

(2) "small community" means a community with a population of 6,500 or less that is not connected by road or rail to Anchorage or Fairbanks, or with a

1 population of 1,600 or less that is connected by road or rail to Anchorage or
2 Fairbanks; in this paragraph,

3 **(A) "Alaska marine highway system" has the meaning**
4 **given in AS 42.50.990;**

5 **(B)** "connected by road" does not include a connection by the
6 Alaska marine highway system.

7 * Sec. 3. AS 19.10.399(8) is amended to read:

8 (8) "highway" means the entire width between the boundary lines of
9 every way that is publicly maintained when a part of it is open to the public for
10 purposes of vehicular travel, including [BUT NOT LIMITED TO] every street and the
11 Alaska [STATE] marine highway system **as defined in AS 42.50.990,** but not
12 vehicular ways or areas;

13 * Sec. 4. AS 19.65.011 is amended to read:

14 **Sec. 19.65.011. Comprehensive long-range plan.** The **corporation**
15 [DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, IN
16 CONSULTATION WITH THE ALASKA MARINE TRANSPORTATION
17 ADVISORY BOARD,] shall prepare a comprehensive long-range plan for the
18 development and improvement of the Alaska marine highway system and shall [, IN
19 CONSULTATION WITH THE ALASKA MARINE TRANSPORTATION
20 ADVISORY BOARD,] revise and update the plan at least every five years. The
21 **corporation** [DEPARTMENT] shall submit the comprehensive long-range plan and
22 revisions and updates of the plan to the **senate secretary and chief clerk of the house**
23 **of representatives and notify the legislature that the report is available.**

24 * Sec. 5. AS 19.65.020(a) is amended to read:

25 (a) A vessel or facility of the Alaska marine highway system constructed or
26 acquired by the Department of Transportation and Public Facilities under this chapter
27 **or by the corporation** may be given a name only by law.

28 * Sec. 6. AS 19.65.030(a) is amended to read:

29 (a) The **corporation** [DEPARTMENT] shall construct, purchase, or lease
30 ferry terminal facilities at locations it selects for the loading and unloading of
31 passengers, and vehicles under their own power, on and off ferries. The **corporation**

[DEPARTMENT] shall repair and maintain these facilities. [CONSTRUCTION AND PURCHASING UNDER THIS SUBSECTION ARE GOVERNED BY AS 36.30 (STATE PROCUREMENT CODE).]

* **Sec. 7.** AS 19.65.030(b) is amended to read:

(b) The corporation [DEPARTMENT] may connect ferry terminal facilities with local highway systems.

* **Sec. 8.** AS 19.65.030(c) is amended to read:

(c) The corporation [DEPARTMENT] may adopt regulations under AS 42.50 governing the use of ferry terminal facilities by the public that it considers necessary and proper in the public interest. The corporation [DEPARTMENT] may charge a fee for the use of ferry terminal facilities, whether the use is under a permit or otherwise, and whether it is by one or more individuals.

* **Sec. 9.** AS 19.65.030(d) is amended to read:

(d) A person may construct a ferry terminal facility upon obtaining the approval of the corporation [DEPARTMENT] as to its location. A ferry terminal facility constructed by a person other than the corporation [DEPARTMENT] is subject to reasonable regulations governing its use that the corporation [DEPARTMENT] considers necessary and proper in the public interest.

* **Sec. 10.** AS 19.65.030(e) is amended to read:

(e) A ferry terminal facility may not be constructed without the approval of the corporation [DEPARTMENT].

* **Sec. 11.** AS 19.65.035 is amended to read:

Sec. 19.65.035. Transportation of members of the Alaska organized militia. To the extent that space is available, the corporation [COMMISSIONER OF TRANSPORTATION AND PUBLIC FACILITIES] shall provide free transportation on vessels of the Alaska marine highway system for a member of the Alaska National Guard, the Alaska Naval Militia, or the Alaska State Defense Force who is en route to or from drill, training, or other official militia activities.

* **Sec. 12.** AS 19.65 is amended by adding a new section to Article 2 to read:

Sec. 19.65.040. Definition. In AS 19.65.011 - 19.65.035, "corporation" means the Alaska Marine Highway System Corporation established by AS 42.50.010.

* Sec. 13. AS 19.65.070 is amended to read:

Sec. 19.65.070. Revenue and debt service accounting. (a) The corporation [ALASKA MARINE HIGHWAY SYSTEM] shall account for and remit to the Department of Revenue in accordance with AS 37.10.050 all gross revenue generated from the operation of the Alaska marine highway system during each annual operating cycle. The money shall then be deposited in the Alaska marine highway system fund.

(b) The corporation [ALASKA MARINE HIGHWAY SYSTEM] shall prepare a written report, not [NO] later than the 10th day of each regular legislative session, regarding the previous annual operating cycle and submit the report to the senate secretary and the chief clerk of the house of representatives and notify the legislature that the report is available. The report must identify

(1) gross revenue generated during the previous annual operating cycle;

(2) gross revenue generated during the current annual operating cycle and an estimate of gross revenue for the remainder of the current annual operating cycle;

(3) projections of the gross revenue to be generated during the next annual operating cycle; [AND]

(4) the difference between previous gross revenue estimates prepared under this section and the revenue [REVENUES] actually generated; and

(5) the amount of money that is required to cover the repayment of interest and principal for the debts of the corporation during the current fiscal year and the next fiscal year.

(c) The Department of Revenue shall prepare a written report, not [NO] later than the 10th legislative day of each regular legislative session, regarding the earnings on gross revenue of the Alaska marine highway system that was deposited into the Alaska marine highway system fund during the prior fiscal year, [AND] projected earnings on gross revenue of the Alaska marine highway system that is projected to be deposited into the Alaska marine highway system fund for the current fiscal year and the next fiscal year, and the amount of cash that is required to cover the repayment of interest and principal for the debts of the corporation during the

1 current fiscal year and the next fiscal year. The Department of Revenue shall
 2 submit the report to the senate secretary and the chief clerk of the house of
 3 representatives and shall notify the legislature that the report is available.

4 * **Sec. 14.** AS 19.65.080(b) is amended to read:

5 (b) The corporation [DEPARTMENT OF TRANSPORTATION AND
 6 PUBLIC FACILITIES] may request the legislature to appropriate money from the
 7 Alaska marine highway system fund to the Alaska marine highway system for capital
 8 improvements, if

9 (1) the appropriation under (a) of this section has been made;

10 (2) the amount in the fund, without regard to the appropriation under
 11 (a) of this section, exceeds the total of gross revenue deposited in the fund and the
 12 general fund appropriations under AS 19.65.060(a)(2) by 10 percent; and

13 (3) the amount requested for appropriation under this subsection does
 14 not exceed 50 percent of the balance remaining after the appropriation for annual
 15 management and operations is made under (a) of this section.

16 * **Sec. 15.** AS 19.65.100 is amended by adding new paragraphs to read:

17 (3) "Alaska marine highway system" has the meaning given in
 18 AS 42.50.990;

19 (4) "corporation" means the Alaska Marine Highway System
 20 Corporation established by AS 42.50.010.

21 * **Sec. 16.** AS 23.05.360(f) is amended to read:

22 (f) For purposes of holding hearings, the members of the board sit in panels of
 23 three members. The chair designates the panel that will consider a matter. Each panel
 24 must include a representative of management, a representative of labor, and a
 25 representative from the general public. A member of one panel may serve on the other
 26 panel when the chair considers it necessary for the prompt administration of
 27 AS 23.40.070 - 23.40.260 (Public Employment Relations Act), [OR] AS 42.40
 28 (Alaska Railroad Corporation Act), or AS 42.50 (Alaska Marine Highway System
 29 Corporation Act).

30 * **Sec. 17.** AS 23.05.370(a) is amended to read:

31 (a) The agency shall

(1) establish its own rules of procedure;

(2) exercise general supervision and direct the activities of staff assigned to it by the department;

(3) prepare and submit to the governor an annual report on labor relations problems it has encountered during the previous year, including recommendations for legislative action; the agency shall notify the legislature that the report is available;

(4) serve as the labor relations agency under AS 23.40.070 - 23.40.260 (Public Employment Relations Act) and carry out the functions specified in that Act; and

(5) serve as the railroad labor relations agency for the Alaska Railroad under AS 42.40 (Alaska Railroad Corporation Act), and as the labor relations agency for the Alaska marine highway system under AS 42.50 (Alaska Marine Highway System Corporation Act), and carry out the functions specified in each [THAT] Act.

* Sec. 18. AS 23.40.030 is amended to read:

Sec. 23.40.030. Definition of labor organization. For the purpose of AS 23.40.020 - 23.40.040, "labor organization" includes an organization constituted wholly or partly to bargain collectively or deal with employers, including the state, [AND] its political subdivisions, and the Alaska Marine Highway System Corporation, concerning grievances, terms, or conditions of employment or other mutual aid or protection in connection with employees.

* Sec. 19. AS 23.40.040 is amended to read:

Sec. 23.40.040. Collective bargaining agreement. The corporation [COMMISSIONER OF TRANSPORTATION AND PUBLIC FACILITIES] or an authorized representative, in accordance with AS 23.40.020 and 23.40.030 [AS 23.40.020 - 23.40.030], may negotiate and enter into collective bargaining agreements under AS 42.50 concerning wages, hours, working conditions, and other employment benefits with the employees of the corporation [DIVISION OF MARINE TRANSPORTATION] engaged in operating the Alaska marine highway [STATE FERRY] system as masters or members of the crews of vessels, or with

1 other employees of the corporation, or their bargaining agent. [A COLLECTIVE
2 BARGAINING AGREEMENT IS NOT FINAL WITHOUT THE CONCURRENCE
3 OF THE COMMISSIONER OF TRANSPORTATION AND PUBLIC FACILITIES.]
4 The corporation [COMMISSIONER OF TRANSPORTATION AND PUBLIC
5 FACILITIES] may make provision in the collective bargaining agreement for the
6 settlement of labor disputes by arbitration. In this section,

7 (1) "Alaska marine highway system" has the meaning given in
8 AS 42.50.990;

9 (2) "corporation" means the Alaska Marine Highway System
10 Corporation established by AS 42.50.010.

11 * Sec. 20. AS 28.90.990(a)(15) is amended to read:

12 (15) "highway" means the entire width between the boundary lines of
13 every way that is publicly maintained when a part of it is open to the public for
14 purposes of vehicular travel, including [BUT NOT LIMITED TO] every street and the
15 Alaska [STATE] marine highway system but not vehicular ways or areas; in this
16 paragraph, "Alaska marine highway system" has the meaning given in
17 AS 42.50.990;

18 * Sec. 21. AS 29.35.722 is amended to read:

19 **Sec. 29.35.722. Ownership or operation of certain state facilities**
20 **prohibited.** The state may not, without the approval of the legislature,

21 (1) convey or transfer the [ALASKA MARINE HIGHWAY
22 SYSTEM, THE] Anchorage or Fairbanks international airports, or any other state
23 asset, except undeveloped state land as provided in AS 38.05.810 or surplusd
24 property, to an authority; or

25 (2) enter into an agreement with an authority under which the authority
26 would operate the [ALASKA MARINE HIGHWAY SYSTEM, THE] Anchorage or
27 Fairbanks international airports, or any other state facility, system, or function that
28 employs one or more employees.

29 * Sec. 22. AS 35.10.015(d) is amended to read:

30 (d) After June 25, 1976, a ferry may not be constructed, lengthened,
31 completely renovated, or purchased for use or entered into service by the Alaska

Marine Highway System Corporation [DIVISION OF MARINE TRANSPORTATION OF THE DEPARTMENT] as a part of the Alaska marine highway system that does not include adequate facilities and devices to ensure that the vessel is accessible to and usable by persons with disabilities and by aged or infirm passengers. Some staterooms and all restrooms, indoor passageways, outdoor weather decks, and other public areas aboard the vessel shall be so designed and constructed as to permit access and use by persons with disabilities and by aged or infirm passengers, including those persons occupying a wheelchair.

* Sec. 23. AS 35.10.015(g) is amended to read:

(g) In this section,

(1) "Alaska marine highway system" means the marine highway system operated by the corporation;

(2) "corporation" means the Alaska Marine Highway System Corporation established by AS 42.50.010;

(3) "public facilities" includes vessels owned by the corporation [STATE AND OPERATED BY THE DIVISION OF MARINE TRANSPORTATION OF THE DEPARTMENT] as a part of the Alaska marine highway system.

* Sec. 24. AS 35.27.020(c) is amended to read:

(c) At least one percent or, in the case of a rural school facility, at least one-half of one percent of the construction cost of a building or facility approved for construction by the legislature will be reserved for the following purposes: the design, construction, mounting, and administration of works of art in a school, office building, court building, vessel of the Alaska marine highway system, or other building or facility that is subject to substantial public use.

* Sec. 25. AS 35.27.030(1) is amended to read:

(1) "building" or "facility" means a permanent improvement constructed by the department or the corporation; "building" or "facility" [; THE TERM]

(A) includes [, BUT IS NOT LIMITED TO,]

(i) schools, office buildings, and court buildings;

(ii) other buildings [WHICH] the commissioner

determines are designed for substantial public use;

(iii) boats and vessels of the Alaska marine highway system operated by the corporation;

(iv) transportation facilities that [WHICH] accommodate traveling passengers;

(B) excludes other transportation facilities;

* **Sec. 26.** AS 35.27.030 is amended by adding new paragraphs to read:

(3) "Alaska marine highway system" has the meaning given in AS 42.50.990;

(4) "corporation" means the Alaska Marine Highway System Corporation established by AS 42.50.010.

* **Sec. 27.** AS 36.30.015 is amended by adding a new subsection to read:

(I) The board of directors of the Alaska Marine Highway System Corporation shall adopt procedures to govern the procurement of supplies, services, professional services, and construction. The procedures must be based on competitive principles.

* **Sec. 28.** AS 36.30.990(1) is amended to read:

(1) "agency"

(A) means a department, institution, board, commission, division, authority, public corporation, the Alaska Pioneers' Home, the Alaska Veterans' Home, or other administrative unit of the executive branch of state government;

(B) does not include

(i) the University of Alaska;

(ii) the Alaska Railroad Corporation;

(iii) the Alaska Housing Finance Corporation;

(iv) a regional Native housing authority created under AS 18.55.996 or a regional electrical authority created under AS 18.57.020;

(v) [THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, IN REGARD TO THE REPAIR, MAINTENANCE, AND RECONSTRUCTION OF VESSELS,

DOCKING FACILITIES, AND PASSENGER AND VEHICLE
TRANSFER FACILITIES OF THE ALASKA MARINE HIGHWAY
SYSTEM;

(vi)] the Alaska Aerospace Corporation;

(vi) [(vii)] the Alaska Retirement Management Board;

(vii) [(viii)] the Alaska Seafood Marketing Institute;

(viii) [(ix)] the Alaska children's trust and the Alaska
Children's Trust Board;

(ix) [(x)] the Alaska Industrial Development and Export
Authority;

(x) the Alaska Marine Highway System
Corporation;

* Sec. 29. AS 36.90.049(a) is amended to read:

(a) A marine vessel owned by the state or the corporation shall be maintained and repaired at a shipyard facility located in the state unless the commissioner of the department that operates the marine vessel or the corporation, if the corporation owns the marine vessel, determines in writing that there is no shipyard facility located in the state that is equipped or qualified to perform the particular maintenance or repair required, or, except for a marine vessel owned by the corporation, after taking into consideration the five percent preference under AS 36.30.321(a) and the interport differential, that the proposed cost of the maintenance or repair work is unreasonable. A detailed list of the costs and factors considered in calculating the interport differential must be provided to each person who expresses an interest in submitting a bid to perform maintenance or repair work on a marine vessel owned by the state, except for a marine vessel owned by the corporation.

* Sec. 30. AS 36.90.049(b) is amended to read:

(b) The competitive bid provisions of AS 36.30 do not apply to a contract for the maintenance or repair of a marine vessel owned by the state if the contract is awarded to a shipyard facility in the state, or if the vessel is owned by the corporation.

1 * **Sec. 31.** AS 36.90.049(c) is amended to read:

2 (c) The commissioner of the department that operates a marine vessel, or the
 3 corporation for a marine vessel of the Alaska marine highway system, shall adopt
 4 regulations establishing the criteria that the department or the corporation shall use
 5 to determine whether the cost of maintenance or repair work at a shipyard facility
 6 located in the state is reasonable under (a) of this section. The commissioner of the
 7 department that operates a marine vessel, or the corporation for a marine vessel of
 8 the Alaska marine highway system, shall designate by regulation the designated
 9 base port for each vessel operated by the department or the corporation; however, the
 10 designated base port for marine vessels of the Alaska marine highway system is
 11 Ketchikan for those vessels primarily serving that portion of the state east of the
 12 longitude of Icy Cape and is Seward for those vessels primarily serving the remainder
 13 of the state. A vessel's designated base port is the vessel's delivery and redelivery port.

14 * **Sec. 32.** AS 36.90.049(e) is amended by adding new paragraphs to read:

15 (3) "Alaska marine highway system" has the meaning given in
 16 AS 42.50.990;

17 (4) "corporation" means the Alaska Marine Highway System
 18 Corporation established by AS 42.50.010.

19 * **Sec. 33.** AS 36.90.300(c)(4) is amended to read:

20 (4) "public agency" means a department, institution, board,
 21 commission, division, authority, public corporation, committee, school district,
 22 political subdivision, or other administrative unit of a municipality, of a political
 23 subdivision, or of the executive or legislative branch of state government, including
 24 the University of Alaska, the Alaska Aerospace Corporation, the Alaska Housing
 25 Finance Corporation, the Alaska Industrial Development and Export Authority, the
 26 Alaska Energy Authority, the Alaska Railroad Corporation, the Alaska Marine
 27 Highway System Corporation, and a regional educational attendance area.

28 * **Sec. 34.** AS 37.05.210(a) is amended to read:

29 (a) The Department of Administration shall

30 (1) file with the governor and with the legislative auditor before
 31 December 16 a report of the financial transactions of the preceding fiscal year and of

1 the financial condition of the state as of the end of that year, prepared in accordance
 2 with generally accepted accounting principles and audited by the legislative auditor in
 3 accordance with generally accepted audit standards, with comments and
 4 supplementary data that the Department of Administration considers necessary; this
 5 report shall be printed for the information of the legislature and the public;

6 (2) compile statistics necessary for the budget and other statistics
 7 required by the governor;

8 (3) file a travel and compensation report with the legislature by
 9 January 31 of each year containing detailed information for the previous calendar year
 10 of the salaries, per diem, travel expenses, relocation expenses, and any additional
 11 allowances for

12 (A) the governor, the lieutenant governor, and the chiefs of
 13 staff of the governor and lieutenant governor;

14 (B) the president and vice-president of the University of Alaska
 15 and the chancellors of the individual campuses of the university;

16 (C) the commissioners or other executive heads of the principal
 17 departments in the executive branch of state government, and the deputy
 18 commissioners and division directors in those departments; and

19 (D) the executive heads of public corporations created by law,
 20 including the Alaska Railroad Corporation and the Alaska Marine Highway
 21 System Corporation.

22 * Sec. 35. AS 37.05.550(a) is amended to read:

23 (a) There is in the general fund the Alaska marine highway system vessel
 24 replacement fund. The fund consists of money appropriated to it by the legislature.
 25 Money appropriated to the fund does not lapse. The Alaska Marine Highway System
 26 Corporation [DEPARTMENT OF REVENUE] shall manage the fund. Interest
 27 received on money in the fund shall be accounted for separately and may be
 28 appropriated into the fund annually. The legislature may appropriate money from the
 29 fund for refurbishment of existing Alaska marine highway system [STATE FERRY]
 30 vessels, acquisition of additional Alaska marine highway system [STATE FERRY]
 31 vessels, or replacement of retired or outmoded Alaska marine highway system

1 [STATE FERRY] vessels.

2 * Sec. 36. AS 37.05.550(c) is amended to read:

3 (c) The Alaska Marine Highway System Corporation [DEPARTMENT OF
4 REVENUE] shall prepare a written report, not [NO] later than the 10th legislative day
5 of each regular legislative session, regarding the earnings of the Alaska marine
6 highway system vessel replacement fund during the previous [PRIOR] fiscal year and
7 projected earnings of the Alaska marine highway system vessel replacement fund for
8 the current fiscal year and the next fiscal year. The Alaska Marine Highway System
9 Corporation [DEPARTMENT OF REVENUE] shall submit the report to the
10 senate secretary and chief clerk of the house of representatives and notify the
11 legislature that the report is available.

12 * Sec. 37. AS 37.07.120(1) is amended to read:

13 (1) "agency" means a department, officer, institution, board,
14 commission, bureau, division, or other administrative unit forming the state
15 government and includes the Alaska Pioneers' Home, the Alaska Veterans' Home,
16 [AND] the University of Alaska, and the Alaska Marine Highway System
17 Corporation, but does not include the legislature or the judiciary;

18 * Sec. 38. AS 39.20.310 is amended to read:

19 Sec. 39.20.310. Exceptions. Except as provided in AS 39.20.275,
20 AS 39.20.200 - 39.20.330 do not apply to

21 (1) members of the state legislature, the governor, the lieutenant
22 governor, and justices and judges of the supreme and superior courts and of the court
23 of appeals, but nothing in AS 39.20.200 - 39.20.330 may be construed to diminish the
24 salaries fixed by law for these officers by reason of absence from duty on account of
25 illness or otherwise;

26 (2) magistrates serving the state on less than a full-time basis;

27 (3) officers, members of the teaching staff, and employees of the
28 University of Alaska;

29 (4) persons employed in a professional capacity to make a temporary
30 and special inquiry, study, or examination as authorized by the governor, the
31 legislature, or a legislative committee;

1 (5) members of boards, commissions, and authorities who are not
2 otherwise employed by the state;

3 (6) temporary employees hired for periods of less than 12 consecutive
4 months;

5 (7) persons employed by the Alaska Marine Highway System
6 Corporation; this paragraph includes persons employed [DIVISION OF MARINE
7 TRANSPORTATION] as masters and members of the crews operating the Alaska
8 marine highway [STATE FERRY] system who are covered by collective bargaining
9 agreements as provided in AS 23.40.040, except as expressly provided by law;

10 (8) persons employed by the state who are covered by collective
11 bargaining agreements as provided in AS 23.40.210, except as expressly provided by
12 law.

13 * Sec. 39. AS 39.20.550(7) is amended to read:

14 (7) "state" includes the University of Alaska, the Alaska Railroad, the
15 Alaska Marine Highway System Corporation, and the executive, legislative, and
16 judicial branches of state government including public and quasi-public corporations
17 and authorities established by law.

18 * Sec. 40. AS 39.25.110(16) is amended to read:

19 (16) persons employed by the division of marine transportation, or by
20 the Alaska Marine Highway System Corporation, as masters and members of the
21 crews of vessels who operate the Alaska marine highway [STATE FERRY] system
22 and who are covered by a collective bargaining agreement provided in AS 23.40.040,
23 and other employees of the Alaska Marine Highway System Corporation;

24 * Sec. 41. AS 39.25.110(16), as amended by sec. 40 of this Act, is amended to read:

25 (16) persons employed by the [DIVISION OF MARINE
26 TRANSPORTATION, OR BY THE] Alaska Marine Highway System Corporation [,]
27 as masters and members of the crews of vessels who operate the Alaska marine
28 highway system and who are covered by a collective bargaining agreement provided
29 in AS 23.40.040, and other employees of the Alaska Marine Highway System
30 Corporation;

31 * Sec. 42. AS 39.30.150(b) is amended to read:

(b) Employees of the Alaska Marine Highway System Corporation [DIVISION OF MARINE TRANSPORTATION] included in AS 39.35.095 - 39.35.680 through the process of collective bargaining under AS 39.35.680(22)(D) may, under the terms of a collective bargaining agreement, utilize contributions made under (a) of this section on their behalf to offset the costs of inclusion in the public employees' retirement system; however,

(1) the state is placed under no obligation to continue making contributions under this section if the state resumes participation in the federal social security system;

(2) the bargaining agreement must provide a mechanism for satisfying any residual liabilities that might exist if the state resumes participation in the federal social security system; and

(3) funds contributed under (a) of this section on behalf of employees who are not covered by maritime union contracts may not be obligated or expended to pay any costs associated with the inclusion of marine transportation employees in AS 39.35.095 - 39.35.680.

* Sec. 43. AS 39.35.680(22) is amended to read:

(22) "member" or "employee"

(A) means a person eligible to participate in the plan and who is covered by the plan;

(B) includes

- (i) an active member;
- (ii) an inactive member;
- (iii) a vested member;
- (iv) a deferred vested member;
- (v) a nonvested member;
- (vi) a disabled member;
- (vii) a retired member;
- (viii) an elected public officer under AS 39.35.381;

(C) does not include

- (i) former members;

(ii) persons compensated on a contractual or fee basis;

(iii) casual or emergency workers or nonpermanent employees as defined in AS 39.25.200;

(iv) persons covered by the Alaska Teachers' Retirement System except as provided under AS 39.35.131 and 39.35.381, or persons covered by a university retirement program;

(v) employees of the Alaska Marine Highway System Corporation [DIVISION OF MARINE TRANSPORTATION] engaged in operating the Alaska marine highway [STATE FERRY] system who are covered by a union or group retirement system to which the Alaska Marine Highway System Corporation [STATE] makes contributions;

(vi) justices of the supreme court or judges of the court of appeals or of the superior or district courts of Alaska;

(vii) the administrative director of the Alaska Court System appointed under art. IV, sec. 16 of the state constitution unless the director becomes a member under AS 39.35.158;

(viii) members of the elected public officers' retirement system (former AS 39.37); and

(ix) contractual employees of the legislative branch of state government under AS 24.10.060(f);

(D) may include employees [OF THE DIVISION OF MARINE TRANSPORTATION] excluded under (C)(v) of this paragraph if [PROVIDED THAT]

(i) the [STATE OF] Alaska Marine Highway System Corporation formally agrees to their inclusion through the process of collective bargaining; and

(ii) no collective bargaining agreement has the effect of obligating contributions made by the state under AS 39.30.150 in the event the state resumes participation in the federal social security system;

1 * **Sec. 44.** AS 39.35.680 is amended by adding a new paragraph to read:

2 (44) "Alaska Marine Highway System Corporation" means the
3 corporation established by AS 42.50.010.

4 * **Sec. 45.** AS 39.50.200(b) is amended by adding a new paragraph to read:

5 (65) the board of directors of the Alaska Marine Highway System
6 Corporation (AS 42.50.020 - 42.50.060).

7 * **Sec. 46.** AS 39.52.960(2) is amended to read:

8 (2) "agency" means a department, office of the governor, or entity in
9 the executive branch, including [BUT NOT LIMITED TO] the University of Alaska,
10 public or quasi-public corporations, boards or commissions, [AND] the Alaska
11 Railroad Corporation, and the Alaska Marine Highway System Corporation;

12 * **Sec. 47.** AS 39.90.140(4) is amended to read:

13 (4) "public body" includes an officer or agency of
14 (A) the federal government;
15 (B) the state;
16 (C) a political subdivision of the state including
17 (i) a municipality;
18 (ii) a school district; and
19 (iii) a regional educational attendance area;
20 (D) a public or quasi-public corporation or authority
21 established by state law including the Alaska Railroad Corporation and the
22 Alaska Marine Highway System Corporation; and
23 (E) the University of Alaska.

24 * **Sec. 48.** AS 40.25.110(g) is amended to read:

25 (g) Notwithstanding other provisions of this section to the contrary, the board
26 of directors of the Alaska Railroad Corporation, and the Alaska Marine Highway
27 System Corporation, may establish reasonable fees for the inspection and copying of
28 public records, including record searches.

29 * **Sec. 49.** AS 40.25.115(g) is amended to read:

30 (g) Each public agency shall establish the fees for the electronic services and
31 products provided under this section. The governor may cancel the fees established by

1 a public agency in the executive branch, except the fees of the University of Alaska,
 2 [AND] the Alaska Railroad Corporation, and the Alaska Marine Highway System
 3 Corporation, if the governor determines that the fees are unreasonably high.

4 * Sec. 50. AS 40.25.115(i) is amended to read:

5 (i) A public agency other than a municipality, [OR] the Alaska Railroad
 6 Corporation, and the Alaska Marine Highway System Corporation shall separately
 7 account for the fees received by the agency under this section and deposited in the
 8 general fund. The annual estimated balance in the account may be used by the
 9 legislature to make appropriations to the agency to carry out the activities of the
 10 agency.

11 * Sec. 51. AS 40.25.123(a) is amended to read:

12 (a) The Department of Administration shall supervise and adopt regulations
 13 for the operation and implementation of AS 40.25.110 - 40.25.140 by public agencies
 14 in the executive branch, except the Alaska Railroad Corporation and the Alaska
 15 Marine Highway System Corporation.

16 * Sec. 52. AS 40.25.220(2) is amended to read:

17 (2) "public agency" means a political subdivision, department,
 18 institution, board, commission, division, authority, public corporation, council,
 19 committee, or other instrumentality of the state or a municipality; "public agency"
 20 includes the University of Alaska, [AND] the Alaska Railroad Corporation, and the
 21 Alaska Marine Highway System Corporation;

22 * Sec. 53. AS 40.25.350(3) is amended to read:

23 (3) "state agency"

24 (A) means a department, institution, board, commission,
 25 division, authority, public corporation, committee, or other administrative unit
 26 of the executive, judicial, or legislative branch of state government, including
 27 the University of Alaska;

28 (B) does not include the Alaska Railroad Corporation or the
 29 Alaska Marine Highway System Corporation.

30 * Sec. 54. AS 42 is amended by adding a new chapter to read:

31 Chapter 50. Alaska Marine Highway System Corporation.

Article 1. Establishment and Organization.

Sec. 42.50.010. Establishment of the corporation. The Alaska Marine Highway System Corporation is established as a public corporation and instrumentality of the state within the Department of Commerce, Community, and Economic Development. The corporation has a legal existence independent of and separate from the state.

Sec. 42.50.020. Board of directors. (a) The board of directors shall exercise the powers of the corporation.

(b) The board consists of

(1) the commissioner of commerce, community, and economic development; the commissioner may not designate another person to serve in this position;

(2) the commissioner of transportation and public facilities; and

(3) five members appointed by the governor.

(c) The five members appointed by the governor shall meet the following criteria:

(1) each member shall be a resident of the state;

(2) four of the members shall have experience in business operations, transportation, or finance; and

(3) one member shall be a member of the general public.

Sec. 42.50.030. Terms of office. Except for the commissioners under AS 42.50.020(b)(1) and (2), the members of the board serve at the pleasure of the governor for staggered terms of five years.

Sec. 42.50.040. Vacancies. (a) Except for the commissioners under AS 42.50.020(b)(1) and (2), the governor shall fill a vacancy on the board by appointing another person. Notwithstanding AS 39.05.080(4), a member appointed to fill a vacancy serves for the balance of the term for which the member's predecessor was appointed.

(b) A vacancy on the board does not impair the authority of a quorum of members to exercise the powers and perform the duties of the board.

Sec. 42.50.050. Compensation and expenses. (a) An appointed member of

1 the board is entitled to compensation at a rate of \$400 for each day the member is
 2 engaged in the actual performance of duties as a member of the board. The board may
 3 provide by regulation for compensation for partial days during which an appointed
 4 member is engaged in actual performance of duties as a member of the board.

5 (b) In addition to compensation under (a) of this section, an appointed member
 6 of the board is entitled to per diem and travel expenses authorized for state boards and
 7 commissions under AS 39.20.180.

8 (c) A member of the board whose term has expired shall serve until a
 9 successor has been appointed.

10 **Sec. 42.50.060. Board officers.** The board shall elect from among the
 11 members of the board a chair and vice-chair and establish the duties of the chair and
 12 vice-chair by regulation.

13 **Article 2. Management.**

14 **Sec. 42.50.100. Management by the board.** (a) The board is responsible for
 15 the management of the corporation.

16 (b) In managing the corporation, the board

17 (1) is responsible for the management of the financial and legal
 18 obligations of the Alaska marine highway system;

19 (2) shall operate the Alaska marine highway system as a commercial
 20 entity that is available to the public for the transportation of goods and passengers at
 21 set rates;

22 (3) shall provide for the safe, efficient, and economical transportation
 23 of goods and passengers to meet the needs of the state;

24 (4) shall review all state and other land disposal proposals to aid in
 25 planning for future development or expansion of transportation services; and

26 (5) shall ensure that the accounting procedures of the corporation meet
 27 generally accepted accounting principles consistent with industry standards for
 28 comparable transportation systems.

29 **Sec. 42.50.110. Executive officers.** (a) The board shall appoint a chief
 30 executive officer and a chief financial officer of the corporation. A member of the
 31 board may not be the chief executive officer or chief financial officer. The chief

1 executive officer and chief financial officer serve at the pleasure of the board.

2 (b) In addition to the officers appointed under (a) of this section, the board
3 may appoint other executive officers for the corporation.

4 (c) The board shall set the compensation for an executive officer appointed
5 under this section.

6 **Sec. 42.50.120. Delegation.** (a) The board shall by regulation delegate to the
7 chief executive officer the powers and duties that are necessary or appropriate for the
8 management of the daily affairs and operation of the corporation. The board may by
9 regulation require the exercise of a delegated power or duty to be subject to board
10 approval.

11 (b) The board may delegate the following powers and duties to the chief
12 executive officer or other executive officers designated by the board:

13 (1) leasing, subject to AS 42.50.350, granting easements in, issuing
14 permits for the use of, or conveying other interests in property;

15 (2) establishing specific rates, tariffs, divisions, and contract rate
16 agreements;

17 (3) making routine changes in service levels;

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

20 (5) performing procurement activities.

21 (c) Notwithstanding (a) and (b) of this section, specific board approval is
22 required to

23 (1) mortgage or pledge corporation assets;

24 (2) donate property or other assets belonging to the corporation;

25 (3) act as a surety or guarantor;

26 (4) adopt a long-range capital improvement and program plan;

27 (5) adopt annual reports;

28 (6) effect general comprehensive increases and decreases in rates;

29 (7) expand or reduce services in a significant way;

30 (8) expand ferry routes;

31 (9) select independent auditors and accountants;

(10) enter into collective bargaining agreements;

(11) adopt annual budgets;

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

(13) exchange, donate, sell, or otherwise convey the entire interest in an asset of the corporation;

(14) exercise the power of eminent domain.

Article 3. Administrative Provisions.

Sec. 42.50.150. Meetings of the board. (a) The chair of the board shall call meetings of the board at least once every three months. The chair or a majority of the members of the board may call other meetings of the board as necessary. The chair shall preside at meetings.

(b) The meetings of the board are open to the public under AS 44.62.310, except as provided by AS 44.62.310 for executive sessions. The board shall provide by regulation for a method of providing reasonable notice to the public of its meetings.

(c) The board shall keep minutes of each meeting.

Sec. 42.50.160. Quorum and voting. (a) Four voting members of the board constitute a quorum for the transaction of business.

(b) Four affirmative votes are required for board action. The board shall provide by regulation for the manner of voting, except that the board may not provide for voting by proxy. The regulations may provide for voting and conferring by telecommunication and electronic devices.

Sec. 42.50.170. Executive sessions. In addition to the subjects listed in AS 44.62.310(c), the board may hold an executive session to discuss matters relating to the corporation's legal position and to the corporation's acquisition or disposal of assets.

Sec. 42.50.180. Regulations. (a) The board shall adopt, amend, supplement, revise, or repeal regulations to carry out its functions and the purposes of this chapter. The regulations shall include provisions to safeguard property owned, managed, or transported by the corporation and to protect employees and persons using the corporation's property or services. The adoption of regulations is not subject to

1 AS 44.62 (Administrative Procedure Act), but the board shall comply with
2 AS 42.50.185 and 42.50.190 when adopting regulations.

3 (b) A regulation authorized by (a) of this section must establish a standard of
4 general application for the corporation to implement, interpret, or make specific the
5 law enforced or administered by it or to govern its procedures.

6 **Sec. 42.50.185. Procedures for adopting regulations.** (a) At least 30 days
7 before the adoption of a regulation, the board shall give public notice of the proposed
8 regulation action by publishing a notice in at least three newspapers of general
9 circulation in the state, by posting the notice on the Alaska Online Public Notice
10 System (AS 44.62.175), and by mailing a copy of the notice to each person who has
11 requested notice of the proposed adoption, amendment, or repeal of the corporation's
12 regulations. The notice must state the time, place, and nature of the proceedings and
13 must contain a summary of the subject of the proposed regulation. In this subsection,
14 "newspaper of general circulation" has the meaning given in AS 09.35.140(d).

15 (b) On the date and at the time and place designated in the notice required
16 under (a) of this section, the board shall provide each interested person an opportunity
17 to present statements in writing concerning the proposed regulation action and shall
18 give members of the public an opportunity to present oral statements.

19 (c) The board shall consider all relevant matters presented to it before
20 adopting a regulation. The board may take action on a regulation that varies in content
21 from the summary provided with the notice of the proposed regulation action if the
22 subject of the regulation was reflected in the summary and it provided reasonable
23 notice to the members of the public as to whether their interests could be affected by
24 the board's action on that subject.

25 (d) If necessary, the board shall establish in the bylaws of the corporation
26 additional procedures for adopting regulations.

27 **Sec. 42.50.190. Emergency regulations.** (a) The board shall establish in the
28 bylaws of the corporation a procedure for the adoption of a regulation on an
29 emergency basis. The board may adopt an emergency regulation only when necessary
30 for the orderly operation of the Alaska marine highway system. The requirements of
31 AS 42.50.185 do not apply to actions taken under this section. However, within 10

1 days after the adoption of a regulation on an emergency basis, the board shall give
2 notice of its action. The notice must substantially comply with the notice requirements
3 of AS 42.50.185(a).

4 (b) An action taken under this section remains in effect for not more than 120
5 days. To prevent an emergency regulation from lapsing, the board may adopt the same
6 regulation under AS 42.50.185 before the end of the 120-day period.

7 **Sec. 42.50.200. Validity of regulations.** (a) Failure to mail notice to a person
8 under AS 42.50.185(a) or 42.50.190(a) does not invalidate an action taken by the
9 board.

10 (b) An interested person may challenge a regulation adopted by the board by
11 bringing an action in the superior court. In addition to other grounds, a court may
12 declare the adoption, amendment, or repeal of a regulation invalid

13 (1) for substantial failure by the board to comply with AS 42.50.185 or
14 42.50.190; or

15 (2) if the regulation was adopted under AS 42.50.190, on the grounds
16 that the emergency regulation was not necessary for the orderly operation of the
17 Alaska marine highway system.

18 **Sec. 42.50.210. Application of regulation adoption requirements.** Adoption
19 of a regulation is not subject to AS 42.50.180 - 42.50.190 if the regulation

20 (1) relates only to the internal management of the corporation;
21 (2) relates to specific rates, tariffs, divisions, and contract rate
22 agreements;

23 (3) relates to service schedules; or

24 (4) is directed to a specifically named person or to a group of persons
25 and does not apply to the general public.

26 **Sec. 42.50.220. Public disclosure of information.** (a) Except as provided
27 under (b) of this section, information in the possession of the corporation is public and
28 is open to public inspection at reasonable times under AS 40.25.110.

29 (b) The corporation may by regulation designate and withhold public
30 disclosure of matters of a privileged or proprietary nature. Those matters include
31 personnel records, communications with and work product of legal counsel, and

1 proprietary information associated with specific shippers, divisions, and contract rate
2 agreements.

3 **Sec. 42.50.230. Internet website.** The corporation shall establish or participate
4 with the Department of Administration or another governmental agency in using or
5 creating an Internet website for the corporation. The Internet website must be
6 accessible in all communities in the state that have the capability of accessing the
7 Internet, including communities in the unorganized borough, and must be accessible at
8 the lowest Internet website access speed that is used in the state.

9 **Sec. 42.50.240. Service schedules.** Except in the case of an emergency, before
10 the corporation establishes a service schedule for the Alaska marine highway system
11 or changes a service schedule, the corporation shall publish a notice of the proposed
12 service schedule or service schedule change on the Internet website established under
13 AS 42.50.230 for at least 30 days and allow members of the public to comment on the
14 proposed service schedule or service schedule change.

15 **Article 4. Powers and Duties.**

16 **Sec. 42.50.250. General powers.** In addition to the exercise of other powers
17 authorized by law, the corporation may

- 18 (1) adopt a seal;
- 19 (2) adopt bylaws governing the business of the corporation;
- 20 (3) sue and be sued;
- 21 (4) appoint trustees and agents of the corporation and establish their
22 powers and duties;
- 23 (5) have the Department of Law represent the corporation or have an
24 attorney who is an employee of the corporation represent the corporation;
- 25 (6) make contracts and execute written documents necessary or
26 convenient in the exercise of the corporation's powers and duties;
- 27 (7) acquire by purchase, lease, bequest, devise, gift, exchange, the
28 satisfaction of debts, the foreclosure of mortgages, or other method, personal property,
29 rights, rights-of-way, franchises, easements, and interests in land;
- 30 (8) hold, maintain, use, operate, improve, lease, exchange, donate,
31 convey, alienate, encumber, or otherwise grant a security interest in, or authorize use

1 or dispose of, real property or personal property, subject to other provisions of this
2 chapter;

3 (9) contract with and accept transfers, gifts, grants of money or
4 property, or loans from the United States and the state or its political subdivisions,
5 subject to other provisions of federal or state law or municipal ordinances;

6 (10) undertake and provide for the management, operation,
7 maintenance, use, and control of all of the property of the corporation, including all
8 real property and personal property of the Alaska marine highway system transferred
9 under this chapter;

10 (11) recommend to the legislature and the governor tax, financing, or
11 financial arrangements the corporation considers appropriate for expansion or
12 extension and operation of the Alaska marine highway system;

13 (12) maintain offices and ferry terminal facilities at places designated
14 by the corporation;

15 (13) apply to the state, the United States, and foreign countries or other
16 proper agencies for the permits, licenses, rights-of-way, or approvals necessary to
17 construct, maintain, and operate transportation and related services, and obtain, hold,
18 and reuse the licenses and permits in the same manner as other operators of ferry
19 vessel systems;

20 (14) set the rates to be charged for services provided by the Alaska
21 marine highway system;

22 (15) determine the routes, schedules, and types of service to be
23 provided by the Alaska marine highway system;

24 (16) enter into contracts, leases, and other agreements with connecting
25 carriers, shippers, and other persons related to the services, activities, operations,
26 property, vessels, and ferry terminal facilities of the corporation;

27 (17) plan for and undertake expansion of the Alaska marine highway
28 system and contract with other modes of transportation service connecting to the
29 Alaska marine highway system;

30 (18) hire and discharge Alaska marine highway system personnel and
31 determine the hours of employment, the compensation and fringe benefits, and the

1 personnel policies affecting the working conditions of employees, except for the
2 general policies describing the function and purposes of an employer;

3 (19) consent to the modification of the rate of interest, to the time of
4 payment of an installment of principal or interest, or to another term of a loan,
5 contract, or agreement to which the corporation is a party;

6 (20) acquire, hold, and dispose of stock, memberships, contracts,
7 general partnership interests, limited partnership interests, or interests in another
8 corporation, association, partnership, joint venture, or other legal entity, and exercise
9 the powers or rights in connection with the interests that are provided in agreements
10 and that are allowed by law concerning the satisfaction of debts;

11 (21) create one or more subsidiary corporations that are partially or
12 wholly owned or controlled by the corporation;

13 (22) undertake and provide for the acquisition, construction,
14 maintenance, equipping, and operation of vessels, ferry terminal facilities, and related
15 programs;

16 (23) enter into agreements with a state agency or other instrumentality
17 of the state;

18 (24) do all things necessary or desirable to carry out the powers and
19 duties of the corporation granted or necessarily implied in this chapter, other laws of
20 the state, federal government laws, or federal government regulations.

21 **Sec. 42.50.260. Audit.** (a) The board shall have the financial records of the
22 corporation audited annually by an independent certified public accountant
23 experienced in marine transportation system accounting.

24 (b) The corporation shall make all of its financial records available for
25 examination by an auditor appointed by the governor and the legislative audit division
26 established by AS 24.20.241. The disclosure of this information to the public by the
27 auditor or legislative audit division is subject to AS 42.50.220 and the regulations
28 implementing that section.

29 **Sec. 42.50.270. Operations and performance report.** (a) Not later than 90
30 days after the corporation's fiscal year ends, the board shall submit to the governor,
31 senate secretary, and chief clerk of the house of representatives an operations and

1 performance report on the fiscal year that just ended.

2 (b) The operations and performance report required under (a) of this section
3 must

4 (1) include the results of the financial audit performed under
5 AS 42.50.260(a) for the fiscal year;

6 (2) provide the number of passengers and vehicles carried by the
7 vessels of the Alaska marine highway system during the fiscal year;

8 (3) itemize the costs during the fiscal year of providing each category
9 of service offered by the Alaska marine highway system and the income generated by
10 each category;

11 (4) provide the status at the end of the fiscal year of vessel and
12 building replacement and maintenance projects under the comprehensive long-range
13 plan required under AS 19.65.011 for the Alaska marine highway system;

14 (5) describe the activities planned by the corporation for the next fiscal
15 year, including, as applicable,

16 (A) any expansion, reduction, or diversification of the services
17 that were provided by the Alaska marine highway system on the date of
18 transfer or under this chapter, if the board determines the expansion, reduction,
19 or diversification represents a significant and permanent change in the level
20 and nature of services provided; the description must describe the proposed
21 undertaking in detail and specify

22 (i) the undertaking's financial effect on the corporation;

23 (ii) the undertaking's effect on the level and nature of
24 services provided by the Alaska marine highway system; and

25 (iii) the reasons the undertaking is necessary or
26 desirable to achieve the purposes of this chapter;

27 (B) any proposal for an appropriation of money to pay for the
28 services of the Alaska marine highway system;

29 (C) the exchange, donation, sale, or other conveyance of an
30 entire interest in an asset of the Alaska marine highway system;

31 (D) acquisition of a vessel;

1 (E) the addition or removal of a port of call; and

2 (F) the lease of corporation land for more than 95 years unless
3 the corporation reserves the right to terminate the lease if the land is needed for
4 the Alaska marine highway system;

5 (6) suggestions for legislation relating to the structure, powers, duties,
6 or operations of the corporation or to the operation, vessels, ferry terminal facilities, or
7 motor vehicles of the corporation; and

8 (7) at least every five years, revisions and updates to the
9 comprehensive long-range plan required under AS 19.65.011.

10 (c) In this section, "date of transfer" means the date on which the state
11 transfers the assets of the Alaska marine highway system to the corporation.

12 **Sec. 42.50.280. Required travel and compensation report.** In addition to the
13 operations and performance report required under AS 42.50.270, the board shall file a
14 travel and compensation report with the Department of Administration by January 21
15 of each year as required under AS 37.05.210.

16 **Sec. 42.50.300. Use of corporation assets.** The corporation shall apply all
17 money, property, other assets, and credit of the corporation toward activities
18 authorized by this chapter. The corporation may not issue shares of stock, pay
19 dividends, make private distributions of assets, make loans to board members or
20 employees, or engage in business for private benefit. A person having the possession
21 or control of the money, property, or other asset, or the credit of the corporation, may
22 not use the asset or credit for a purpose that is not authorized by this chapter or other
23 law.

24 **Sec. 42.50.310. Maintenance of motor vehicles.** The board shall determine
25 whether the Department of Transportation and Public Facilities or another person will
26 maintain and service the rolling stock of motor vehicles used by the corporation to
27 operate the Alaska marine highway system. If the Department of Transportation and
28 Public Facilities performs the maintenance or service, the corporation shall pay the
29 Department of Transportation and Public Facilities a reasonable price for the
30 maintenance or service.

31 **Sec. 42.50.320. Indemnification.** (a) If the person acted in good faith on

1 behalf of the corporation and within the scope of official duties or powers, the
 2 corporation may defend and indemnify a current or former member of the board,
 3 employee, or agent of the corporation against all costs, expenses, judgments, and
 4 liabilities, including attorney fees, incurred by or imposed on that person in connection
 5 with a civil or criminal action in which the person is involved by affiliation with the
 6 corporation.

7 (b) The corporation may purchase insurance to protect and hold personally
 8 harmless its employees, agents, and board members from an action, claim, or
 9 proceeding arising out of the performance, purported performance, or failure of
 10 performance, in good faith, of duties for, or employment with, the corporation and to
 11 hold its employees, agents, and board members harmless from expenses connected
 12 with the defense, settlement, or monetary judgments arising from the action, claim, or
 13 proceeding. The purchase of insurance is discretionary with the board, and the
 14 insurance is not considered to be compensation to the insured person.

15 **Article 5. Corporation Property.**

16 **Sec. 42.50.350. Property leases, easements, permits, and disposals.** (a) The
 17 corporation may lease, subject to (b) of this section, grant easements in or permits for,
 18 or otherwise authorize use of portions of corporation property. However, the
 19 corporation may not convey its entire interest in any of its property, except as provided
 20 by AS 42.50.355, 42.50.370(d), and 42.50.400.

21 (b) If the corporation makes a lease or other disposal of property to a party
 22 other than the state, the lease or disposal must be made for fair market value as
 23 determined by a qualified appraiser, or made by competitive bidding.

24 **Sec. 42.50.355. Sale of property not necessary for corporation purposes.**

25 (a) The corporation may sell corporation property if the board finds that

26 (1) the property is not necessary for the purposes of the corporation;
 27 and

28 (2) the sale is in the best interest of the state.

29 (b) The sale of land is subject to the terms and conditions of this section and
 30 AS 42.50.350(b).

31 (c) Before offering property for sale under this section, the corporation shall

1 (1) publish public notice of the proposed sale that includes the finding
2 by the board that the property is not necessary for the purposes of the corporation and
3 that the sale is in the best interest of the state; and

4 (2) provide notice to persons having a leasehold interest in the property
5 proposed to be sold and offer the leaseholders the right of first refusal.

6 (d) The corporation shall separately account for the proceeds from the sale of
7 property under this section and shall report the earnings and balance in the account in
8 the operations and performance report required under AS 42.50.270. The legislature
9 may appropriate money in the account to the corporation for the operation of the
10 corporation. Nothing in this section creates a dedicated fund.

11 **Sec. 42.50.360. Request for property.** The board may identify land that is
12 necessary or useful for present or future purposes of the Alaska marine highway
13 system, and request the commissioner of natural resources to convey the land,
14 including land not contiguous with a ferry terminal facility, if the state owns the land
15 or the land has been tentatively approved for transfer to the state. The request must
16 include a statement of and justification for the present or future corporation use. Upon
17 receipt of a request, the commissioner shall temporarily reserve the land identified in
18 the request for corporation purposes and defer disposal or lease of that land under
19 other laws to a party other than the corporation. The temporary reservation of land is
20 subject to valid existing rights and remains in effect for 180 days.

21 **Sec. 42.50.370. Conveyance of property.** (a) Within 90 days after receiving a
22 request under AS 42.50.360, the commissioner of transportation and public facilities
23 shall, by written decision,

24 (1) designate the identified property for corporation purposes and,
25 subject to valid existing rights, convey the state's interests in the land to the
26 corporation;

27 (2) notify the corporation of reasons for refusal to designate the
28 identified land for corporation purposes; or

29 (3) approve the request in part and convey the part that is approved.

30 (b) A conveyance of property under this section may be for less than the
31 appraised value of the property, as determined by the commissioner of natural

1 resources.

2 (c) In the absence of a reservation to the contrary, a conveyance of land under
3 this section gives to the corporation ownership and control of the surface of the land,
4 the material on and under the surface of the land, and the mineral estate in the land,
5 including the right to extract or use timber and other construction materials, sand,
6 gravel, and rock, and the right to tunnel, ditch, recontour, excavate, or otherwise use
7 the land for transportation, transmission, communication, and related purposes of the
8 Alaska marine highway system.

9 (d) The corporation may reconvey to the state property received under this
10 section that the corporation and the commissioner of natural resources jointly identify
11 as unnecessary or unsuitable for the corporation's purposes.

12 **Sec. 42.50.385. Eminent domain.** (a) The corporation may exercise the power
13 of eminent domain under AS 09.55.240 - 09.55.460 to acquire land for corporation
14 purposes consistent with this chapter. Notwithstanding AS 09.55.250, the corporation
15 may acquire a fee simple title when the board determines that ownership of a fee
16 simple title is necessary to carry out the purposes of this chapter.

17 (b) The corporation may file a declaration of taking in the manner provided
18 for the state under AS 09.55.420.

19 (c) The power of eminent domain under this section includes the power to
20 obtain clay, gravel, sand, timber, rock, or other material for the operation of the
21 corporation, the land necessary to obtain the material, and access to the land and
22 material.

23 (d) The governor must approve the exercise of eminent domain before the
24 corporation exercises the power under this section.

25 **Sec. 42.50.400. Vacation of easements.** The corporation may vacate an
26 easement acquired under this chapter by executing and filing a deed in the appropriate
27 recording district.

28 **Sec. 42.50.420. Public use of corporation land.** Upon request of a
29 municipality or the state, the corporation may authorize use of corporation land for
30 public purposes.

31 **Sec. 42.50.430. Acquisition of state property.** The corporation may acquire in

1 its own name property under the control of a state agency that is useful for the
2 corporation's purposes. The corporation may acquire from the Department of
3 Administration state property made available under AS 44.68.110 - 44.68.140.

4 **Sec. 42.50.435. Exchange of land.** The corporation may exchange land with
5 the United States, municipalities, individuals, and corporations, including corporations
6 formed under 43 U.S.C. 1601 et seq. (Alaska Native Claims Settlement Act).

7 **Sec. 42.50.440. Adverse possession; prescriptive easements.** A person may
8 not acquire by adverse possession or prescriptive easement, or in any other manner
9 except by conveyance from or formal vacation by the corporation, title to or an interest
10 in land owned by the corporation or under its jurisdiction.

11 **Article 6. Financial Provisions.**

12 **Sec. 42.50.500. Limitation of liability.** A person does not have a right of
13 action against the state because of a debt, obligation, or liability of the corporation and
14 may satisfy the debt, obligation, or liability only from the assets or revenue of the
15 corporation.

16 **Sec. 42.50.510. Fidelity bond.** The corporation may obtain a fidelity bond in
17 an amount determined by the board for board members and each executive officer
18 responsible for accounts and finances. The bond must be in effect during the entire
19 tenure in office of the bonded person.

20 **Sec. 42.50.520. Insurance.** In addition to the insurance allowed under
21 AS 42.50.320(b), if the board determines the insurance purchase prudent, the board
22 shall protect corporation assets, services, and employees by purchasing liability and
23 casualty insurance.

24 **Sec. 42.50.530. Revenue.** The corporation shall deposit the revenue generated
25 by the corporation in the Alaska marine highway system fund created under
26 AS 19.65.060.

27 **Sec. 42.50.540. Appropriations.** The corporation may request, with the
28 concurrence of the governor, a direct appropriation or grant from the legislature to
29 assist in carrying out the provisions of this chapter.

30 **Article 7. Bonds.**

31 **Sec. 42.50.600. General provisions.** (a) The corporation may issue bonds by

1 resolution of the board to provide money to carry out the purposes of the corporation.
 2 The board shall determine the types of bonds that the corporation may issue.

3 (b) Bonds may be issued in one or more series and shall, as provided by the
 4 resolution of the board,

5 (1) be dated;

6 (2) bear fixed or variable interest at a specified rate or rates per year or
 7 within a maximum rate;

8 (3) be in a specified denomination;

9 (4) be in a coupon or registered form;

10 (5) carry conversion or registration provisions;

11 (6) have a specified rank or priority;

12 (7) be executed in the specified manner and form;

13 (8) be payable as specified from the sources, in the medium of
 14 payment, and place or places inside or outside the state;

15 (9) be subject to authentication by a trustee or fiscal agent; and

16 (10) be subject to terms of redemption with or without premium.

17 (c) Bonds may be sold in the manner, on the terms, and at the price the board
 18 determines. Notes shall mature at the time or times determined by the board. Except
 19 for bond anticipation notes, notes, or other obligations, bonds shall mature at the time,
 20 not exceeding 50 years after their date, determined by the board.

21 **Sec. 42.50.610. Negotiable instruments.** Bonds issued under this chapter and
 22 interest coupons attached to them are negotiable instruments under the laws of this
 23 state, subject only to applicable provisions for registration.

24 **Sec. 42.50.620. Bonds eligible for investment.** Bonds issued under this
 25 chapter are securities in which all public officers and public bodies of the state and the
 26 state's political subdivisions, all insurance companies, trust companies, banking
 27 associations, investment companies, executors, administrators, trustees, and other
 28 fiduciaries may properly invest funds, including capital in their control or belonging to
 29 them. These bonds may be deposited with a state or municipal officer of an agency or
 30 political subdivision of the state for any purpose for which the deposit of bonds of the
 31 state is authorized by law.

1 **Sec. 42.50.630. Payment of bonds.** (a) The principal of and interest on bonds
2 of the corporation are payable from corporation money or assets. Bonds may be
3 additionally secured by a pledge of a grant or contribution from the federal
4 government, a municipality, a corporation, an association, an institution, or a person,
5 or a pledge of money, income, or revenue of the corporation from any source.

6 (b) Before issuing bonds to provide the financing described in AS 42.50.600
7 for real or personal property to be owned in whole or in part by an entity other than the
8 corporation, the corporation shall enter into one or more contracts, leases, or other
9 forms of agreement that will, in the judgment of the corporation, provide sufficient
10 consideration to

11 (1) pay the principal of and interest on the bonds as they become due;

12 (2) create and maintain any reserves for the bond payments that the
13 corporation considers necessary or desirable; and

14 (3) pay all costs necessary to issue, service, or additionally secure the
15 bonds, including trustee's fees and bond insurance premiums, unless these costs are to
16 be paid from bond proceeds or by a party other than the corporation.

17 **Sec. 42.50.640. Security for bonds.** In the discretion of the board, an issue of
18 bonds may be secured by a trust indenture, which may be a trust company, bank or
19 national banking association, with corporate trust powers, located inside or outside the
20 state, or by a secured loan agreement or other instrument or under resolution giving
21 powers to a corporate trustee by means of which the corporation may

22 (1) make and enter into any and all the covenants and agreements with
23 the trustees or the holders of the bonds that the corporation may determine to be
24 necessary or desirable, including covenants, provisions, limitations, and agreements as
25 to

26 (A) the application, investment, deposit, use, and disposition of
27 the proceeds of bonds of the corporation or of money or other property of the
28 corporation or in which it has an interest;

29 (B) the fixing and collection of rentals, charges, fees, or other
30 consideration for, and the other terms to be incorporated in, contracts with
31 respect to the use of any of the corporation's property;

1 (C) the fixing and collection of tariffs, fees, charges, or other
2 consideration for the use or service of the Alaska marine highway system by
3 passengers and other users and freight;

4 (D) the terms and conditions on which additional bonds of the
5 corporation may be issued;

6 (E) the vesting in the trustee of rights and remedies exercisable
7 by the trustee for the protection of the holders of bonds of the corporation and
8 not otherwise in violation of law and the restriction of the rights of an
9 individual holder of bonds of the corporation;

10 (2) pledge, mortgage, or assign money, leases, agreements, assets, or
11 property of the corporation either presently in hand or to be received in the future, or
12 both; and

13 (3) provide for any other matters of like or different character that in
14 any way affect the security or protection of the bonds.

15 **Sec. 42.50.650. Independent financial advisor.** In negotiating the private or
16 public sale of bonds to an underwriter, the board shall retain a financial advisor who is
17 independent from the underwriter.

18 **Sec. 42.50.660. Validity of signatures.** If an officer of the corporation whose
19 signature or a facsimile of whose signature appears on bonds or coupons attached to
20 them ceases to be an officer before the delivery of the bond or coupon, the signature or
21 facsimile is valid the same as if the person had remained in office until delivery.

22 **Sec. 42.50.670. Validity of pledge.** (a) The pledge of assets or revenue of the
23 corporation to the payment of the principal of or interest on bonds of the corporation is
24 valid and binding from the time the pledge is made, and the assets or revenue are
25 immediately subject to the lien of the pledge without physical delivery or further act.
26 The lien of a pledge is valid and binding against all parties having claims of any kind
27 against the corporation, irrespective of whether those parties have notice of the lien of
28 the pledge.

29 (b) Nothing in this section prohibits the corporation from selling assets subject
30 to a pledge, except that a sale may be restricted by the trust agreement or resolution
31 providing for the issuance of the bonds.

1 **Sec. 42.50.675. Pledge of the state.** The state pledges to and agrees with the
2 holders of bonds issued under this chapter and with the federal agency that loans or
3 contributes funds in respect to a project that the state will not limit or alter the rights
4 and powers vested in the corporation by this chapter to fulfill the terms of a contract
5 made by the corporation with the holders or federal agency, or in any way impair the
6 rights and remedies of the holders until the bonds together with the interest on them
7 with interest on unpaid installments of interest, and all costs and expenses in
8 connection with an action or proceeding by or on behalf of the holders, are fully met
9 and discharged. The corporation is authorized to include this pledge and agreement of
10 the state, insofar as it refers to holders of bonds of the corporation, in a contract with
11 the holders and insofar as it relates to a federal agency, in a contract with the federal
12 agency.

13 **Sec. 42.50.680. Remedies.** A holder of bonds issued under this chapter or of
14 coupons attached to them, and a trustee under a trust agreement or resolution
15 authorizing the issuance of the bonds, except as restricted by a trust agreement or
16 resolution, either at law or in equity, may

17 (1) enforce all rights granted under this chapter, the trust agreement or
18 resolution, or any other contract executed by the corporation under this chapter; and

19 (2) compel the performance of all duties of the corporation required by
20 this chapter or by the trust agreement or resolution.

21 **Sec. 42.50.690. Credit of state not pledged.** (a) The state and its political
22 subdivisions are not liable for the debts of the corporation. Bonds issued under this
23 chapter are payable solely from the revenue or assets of the corporation and do not
24 constitute a

25 (1) debt, liability, or obligation of the state or of a political subdivision
26 of the state; or

27 (2) pledge of the faith and credit of the state or of a political
28 subdivision of the state.

29 (b) The corporation may not pledge the credit or the taxing power of the state
30 or its political subdivisions. Each bond issued under this chapter shall contain on its
31 face a statement that

1 (1) the corporation is not obligated to pay it or the interest on it except
2 from the revenue or assets pledged for it; and

3 (2) neither the faith and credit nor the taxing power of the state or of a
4 political subdivision of the state is pledged to the payment of it.

5 **Sec. 42.50.695. Limitation on personal liability.** A board member or
6 employee of the corporation is not subject to personal liability or accountability
7 because of the execution or issuance of bonds.

8 **Article 8. Personnel and Labor Relations.**

9 **Sec. 42.50.705. Political activities.** (a) A person may not use the money or
10 other property of the corporation for political activities. However, board members and
11 employees may communicate with and appear before committees of the United States
12 Congress, the state legislature, and governing bodies of municipalities in connection
13 with matters directly affecting the corporation.

14 (b) A board member or employee who violates this section is personally
15 subject to a civil penalty assessed by a judge of the superior court in an amount not to
16 exceed \$5,000. Any person may bring an action to enforce this section.

17 **Sec. 42.50.710. Corporation employees.** (a) Employees of the corporation are
18 employees of the corporation and not of the state. However, employees of the
19 corporation shall be treated as employees of the state for the purposes of AS 23.40 and
20 AS 39.

21 (b) Except as provided in this subsection, employees of the corporation are
22 covered by AS 23.10.050 - 23.10.150 (Alaska Wage and Hour Act). However, the
23 terms of a collective bargaining agreement mutually agreed upon by an organization
24 representing corporation employees and the corporation may provide that
25 AS 23.10.050 - 23.10.150 do not apply to corporation employees to the extent set out
26 in the collective bargaining agreement.

27 **Article 9. Miscellaneous Provisions.**

28 **Sec. 42.50.800. Claims.** (a) If a person has a claim or lawsuit involving
29 activities of the corporation, including actions based on contract, quasi-contract, or
30 tort, the person shall bring the claim or lawsuit against the corporation and may not
31 bring the claim or lawsuit against the state.

1 (b) For the purposes of actionable claims, undertakings, payments of
 2 judgments, execution, interest, punitive damages, statutes of limitations, costs, and
 3 similar matters related to the presentation and prosecution of claims by and against the
 4 corporation, the corporation and its board members and employees have the same
 5 rights, privileges, and immunities as the state and state officers.

6 (c) A claim against the corporation is not subject to the provisions of AS 44.77
 7 regarding claims against the state.

8 (d) The corporation is not subject to the provisions of AS 44.80.010(1)
 9 regarding the state being a party to an action.

10 **Sec. 42.50.810. Exemption from taxation.** (a) Subject to (b) of this section,
 11 the property of the corporation, including its assets, income, and receipts, are exempt
 12 from all taxes and special assessments of the state or a political subdivision of the
 13 state.

14 (b) Promissory notes and the interest and income from them, and all fees,
 15 charges, funds, revenue, income, and other money pledged or available to pay or
 16 secure the payment of the notes or interest on them, are exempt from taxation by the
 17 state or a political subdivision of the state.

18 (c) This section does not affect or limit an exemption from license fees,
 19 property taxes, or excise, income, or other taxes, provided under any other law, nor
 20 does it create a tax exemption with respect to the interest of a person other than the
 21 corporation.

22 **Sec. 42.50.815. Application of existing laws.** Unless specifically provided
 23 otherwise in this chapter, the following laws do not apply to the operations of the
 24 corporation:

25 (1) AS 19.10.300 - 19.10.399;

26 (2) AS 30.15;

27 (3) AS 35;

28 (4) AS 37.10.085;

29 (5) AS 38;

30 (6) AS 44.62.010 - 44.62.160 and 44.62.180 - 44.62.305.

31 **Article 10. General Provisions.**

1 **Sec. 42.50.990. Definitions.** In this chapter, unless the context indicates
2 otherwise,

3 (1) "Alaska marine highway system" means the vessels, ferry terminal
4 facilities, motor vehicles, and other properties that provide public marine
5 transportation in, from, or to the state;

6 (2) "board" means the board of directors established by AS 42.50.020;

7 (3) "commissioners" means the commissioner of commerce,
8 community, and economic development and the commissioner of transportation and
9 public facilities;

10 (4) "corporation" means the Alaska Marine Highway System
11 Corporation established by AS 42.50.010;

12 (5) "employees" means all persons employed by the corporation;

13 (6) "executive officer" means an executive officer appointed under
14 AS 42.50.110;

15 (7) "ferry" means a vessel used to carry passengers and vehicles in
16 intrastate or interstate commerce;

17 (8) "ferry terminal facility" means a facility for loading and unloading
18 passengers and vehicles;

19 (9) "land" means an interest in real property, including tide and
20 submerged land, and a right appurtenant to the interest;

21 (10) "real property" includes interest in real property;

22 (11) "regulation" means a regulation authorized by AS 42.50.180.

23 **Sec. 42.50.995. Short title.** This chapter may be cited as the Alaska Marine
24 Highway System Corporation Act.

25 * **Sec. 55.** AS 43.40.010(g) is amended to read:

26 (g) The proceeds of the revenue from the tax on all motor fuels, except as
27 provided in (e), (f) and (j) of this section, shall be deposited in a special highway fuel
28 tax account in the state general fund. The legislature may appropriate funds from it for
29 expenditure by the Department of Transportation and Public Facilities directly or as
30 matched with available federal-aid highway money for maintenance of highways **and**
31 **[.] construction of highway projects, except [AND] ferries and facilities of the**

1 Alaska marine highway system, included in the program provided for in
 2 AS 19.10.150, including approaches, appurtenances and related facilities and
 3 acquisition of rights-of-way or easements, and other highway costs including surveys,
 4 administration, and related matters, and for expenditure by the Alaska Marine
 5 Highway System Corporation for the Alaska marine highway system. All
 6 departments of the state government authorized to spend funds collected from taxes
 7 imposed by this chapter shall perform, when feasible, all construction or
 8 reconstruction projects by contract after the projects have been advertised for
 9 competitive bids, except that, when feasible, arrangements shall be made with political
 10 subdivisions to carry out the construction or reconstruction projects. If it is not feasible
 11 for the work to be performed by state engineering forces, the commissioner of
 12 transportation and public facilities may contract on a professional basis with private
 13 engineering firms for road design, bridge design, and services in connection with
 14 surveys. If more than one private engineering firm is available for the work the
 15 contracts shall be entered into on a negotiated basis. For the purposes of this
 16 subsection, the Alaska Marine Highway System Corporation is not a department.

17 * Sec. 56. AS 43.40.010 is amended by adding new subsections to read:

18 (m) The legislature may appropriate funds from the special highway fuel tax
 19 account identified in (g) of this section to the Alaska Marine Highway System
 20 Corporation for expenditure by the Alaska Marine Highway System Corporation for
 21 the Alaska marine highway system.

22 (n) In this section,

23 (1) "Alaska marine highway system" has the meaning given in
 24 AS 42.50.990;

25 (2) "Alaska Marine Highway System Corporation" means the
 26 corporation established by AS 42.50.010.

27 * Sec. 57. AS 44.12.200(b) is amended to read:

28 (b) In this section, "state agency" means a department, institution, board,
 29 commission, division, authority, public corporation, committee, or other
 30 administrative unit of the executive branch of state government, including the
 31 University of Alaska, the Alaska Railroad Corporation, [AND] the Alaska Aerospace

1 Corporation, and the Alaska Marine Highway System Corporation.

2 * **Sec. 58.** AS 44.19.027 is amended to read:

3 **Sec. 44.19.027. Emergency assistance transportation.** If the governor
4 determines that public safety or health conditions in an area of the state require
5 emergency assistance, the governor may use state-owned and state-operated
6 transportation facilities, aircraft, vessels of the Alaska Marine Highway System
7 Corporation [MARINE HIGHWAY SYSTEM], or railroad rolling stock of the
8 Alaska Railroad to deliver compassionate aid for distribution to the affected area,
9 including food, water, fuel, clothing, medicine, and other supplies provided by
10 nonprofit organizations.

11 * **Sec. 59.** AS 44.21.390(2) is amended to read:

12 (2) "state agencies" means all departments, divisions, and offices in the
13 executive branch of state government; it does not mean the Alaska Railroad
14 Corporation, the University of Alaska, the Alaska Marine Highway System
15 Corporation, or an agency of the judicial or legislative branches of government.

16 * **Sec. 60.** AS 44.29.300(a) is amended to read:

17 (a) There is established in the Department of Health and Social Services the
18 Statewide Suicide Prevention Council, consisting of 17 members, as follows:

19 (1) two members of the senate, appointed by the president of the
20 senate, one of whom shall be a member of the majority and one of whom shall be a
21 member of the minority;

22 (2) two members of the house of representatives, appointed by the
23 speaker of the house of representatives, one of whom shall be a member of the
24 majority and one of whom shall be a member of the minority;

25 (3) 13 members appointed by the governor, as follows:

26 (A) two persons who are employed in the executive branch of
27 state government, one of whom shall represent the Department of Health and
28 Social Services and one of whom shall represent the Department of Education
29 and Early Development;

30 (B) one member of the Advisory Board on Alcoholism and
31 Drug Abuse;

- 1 (C) one member of the Alaska Mental Health Board;
- 2 (D) one person recommended by the Alaska Federation of
- 3 Natives, Inc.;
- 4 (E) one person who is an employee of a secondary school;
- 5 (F) one person who is active in a youth organization;
- 6 (G) one person who has experienced the death by suicide of a
- 7 member of the person's family;
- 8 (H) one person who resides in a rural community in the state
- 9 that is not connected to the main road system of the state by road or by the
- 10 Alaska marine highway system operated by the Alaska Marine Highway
- 11 System Corporation [TO THE MAIN ROAD SYSTEM OF THE STATE];
- 12 (I) one person who is a member of the clergy;
- 13 (J) one person who, when appointed, is at least 16 years of age
- 14 but not more than 24 years of age;
- 15 (K) one person who is discharged from, retired from, or
- 16 engaged in active duty military service in the armed forces of the United
- 17 States, including the United States Coast Guard, the Army National Guard, the
- 18 Air National Guard, or a reserve unit of the armed forces of the United States,
- 19 or who is a mental health provider, social worker, or other person actively
- 20 providing a health care service to discharged, retired, or active military
- 21 personnel; and
- 22 (L) one public member.

23 * **Sec. 61.** AS 44.33.010 is amended to read:

24 **Sec. 44.33.010. Commissioner of commerce, community, and economic**

25 **development.** The principal executive officer of the Department of Commerce,

26 Community, and Economic Development is the commissioner of commerce,

27 community, and economic development. Except with respect to the commissioner's

28 membership on the board of directors of the Alaska Railroad Corporation and the

29 Alaska Marine Highway System Corporation, whenever a statute provides that the

30 commissioner is a member of a board, council, or other similar entity, the

31 commissioner may designate an employee of the department to act in the

1 commissioner's place.

2 * Sec. 62. AS 44.42.020(a) is amended to read:

3 (a) The department shall

4 (1) plan, design, construct, and maintain all state modes of
5 transportation and transportation facilities and all docks, floats, breakwaters, buildings,
6 and similar facilities, **except for the Alaska marine highway system;**

7 (2) study existing transportation modes and facilities in the state to
8 determine how they might be improved or whether they should continue to be
9 maintained;

10 (3) study alternative means of improving transportation in the state
11 with regard to the economic costs of each alternative and its environmental and social
12 effects;

13 (4) develop a comprehensive, long-range, intermodal transportation
14 plan for the state;

15 (5) study alternatives to existing modes of transportation in urban areas
16 and develop plans to improve urban transportation;

17 (6) cooperate and coordinate with and enter into agreements with
18 federal, state, and local government agencies and private organizations and persons in
19 exercising its powers and duties;

20 (7) manage, operate, and maintain state transportation facilities and all
21 docks, floats, breakwaters, and buildings, including all state highways, vessels,
22 railroads, pipelines, airports, and aviation facilities; **this paragraph does not apply to**
23 **the Alaska marine highway system;**

24 (8) study alternative means of transportation in the state, considering
25 the economic, social, and environmental effects of each alternative;

26 (9) coordinate and develop state and regional transportation systems,
27 considering deletions, additions, and the absence of alterations;

28 (10) develop facility program plans for transportation and state
29 buildings, docks, and breakwaters required to implement the duties set out in this
30 section, including but not limited to functional performance criteria and schedules for
31 completion;

1 (11) supervise and maintain all state automotive and mechanical
 2 equipment, aircraft, and vessels, except vessels and aircraft used by the Department of
 3 Fish and Game or the Department of Public Safety; for state vehicles maintained by
 4 the department, the department shall, every five years, evaluate the cost, efficiency,
 5 and commercial availability of alternative fuels for automotive purposes, and the
 6 purpose for which the vehicles are intended to be used, and convert vehicles to use
 7 alternative fuels or purchase energy efficient vehicles whenever practicable; the
 8 department may participate in joint ventures with public or private partners that will
 9 foster the availability of alternative fuels for all automotive fuel consumers; **except as**
 10 **provided in AS 42.50.310, this paragraph does not apply to the Alaska marine**
 11 **highway system;**

12 (12) supervise aeronautics inside the state, under AS 02.10;

13 (13) implement the safety and financial responsibility requirements for
 14 air carriers under AS 02.40;

15 (14) inspect weights and measures;

16 (15) at least every four years, study alternatives available to finance
 17 transportation systems in order to provide an adequate level of funding to sustain and
 18 improve the state's transportation system.

19 * Sec. 63. AS 44.42.020 is amended by adding a new subsection to read:

20 (c) In this section, "Alaska marine highway system" has the meaning given in
 21 AS 42.50.990.

22 * Sec. 64. AS 44.88.610(a)(2) is amended to read:

23 (2) "connected by road" does not include a connection by the Alaska
 24 marine highway system **operated by the Alaska Marine Highway System**
 25 **Corporation.**

26 * Sec. 65. AS 44.99.020 is amended to read:

27 **Sec. 44.99.020. Use of paper.** A state agency shall use both sides of paper
 28 when feasible. In this section, "state agency" means a department, institution, board,
 29 commission, division, authority, public corporation, or other administrative unit of the
 30 executive, legislative, or judicial branch of state government, including the University
 31 of Alaska, the Alaska Railroad Corporation, **the Alaska Marine Highway System**

1 **Corporation**, and legislative committees.

2 * **Sec. 66.** AS 44.99.030(a) is amended to read:

3 (a) Notwithstanding other provisions of law, the following entities may not
4 contract with a person to pay the person money or other thing of value to lobby the
5 state, a municipality of the state, or an agency of the state or municipality:

- 6 (1) Alaska Aerospace Corporation;
- 7 (2) Alaska Commercial Fishing and Agriculture Bank;
- 8 (3) Alaska Energy Authority;
- 9 (4) Alaska Housing Finance Corporation;
- 10 (5) Alaska Industrial Development and Export Authority;
- 11 (6) Alaska Medical Facility Authority;
- 12 (7) Alaska Mental Health Trust Authority;
- 13 (8) Alaska Municipal Bond Bank Authority;
- 14 (9) Alaska Permanent Fund Corporation;
- 15 (10) Alaska Railroad Corporation;
- 16 (11) [REPEALED
- 17 (12)] Alaska Seafood Marketing Institute;
- 18 **(12) [(13)] Alaska Student Loan Corporation;**
- 19 **(13) Alaska Marine Highway System Corporation.**

20 * **Sec. 67.** AS 44.99.040(b)(2) is amended to read:

21 (2) "state or municipal agency" means the University of Alaska, the
22 Alaska Aerospace Corporation, the Alaska Housing Finance Corporation, the Alaska
23 Industrial Development and Export Authority, the Alaska Energy Authority, the
24 Alaska Railroad Corporation, **the Alaska Marine Highway System Corporation**, or
25 a department, institution, board, commission, division, council, committee, authority,
26 public corporation, school district, regional educational attendance area, or other
27 administrative unit of a municipality or of the executive, judicial, or legislative branch
28 of state government, and includes employees of those entities.

29 * **Sec. 68.** AS 44.99.400 is amended to read:

30 **Sec. 44.99.400. Software copyrights.** A state agency may hold the copyright
31 for software created by the agency or developed by a private contractor for an agency,

and may enforce its rights to protect the copyright. In this section, "state agency" means a department, institution, board, commission, division, authority, public corporation, committee, or other administrative unit of the executive, judicial, or legislative branch of state government, including the University of Alaska, the Alaska Aerospace Corporation, [AND] the Alaska Railroad Corporation, and the Alaska Marine Highway System Corporation.

* Sec. 69. AS 46.14.990(21) is amended to read:

(21) "person" has the meaning given in AS 01.10.060 and also includes an agency of the United States, a municipality, the University of Alaska, the Alaska Railroad Corporation, the Alaska Marine Highway System Corporation, and other departments, agencies, instrumentalities, units, and corporate authorities of the state;

* Sec. 70. AS 19.65.030(g)(1), 19.65.110, 19.65.120, 19.65.130, 19.65.140, 19.65.150, 19.65.160, 19.65.170, 19.65.180, 19.65.190, 19.65.195; AS 36.30.015(g), and 36.30.850(b)(28) are repealed.

* Sec. 71. The uncoded law of the State of Alaska is amended by adding a new section to read:

TRANSITION: INITIAL BOARD MEMBERS. (a) By January 1, 2022, the governor shall appoint the five initial board members of the corporation under AS 42.50.020(b)(3) and (c), added by sec. 54 of this Act, for staggered terms as provided by AS 39.05.055.

(b) In this section,

(1) "board" means the board of directors of the corporation;

(2) "corporation" means the Alaska Marine Highway System Corporation established by AS 42.50.010, added by sec. 54 of this Act.

* Sec. 72. The uncoded law of the State of Alaska is amended by adding a new section to read:

TRANSITION: INITIAL APPOINTMENT AND DELEGATION OF POWERS AND DUTIES. (a) By February 1, 2022, the board shall appoint and delegate to the chief executive officer the powers and duties identified in AS 42.50.120(a), added by sec. 54 of this Act.

(b) In this section,

1 (1) "board" means the board of directors of the corporation;

2 (2) "corporation" means the Alaska Marine Highway System Corporation
3 established by AS 42.50.010, added by sec. 54 of this Act.

4 * **Sec. 73.** The uncoded law of the State of Alaska is amended by adding a new section to
5 read:

6 **TRANSITION: INITIAL REGULATIONS AND ORDERS.** (a) By May 1, 2022, the
7 board shall adopt the initial regulations necessary for the operation of the corporation and the
8 Alaska marine highway system.

9 (b) The board may provide by resolution that regulations and orders in effect on the
10 date of the transfer of Alaska marine highway system property to the corporation remain in
11 effect until amended or repealed by the board. AS 42.50.180 and 42.50.185, added by sec. 54
12 of this Act, do not apply to actions taken under this section.

13 (c) In this section,

14 (1) "Alaska marine highway system" has the meaning given in AS 42.50.990,
15 added by sec. 54 of this Act;

16 (2) "board" means the board of directors of the corporation;

17 (3) "corporation" means the Alaska Marine Highway System Corporation
18 established by AS 42.50.010, added by sec. 54 of this Act.

19 * **Sec. 74.** The uncoded law of the State of Alaska is amended by adding a new section to
20 read:

21 **TRANSITION: DEPARTMENT NEGOTIATION, NONRENEWAL, AND**
22 **TERMINATION OF COLLECTIVE BARGAINING AGREEMENTS.** (a) Notwithstanding
23 another provision of this Act, including AS 23.40.040, as amended by sec. 19 of this Act, on
24 the effective date of this section, the department shall enter into negotiations with a union to
25 assign the state's interest in the collective bargaining agreement with the union to the
26 corporation.

27 (b) When the department and a union have reached an agreement under (a) of this
28 section, the state shall assign the state's interest in the collective bargaining agreement to the
29 corporation.

30 (c) If, within one year after the effective date of this section, the department and a
31 union cannot reach an agreement under (a) of this section to assign the collective bargaining

1 agreement to the corporation, the department shall terminate the collective bargaining
 2 agreement at the time and in the manner provided under the terms of the collective bargaining
 3 agreement.

4 (d) In this section,

5 (1) "collective bargaining agreement" means the collective bargaining
 6 agreement entered into between the department and a union;

7 (2) "corporation" means the Alaska Marine Highway System Corporation
 8 established by AS 42.50.010, added by sec. 54 of this Act;

9 (3) "department" means the Department of Transportation and Public
 10 Facilities;

11 (4) "union" means the

12 (A) International Organization of Masters, Mates, and Pilots;

13 (B) Marine Engineers' Beneficial Association; or

14 (C) Inlandboatmen's Union representing the Unlicensed Marine Unit.

15 * Sec. 75. The uncoded law of the State of Alaska is amended by adding a new section to
 16 read:

17 TRANSITION: CORPORATION NEGOTIATION OF COLLECTIVE
 18 BARGAINING AGREEMENTS. (a) The corporation shall negotiate and enter into a
 19 collective bargaining agreement with a union after all of the following have occurred:

20 (1) the board has been appointed under sec. 71 of this Act;

21 (2) the chief executive officer has been appointed and delegated powers under
 22 sec. 72 of this Act;

23 (3) the corporation has adopted regulations under sec. 73 of this Act; and

24 (4) the department has assigned an agreement with a union to the corporation
 25 under sec. 74(b) of this Act, and the agreement has later terminated, or the agreement with the
 26 union has terminated under sec. 74(c) of this Act.

27 (b) In this section,

28 (1) "board" means the board of directors of the corporation;

29 (2) "corporation" means the Alaska Marine Highway System Corporation
 30 established by AS 42.50.010, added by sec. 54 of this Act;

31 (3) "department" means the Department of Transportation and Public

1 Facilities;

2 (4) "union" means the

3 (A) International Organization of Masters, Mates, and Pilots;

4 (B) Marine Engineers' Beneficial Association; or

5 (C) Inlandboatmen's Union representing the Unlicensed Marine Unit.

6 * Sec. 76. The uncoded law of the State of Alaska is amended by adding a new section to
7 read:

8 TRANSITION: TRANSFER OF ASSETS; ASSUMPTION OF RIGHTS,
9 LIABILITIES, AND OBLIGATIONS. (a) On June 1, 2022,

10 (1) the Department of Transportation and Public Facilities shall transfer to the
11 corporation the vessels, ferry port facilities, real property, and vehicles and other personal
12 property used for the Alaska marine highway system; the corporation shall take title in its own
13 name to this property; and

14 (2) the corporation shall assume all rights, liabilities, and obligations of the
15 Alaska marine highway system.

16 (b) In this section,

17 (1) "Alaska marine highway system" has the meaning given in AS 42.50.990,
18 added by sec. 54 of this Act;

19 (2) "corporation" means the Alaska Marine Highway System Corporation
20 established by AS 42.50.010, added by sec. 54 of this Act.

21 * Sec. 77. The uncoded law of the State of Alaska is amended by adding a new section to
22 read:

23 TRANSITION: OPERATION OF MARINE HIGHWAY SYSTEM BY
24 CORPORATION. (a) The corporation shall begin operating the Alaska marine highway
25 system on July 1, 2022, or on the date when the Department of Transportation and Public
26 Facilities assigns or terminates the collective bargaining agreements with all of the unions
27 under sec. 74 of this Act, whichever event occurs later.

28 (b) In this section,

29 (1) "Alaska marine highway system" has the meaning given in AS 42.50.990,
30 added by sec. 54 of this Act;

31 (2) "corporation" means the Alaska Marine Highway System Corporation

1 established by AS 42.50.010, added by sec. 54 of this Act;

2 (3) "union" means the

3 (A) International Organization of Masters, Mates, and Pilots;

4 (B) Marine Engineers' Beneficial Association; and

5 (C) Inlandboatmen's Union representing the Unlicensed Marine Unit.

6 * **Sec. 78.** The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 **TRANSITION: MISCELLANEOUS PROVISIONS.** All contracts, rights, liabilities,
9 bonds, notes, or other obligations of the Alaska marine highway system as owned and
10 operated by the Department of Transportation and Public Facilities that are created by or
11 under a law amended or repealed by this Act, and in effect on the effective date of this
12 section, remain in effect notwithstanding this Act's taking effect, with all contracts, rights,
13 liabilities, bonds, notes, or other obligations of the Alaska marine highway system becoming
14 contracts, rights, liabilities, bonds, notes, and other obligations of the Alaska Marine Highway
15 System Corporation established by AS 42.50.010, added by sec. 54 of this Act, with the same
16 limitations and provisions as under a contract, right, liability, bond, note, or other obligation
17 of the former Alaska marine highway system owned and operated by the Department of
18 Transportation and Public Facilities. In this section, "Alaska marine highway system" has the
19 meaning given in AS 42.50.990, added by sec. 54 of this Act.

20 * **Sec. 79.** The uncodified law of the State of Alaska is amended by adding a new section to
21 read:

22 **TRANSITIONAL PROVISION: REPORT OF TRANSFERRED ASSETS.** The
23 Department of Transportation and Public Facilities shall prepare or direct the preparation of
24 all necessary financial reports of the assets to be transferred by it under sec. 76 of this Act as
25 of the close of business on the day before the effective date of the transfer.

26 * **Sec. 80.** The uncodified law of the State of Alaska is amended by adding a new section to
27 read:

28 **TRANSITION: INITIAL REPORTS.** (a) Notwithstanding AS 42.50.270(a), added by
29 sec. 54 of this Act, the Alaska Marine Highway System Corporation shall file its first
30 operations and performance report required under AS 42.50.270, added by sec. 54 of this Act,
31 within 90 days following the end of its second fiscal year. The report must cover the first two

1 fiscal years of the corporation.

2 (b) Notwithstanding AS 42.50.280, added by sec. 54 of this Act, the board of
3 directors of the Alaska Marine Highway System Corporation shall file its first travel and
4 compensation report required under AS 42.50.280, added by sec. 54 of this Act, with the
5 Department of Administration by January 21 of the third calendar year after this Act takes
6 effect.

7 * **Sec. 81.** The uncoded law of the State of Alaska is amended by adding a new section to
8 read:

9 **TRANSITION: INITIAL AUDIT.** Notwithstanding AS 42.50.260(a), added by sec. 54
10 of this Act, the board of directors of the Alaska Marine Highway System Corporation
11 established by AS 42.50.010, added by sec. 54 of this Act, shall have the first audit required
12 under AS 42.50.260(a), added by sec. 54 of this Act, performed after the second fiscal year of
13 the corporation. The audits must cover the first and second fiscal years of the corporation.

14 * **Sec. 82.** The uncoded law of the State of Alaska is amended by adding a new section to
15 read:

16 **CONDITIONAL EFFECT; NOTIFICATION.** (a) Section 41 of this Act takes effect
17 only if the commissioner of commerce, community, and economic development notifies the
18 revisor of statutes in writing as required under (b) of this section.

19 (b) The commissioner of commerce, community, and economic development shall
20 notify the revisor of statutes in writing of the date that the Department of Transportation and
21 Public Facilities has assigned to the Alaska Marine Highway System Corporation under sec.
22 74 of this Act, or the Alaska Marine Highway System Corporation has entered into under sec.
23 75 of this Act, a collective bargaining agreement with all of the following:

24 (1) the International Organization of Masters, Mates, and Pilots;

25 (2) the Marine Engineers' Beneficial Association; and

26 (3) the Inlandboatmen's Union representing the Unlicensed Marine Unit.

27 (c) In this section, "Alaska Marine Highway System Corporation" means the Alaska
28 Marine Highway System Corporation established by AS 42.50.010, added by sec. 54 of this
29 Act.

30 * **Sec. 83.** If, under sec. 82 of this Act, sec. 41 of this Act takes effect, it takes effect the day
31 after the date the commissioner of commerce, community, and economic development

- 1 notifies the revisor of statutes under sec. 82 of this Act.
- 2 * **Sec. 84.** Except as provided in sec. 83 of this Act, this Act takes effect immediately under
- 3 AS 01.10.070(c)."

AMENDMENT #3

OFFERED IN THE SENATE
TO: SB 103

BY SENATOR KIEHL

1 Page 2, line 13:

2 Delete "ten"

3 Insert "eight"

4

5 Page 2, line 15:

6 Delete "three"

7 Insert "two"

8

9 Page 2, line 17:

10 Delete "three"

11 Insert "two"

12

13 Page 5, lines 5 - 13:

14 Delete all material and insert:

15 "THE ALASKA MARINE HIGHWAY SYSTEM OPERATION AND PLANNING
16 BOARD; STAGGERED TERMS. (a) Notwithstanding AS 19.65.220(b), enacted by sec. 2 of
17 this Act, and AS 39.05.055, the governor shall appoint the initial public members of the
18 Alaska Marine Highway System Operation and Planning Board to the seats established under
19 AS 19.65.220(a)(2), enacted by sec. 2 of this Act, to staggered terms as follows:

20 (1) two members shall be appointed to serve one-year terms;

21 (2) three members shall be appointed to serve two-year terms; and

22 (3) three members shall be appointed to serve three-year terms."

AMENDMENT #4

OFFERED IN THE SENATE
TO: SB 103

BY SENATOR SHOWER

Page 2, line 25, following "industry":

Insert "; and

(3) two nonvoting members from the legislature, one of whom shall be appointed by the president of the senate and one by the speaker of the house of representatives"

Page 2, line 26, through page 3, line 3:

Delete all material and insert:

"(b) The public members of the board appointed under (a)(2) of this section shall serve staggered three-year terms. If a vacancy arises for a seat appointed under (a)(2) of this section, the governor shall, within 30 days after the vacancy arises, appoint a person to serve the balance of the unexpired term. A person appointed to fill the balance of an unexpired term shall serve on the board from the date of appointment until the expiration of the term.

(c) Board members appointed under (a)(2) of this section serve at the pleasure of the governor, and members appointed under (a)(3) of this section serve at the pleasure of the appointing authority; however, a public member may be removed by a majority vote of the board if the member misses more than two meetings in a calendar year and has not been previously excused or for other good cause."

Page 3, line 5, following the first occurrence of "the":

Insert "voting"

1 Page 3, line 6, following the third occurrence of "the":

2 Insert "voting"

3

4 Page 3, line 10, following the second occurrence of "the":

5 Insert "voting"

6

7 Page 5, lines 5 - 8:

8 Delete all material and insert:

9 "THE ALASKA MARINE HIGHWAY SYSTEM OPERATION AND PLANNING
10 BOARD; STAGGERED TERMS. (a) Notwithstanding AS 19.65.220(b), enacted by sec. 2 of
11 this Act, and AS 39.05.055, the governor shall appoint the initial public members of the
12 Alaska Marine Highway System Operation and Planning Board to the seats established under
13 AS 19.65.220(a)(2), enacted by sec. 2 of this Act, to staggered terms as follows:"

AMENDMENT #5

OFFERED IN THE SENATE
TO: SB 103

BY SENATOR KIEHL

1 Page 2, line 9, through page 3, line 3:

2 Delete all material and insert:

3 "Sec. 19.65.220. Board composition. (a) The membership of the board
4 consists of

5 (1) the commissioner of transportation and public facilities, or the
6 commissioner's designee;

7 (2) 10 public members who are residents of the state and meet the
8 following criteria:

9 (A) three members with experience in marine operating,
10 maintenance, or vessel construction;

11 (B) three members with business experience, at least one of
12 whom has experience in marine-related business;

13 (C) one member who represents an Alaska Native organization
14 or tribe;

15 (D) one member who represents a community served by the
16 Alaska marine highway system;

17 (E) one member, who may be retired, of a recognized union
18 that represents employees of the Alaska marine highway system;

19 (F) one member with experience in restructuring businesses in
20 the travel industry.

21 (b) The public member seats described in (a)(2) of this section shall be filled
22 as follows:

23 (1) the president of the senate shall appoint two members who are each

1 qualified under (a)(2)(A), (B), (C), (D), (E), or (F) of this section; members appointed
2 under this paragraph serve at the pleasure of the president of the senate;

3 (2) after the appointments have been made under (1) of this subsection,
4 the speaker of the house shall appoint two members who are each qualified to fill one
5 of the remaining seats under (a)(2)(A), (B), (C), (D), (E), or (F) of this section;
6 members appointed under this paragraph serve at the pleasure of the speaker of the
7 house of representatives;

8 (3) after the appointments have been made under (1) and (2) of this
9 subsection, the governor shall appoint six members who are qualified to fill the
10 remaining seats under (a)(2)(A), (B), (C), (D), (E), or (F) of this section; members
11 appointed under this paragraph serve at the pleasure of the governor.

12 (c) The public members of the board shall serve staggered three-year terms. If
13 a vacancy arises on the board, the president of the senate, the speaker of the house of
14 representatives, or the governor, as applicable, shall, within 30 days after the vacancy
15 arises, appoint a qualified person to serve the balance of the unexpired term. However,
16 if more than one seat on the board is vacant at the same time, then appointments to any
17 vacant seat shall be made by the president of the senate for the number of members, if
18 any, necessary to bring the total number of members of the board appointed by the
19 president of the senate to two; the speaker of the house shall then appoint the number
20 of members, if any, necessary to bring the total number of members of the board
21 appointed by the speaker of the house to two; the governor shall then appoint the
22 number of members, if any, necessary to bring the total number of members of the
23 board appointed by the governor to six. A person appointed to fill the balance of an
24 unexpired term shall serve on the board from the date of appointment until the
25 expiration of the term.

26 (d) A majority of the membership of the board may remove a public member
27 if that member misses more than two meetings in a calendar year and has not been
28 previously excused or for other good cause."
29

30 Page 5, lines 5 - 13:

31 Delete all material and insert:

1 "THE ALASKA MARINE HIGHWAY SYSTEM OPERATION AND PLANNING
2 BOARD; STAGGERED TERMS. (a) Notwithstanding AS 19.65.220, enacted by sec. 2 of
3 this Act, and AS 39.05.055, the president of the senate, the speaker of the house of
4 representatives, and the governor, as applicable, shall appoint the initial public members of
5 the Alaska Marine Highway System Operation and Planning Board to the seats established
6 under AS 19.65.220(a)(2), enacted by sec. 2 of this Act, to staggered terms as follows:
7 (1) the president of the senate shall appoint
8 (A) one member to serve a one-year term; and
9 (B) one member to serve a three-year term;
10 (2) after the appointments made under (1) of this subsection, the speaker of the
11 house of representatives shall appoint
12 (A) one member to serve a one-year term; and
13 (B) one member to serve a three-year term;
14 (3) after the appointments made under (1) and (2) of this subsection, the
15 governor shall appoint
16 (A) two members to serve a one-year term;
17 (B) three members to serve a two-year term; and
18 (C) one member to serve a three-year term."

AMENDMENT #6

OFFERED IN THE SENATE
TO: SB 103

BY SENATOR MYERS

Page 2, line 26:

Delete "three-year"

Insert "eight-year"

Page 5, lines 5 - 13:

Delete all material and insert:

"THE ALASKA MARINE HIGHWAY SYSTEM OPERATION AND PLANNING BOARD; STAGGERED TERMS. (a) Notwithstanding AS 19.65.220(b), enacted by sec. 2 of this Act, and AS 39.05.055, the governor shall appoint the initial public members of the Alaska Marine Highway System Operation and Planning Board to the seats established under AS 19.65.220(a)(2), enacted by sec. 2 of this Act, to staggered terms as follows:

- (1) one member shall be appointed to serve a one-year term;
- (2) one member shall be appointed to serve a two-year term;
- (3) two members shall be appointed to serve three-year terms;
- (4) one member shall be appointed to serve a four-year term;
- (5) one member shall be appointed to serve a five-year term;
- (6) two members shall be appointed to serve six-year terms;
- (7) one member shall be appointed to serve a seven-year term; and
- (8) one member shall be appointed to serve an eight-year term."

AMENDMENT #7

OFFERED IN THE SENATE
TO: SB 103

BY SENATOR KIEHL

1 Page 2, line 26:

2 Delete "three-year"

3 Insert "five-year"

4

5 Page 5, lines 5 - 8:

6 Delete all material and insert:

7 "THE ALASKA MARINE HIGHWAY SYSTEM OPERATION AND PLANNING
8 BOARD; STAGGERED TERMS. (a) Notwithstanding AS 19.65.220(b), enacted by sec. 2 of
9 this Act, and AS 39.05.055, the governor shall appoint the initial public members of the
10 Alaska Marine Highway System Operation and Planning Board to the seats established under
11 AS 19.65.220(a)(2), enacted by sec. 2 of this Act, to staggered terms as follows:"

AMENDMENT #8

OFFERED IN THE SENATE

BY SENATOR BISHOP

TO: SB 103

- 1 Page 1, line 2, following "**Board;**":
- 2 Insert "**relating to the powers and duties of the Alaska Marine Highway System**
- 3 **Operation and Planning Board;**"
- 4
- 5 Page 3, line 12, following "AS 44.62.310(b)":
- 6 Insert "The board shall hold at least one meeting a year in each of the following:
- 7 (1) Southeast Alaska;
- 8 (2) Kodiak;
- 9 (3) Anchorage."

AMENDMENT #9

OFFERED IN THE SENATE
TO: SB 103

BY SENATOR SHOWER

1

2 Page 1, line 2, following "Board;"

3 Insert "relating to the powers and duties of the Alaska Marine Highway System
4 Operation and Planning Board and the commissioner of transportation and public
5 facilities;"

6

7 Page 3, lines 20 - 25:

8 Delete all material and insert:

9 "Sec. 19.65.280. Powers, duties, and functions. (a) The commissioner of
10 transportation and public facilities in conjunction with the board shall, without regard
11 to political affiliation, solicit, interview, and recruit the head of the division of marine
12 transportation, who shall report to and function at the direction of the board."

AMENDMENT #10

OFFERED IN THE SENATE
TO: SB 103

BY SENATOR KIEHL

- 1 Page 3, line 30:
- 2 Delete ". The department shall"
- 3 Insert "and to the senate secretary and chief clerk of the house of representatives and"
- 4
- 5 Page 4, line 19, following "governor":
- 6 Insert "and to the senate secretary and chief clerk of the house of representatives"
- 7
- 8 Page 4, line 21, following "AS 19.65.011":
- 9 Insert "and notify the legislature that the report is available"
- 10
- 11 Page 5, line 20, following "governor":
- 12 Insert "and the legislature"

AMENDMENT #11

OFFERED IN THE SENATE
TO: SB 103

BY SENATOR KIEHL

1 Page 4, following line 25:

2 Insert a new subsection to read:

3 "(e) Not later than August 1 of each year, the board shall submit proposed
4 operating and capital budgets for the Alaska marine highway system for the next fiscal
5 year to the governor and to the senate secretary and chief clerk of the house of
6 representatives and notify the legislature that the proposed budgets are available."

7

8 Reletter the following subsection accordingly.

9

10 Page 5, line 21:

11 Delete "AS 19.65.280"

12 Insert "AS 19.65.280(d)"

AMENDMENT #12

BY SENATOR SHOWER

OFFERED IN THE SENATE

TO: SB 103

1 Page 1, line 1, following "Act":

2 Insert "relating to the duties of the Department of Transportation and Public
3 Facilities;"

4

5 Page 4, lines 26 - 27:

6 Delete all material and insert:

7 "(e) The Department of Transportation and Public Facilities shall provide to
8 the board information necessary for the board to carry out its duties."

AMENDMENT #13

OFFERED IN THE SENATE

BY SENATOR MYERS

TO: SB 103

1 Page 1, line 1, following "Act"

2 Insert "relating to the duties of the Department of Transportation and Public
3 Facilities;"

4

5 Page 4, following line 31:

6 Insert a new bill section to read:

7 "** Sec. 3. AS 44.42.050(a) is amended to read:

8 (a) The commissioner shall develop a comprehensive, intermodal, long-range
9 transportation plan for the state. The commissioner shall incorporate the
10 comprehensive long-range plan prepared under AS 19.65.011 into the plan
11 developed under this section. The plan may be developed in multiple documents that
12 address logical components, including geographic areas, modes of transportation,
13 transportation corridors, systems, and other distinct subjects relevant to transportation
14 planning. The components of the plan shall be revised as the commissioner determines
15 appropriate. In developing and revising the state plan, the commissioner shall conform
16 to the requirements for the eligibility and use of federal and other funds, as applicable.
17 Upon approval of each component of the plan by the commissioner, the commissioner
18 shall transmit notice of the approval of that component to the governor and to the
19 legislature."

20

21 Renumber the following bill sections accordingly.

AMENDMENT #14

OFFERED IN THE SENATE
TO: SB 103

BY SENATOR KIEHL

1 Page 1, line 1, following "Act":

2 Insert "relating to the preparation and amendment of a statewide transportation
3 improvement program;"
4

5 Page 1, following line 4:

6 Insert a new bill section to read:

7 **"* Section 1.** AS 19.05.030 is amended by adding a new subsection to read:

8 (b) The department shall

9 (1) consult with the Alaska Marine Highway System Operation and
10 Planning Board established under AS 19.65.210 when developing or amending a
11 statewide transportation improvement program;

12 (2) obtain approval from the Alaska Marine Highway System
13 Operation and Planning Board established under AS 19.65.210 of any amendment to a
14 statewide transportation improvement program."
15

16 Page 1, line 5:

17 Delete "Section 1"

18 Insert "Sec. 2"

19

20 Renumber the following bill sections accordingly.

21

22 Page 4, following line 27:

23 Insert a new subsection to read:

1 "(f) The board shall, in a timely manner,
2 (1) consult with the Department of Transportation and Public Facilities
3 regarding the preparation of a statewide transportation improvement program or an
4 amendment to the statewide transportation improvement program; and
5 (2) approve or deny a proposed amendment to the statewide
6 transportation improvement program."

7

8 Page 5, line 21:

9 Delete "sec. 2"

10 Insert "sec. 3"

AMENDMENT #15

BY SENATOR SHOWER

OFFERED IN THE SENATE

TO: SB 103

- 1 Page 1, line 2, following **"Board;"**
2 Insert **"relating to the powers and duties of the Alaska Marine Highway System**
3 **Operation and Planning Board;"**
4
5 Page 5, lines 20 - 21:
6 Delete all material and insert:
7 "REPORTS. Notwithstanding AS 19.65.280(c) and (d), enacted by sec. 2 of this Act,
8 the Alaska Marine Highway System Operation and Planning Board shall prepare and submit
9 its initial reports to the governor under AS 19.65.280(c) and (d), enacted by sec. 2 of this Act,
10 not later than 90 days after the date the governor finishes appointing the initial members of
11 the Alaska Marine Highway System Operation and Planning Board."