



## Sectional Analysis

### Senate Bill 231 Version A

"An Act providing that the Alaska Railroad Corporation is subject to the Executive Budget Act; providing that expenditures of the Alaska Railroad Corporation are subject to appropriation; and providing for an effective date."

- Section 1: Adds a "purpose" section to the uncodified law stating the purpose of this Act is to direct the Alaska Railroad Corporation (ARRC) to be responsible for the management of the financial and legal obligations of the Alaska Railroad (AKRR), subject to the Executive Budget Act, and be responsible for the operating, capital, and debt service expenditures of the ARRC in accordance with legislative appropriations.
- Section 2: Amends AS 37.07.120(1) – under Executive Budget Act: Definitions – to the Alaska Railroad Corporation to entities included in the definition of "agency."
- Section 3: Amends AS 40.25.115(i) – under Public Records Disclosures: Electronic services and products – to remove the ARRC from the public agencies who separately account for the fees received by their agency under this section and deposited into the general fund.
- Section 4: Amends AS 42.40.540 – Alaska Railroad Corporation: Appropriations – to require the ARRC to request, in accordance with AS 37.07 (EBA), appropriations from the legislature to carry out the provisions of this chapter. Current law allows the ARRC to request with the concurrence of the Governor, a direct appropriation or grant from the legislature to assist in carrying out the provisions of this chapter.
- Section 5: Adds a new section to AS 42.40 – AS 42.40.545. Compliance with Executive Budget Act – which states the operation budget of ARRC and a subsidiary of ARRC are subject to the EBA. To further ensure effective budgetary decision making by the legislature, ARRC is required to review their assets annually to determine whether they exceed an amount required to fulfill their duties and whether (and to what extent) assets in excess of the amount required to fulfill its duties during the next fiscal year are available without breaching an ARRC agreement, materially impairing the operations or financial integrity of the ARRC, or materially affecting the ability of ARRC to fulfill its duties and purpose. Additionally, ARRC must specifically identify in their assets the amounts that the board believes are necessary to meet the requirements of (1)(C) of this section, and submit a complete accounting of all assets of ARRC and a report of the review and determination made under this section by January 10 of each year. The accounting will be audited by an independent outside auditor.

Section 6: Repeals the following statutes:

- AS 42.40.100(4) – under Alaska Railroad Corporation: Management by the board – which states that in managing the ARRC, the board shall apply to the legislature for an appropriation with the concurrence of the governor to be used to provide a particular service that is not otherwise self-sustaining if a subsidy is required to maintain that service.
- AS 42.40.920(b)(6) – under Alaska Railroad Corporation: Application of existing laws – which states that unless specifically provided otherwise in the chapter, AS 37.07 (EBA) does not apply to ARRC operations.

Section 7: Adds a “preparation and submission of first annual budget of the ARRC under AS 37.07” section to the uncodified law which requires the ARRC to prepare its first agency program and financial plan under AS 37.07 for consideration by the governor in the development of the recommended operating and capital improvements programs and financial plans that are submitted to the legislature at the next regular session that convenes following the effective date of this act.

Section 8: Provides for an immediate effective date.