



LAWS OF ALASKA

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Source

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Chapter No.

88

AN ACT

Creating the Alaska Aerospace Development Corporation; providing for the lease of state land to the corporation; providing an exemption from municipal sales and use taxes for space-related activities; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: July 1, 1991
Actual Effective Date: July 2, 1991

AN ACT

1 Creating the Alaska Aerospace Development Corporation; providing for the lease of
2 state land to the corporation; providing an exemption from municipal sales and use taxes
3 for space-related activities; and providing for an effective date.
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7 * **Section 1. SHORT TITLE.** This Act may be known as the Alaska Aerospace Development
8 Corporation Act.

9 * **Sec. 2.** AS 14.40 is amended by adding new sections to read:

10 **ARTICLE 7. ALASKA AEROSPACE DEVELOPMENT CORPORATION.**

11 **Sec. 14.40.821. CREATION AND TERMINATION OF CORPORATION.** (a) The
12 Alaska Aerospace Development Corporation is created as a public corporation of the state. The
13 corporation is a body corporate and politic located for administrative purposes within the
14 Department of Commerce and Economic Development and affiliated with the University of
15 Alaska but with a separate and independent legal existence.

16 (b) The corporation may not be terminated as long as it has bonds, notes, or other
17 obligations outstanding. If the corporation is terminated, it shall be terminated in a manner that
18 permits the University of Alaska and Poker Flat Research Range to continue their research and
19 educational missions uninterrupted.

20 **Sec. 14.40.826. BOARD OF DIRECTORS.** (a) The board of directors of the corporation
21 consists of nine members appointed by the governor as follows:

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- 1 (1) one member of the Board of Regents of the University of Alaska;
2 (2) the president or the designee of the president of the University of Alaska;
3 (3) the director of the Geophysical Institute of the University of Alaska;
4 (4) the executive director of the Alaska Science and Technology Foundation;
5 (5) the commissioner of commerce and economic development or the
6 commissioner's designee;
7 (6) two members who have experience and understanding of the aerospace or
8 commercial space industry, one of whom shall have a special emphasis in federal regulatory
9 procedures and policy involving space;
10 (7) one faculty member of the University of Alaska with research interests
11 involving rockets or satellites;
12 (8) a public member.

13 (b) The members of the board of directors of the corporation described in (a)(6) of this
14 section may be nonresidents of the state. The term of the members described in (a)(1), (6), (7),
15 and (8) of this section is four years and those terms shall be staggered.

16 (c) Members of the board of directors of the corporation described in (a)(6) and (8) of
17 this section receive \$100 compensation for each day spent on official business of the corporation.

18 (d) In addition to the members of the board of directors described in (a) of this section,
19 two members of the legislature shall serve as ex officio nonvoting members of the board of
20 directors. The two ex officio nonvoting members shall include one member of the senate
21 appointed by the president of the senate and one member of the house appointed by the speaker
22 of the house.

23 (e) The voting and nonvoting members of the board of directors of the corporation are
24 entitled to per diem and travel expenses authorized under AS 39.20.180.

25 Sec. 14.40.831. CHAIR AND VICE-CHAIR. The president of the University of Alaska
26 or the designee of the president shall be the chair of the board of directors of the corporation.
27 The commissioner of commerce and economic development or the designee of the commissioner
28 shall be vice-chair of the board of directors of the corporation. The vice-chair presides over all
29 meetings in the absence of the chair and has other duties the board of directors of the corporation
30 may direct.

1 Sec. 14.40.836. MEETINGS; STAFF. (a) A majority of the members of the corporation
2 constitutes a quorum for the transaction of business or the exercise of a power or function at a
3 meeting of the corporation. The corporation shall meet at least every three months. The
4 corporation may meet and transact business by electronic media if (1) public notice of the time
5 and locations where the meeting will be held by electronic media has been given in the same
6 manner as if the meeting were held in a single location; (2) participants and members of the
7 public in attendance can hear and have the same right to participate in the meeting as if the
8 meeting were conducted in person; and (3) copies of pertinent reference materials, statutes,
9 regulations, and audio-visual materials are reasonably available to participants and the public.
10 A meeting by electronic media as provided in this subsection has the same legal effect as a
11 meeting in person.

12 (b) The corporation may employ persons as staff it considers advisable, including an
13 executive director, and may employ professional advisors, technical experts, agents, and other
14 employees it considers advisable. The executive director and employees of the corporation are
15 in the exempt service under AS 39.25.

16 (c) The corporation may hire legal counsel to represent the corporation.

17 (d) The corporation shall keep minutes of each meeting and send a certified copy of the
18 minutes to the governor and to the Legislative Budget and Audit Committee.

19 Sec. 14.40.841. ALASKA AEROSPACE DEVELOPMENT CORPORATION
20 REVOLVING FUND. The Alaska Aerospace Development Corporation revolving fund is
21 established in the corporation. The revolving fund consists of appropriations made to the
22 revolving fund by the legislature, and rents, fees, or other money or assets transferred to the
23 revolving fund by the corporation. Amounts deposited in the revolving fund may be pledged to
24 the payment of bonds of the corporation or expended for the purposes of the corporation under
25 this chapter.

26 Sec. 14.40.846. INSURANCE COVERAGE; SAFETY PROGRAM. (a) The corporation
27 may engage actuarial experts and shall develop probability models to indicate the degree of
28 potential harm to the public and private enterprise from the corporation's activities.

29 (b) The corporation shall, to the extent available and consistent with federal requirements,
30 secure insurance coverage within reasonable limits for liability that may arise as a consequence

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1 of its activities and the activities of its officers and employees and to insure its buildings,
2 structures, and other facilities against loss.

3 (c) The corporation shall establish a safety program that includes

4 (1) the development and implementation of a loss prevention program consisting
5 of a comprehensive corporation wide safety program, including a statement by the board, of
6 safety policy and responsibility and regulations implementing it;

7 (2) provision for regular and periodic facility and equipment inspections;

8 (3) investigation of job-related accidents and other accidents occurring on the
9 premises of the corporation or within areas of its jurisdiction;

10 (4) the establishment of a program to promote increased safety awareness among
11 employees, agents, and subcontractors of the corporation;

12 (5) the study of safety operations at other space-related facilities in the United
13 States;

14 (6) all federal and state safety and emergency facility requirements for commercial
15 space facilities.

16 Sec. 14.40.851. SPACE ACTIVITIES LOCATION. To the extent that the University of
17 Alaska agrees to lease the Poker Flat Research Range to the corporation, the Poker Flat Research
18 Range constitutes the location and launch site for the corporation. The corporation may not
19 pledge or encumber the Poker Flat Research Range, nor is it an asset of the corporation. Other
20 sites may be developed and utilized if determined by the board to be necessary.

21 Sec. 14.40.856. LICENSES AND PERMITS. The corporation shall obtain all federal and
22 state licenses and permits necessary to fulfill the purposes, to perform the duties, and exercise
23 the powers of the corporation.

24 Sec. 14.40.861. PURPOSE OF THE CORPORATION. The purpose of the corporation
25 is to allow the state to take a lead role in the exploration and development of space, to enhance
26 human and economic development, and to provide a unified direction

27 (1) for space-related economic growth thereby ensuring a stable and dynamic
28 research and business climate by attracting space-related businesses to locate within and utilize
29 the opportunities provided in the state;

30 (2) for space-related educational and research development by encouraging and

1 assisting the University of Alaska in developing space-related programs, research, and courses
2 of instruction and to assist the University of Alaska as a member of the Space Grant State
3 Consortia under 42 U.S.C. 2486 (National Space Grant College and Fellowship Program);

4 (3) to promote the continued utilization of the Poker Flat Research Range as a
5 launch site for launch vehicles and for scientific research both from ground based and rocket or
6 balloon based instrumentation;

7 (4) to recognize the importance and benefits of and to promote and encourage the
8 continued utilization of Poker Flat Research Range for the University of Alaska's polar research
9 efforts;

10 (5) for promotion of space-related tourism activities at Poker Flat Research Range
11 and other space-related facilities or centers that may be utilized or established by the corporation;
12 and

13 (6) for development of a state strategy for and to implement the acceleration of
14 space-related economic growth and educational and research development in the state by the use
15 of innovative development methods designed to stimulate space-related business and educational
16 and research development and improve the entrepreneurial atmosphere in the state.

17 Sec. 14.40.866. POWERS AND DUTIES OF THE CORPORATION. (a) In furtherance
18 of its corporate purposes, in addition to its other powers the corporation may

19 (1) sue and be sued;

20 (2) adopt a seal;

21 (3) have perpetual succession;

22 (4) adopt, amend, and repeal bylaws and regulations;

23 (5) make and execute contracts and other instruments;

24 (6) in its own name acquire property, lease, rent, convey, or acquire real and
25 personal property, except that a project site or part of a project site may not be acquired by
26 eminent domain;

27 (7) issue bonds and otherwise incur indebtedness, in accordance with
28 AS 14.40.891, in order to pay the cost of a project or projects to construct or improve launch
29 facilities or other space and aerospace projects or in order to provide money for the corporation's
30 purposes under this chapter; the corporation may also secure payment of the bonds or other

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1 indebtedness as provided in this chapter;

2 (8) accept gifts, grants, or loans from, and enter into contracts or other
3 transactions regarding them with, a federal agency or an agency or instrumentality of the state,
4 a municipality, private organization, or other source;

5 (9) enter into contracts or agreements with a federal agency, agency or
6 instrumentality of the state, municipality, or public or private individual or entity, with respect
7 to the exercise of its powers, and do all things necessary or convenient to carry out its corporate
8 purposes and exercise the powers granted in this chapter;

9 (10) own, acquire, construct, develop, create, reconstruct, equip, operate, maintain,
10 extend, and improve launch sites, launch pads, landing areas, ranges, payload facilities,
11 laboratories, space business incubators, facilities for the construction of rockets and other launch
12 vehicles, and other space facilities and space-related systems, including educational, cultural,
13 tourism, and parking facilities, and space-related initiatives;

14 (11) undertake a program of advertising to the public and space-related businesses
15 promoting the space-related projects of the corporation and space-related businesses;

16 (12) construct, improve, and operate by itself or in cooperation with the
17 University of Alaska or the Department of Transportation and Public Facilities transportation
18 facilities appropriate to meet the transportation requirements of a facility operated by the
19 corporation;

20 (13) construct, improve, and operate water, sewage, and utility service to a facility
21 operated by the corporation;

22 (14) construct, provide, or improve public safety facilities for a facility operated
23 by the corporation;

24 (15) charge fees, rents, or other charges for the use of a facility, structure, or
25 service developed, operated, or provided by the corporation including fees, rents, and other
26 charges in excess of the actual operating cost of the use of the facility, structure, or service;

27 (16) pledge rents, fees, charges, or other revenue from the use of its services or
28 facilities as security for bonds of the corporation;

29 (17) undertake to finance or develop a space-related project with any agency or
30 authority of the state, its political subdivisions, agencies or authorities of other states, the federal

1 government, foreign governments, or private entities;

2 (18) apply to the federal government for a grant allowing the designation of
3 corporation territory as a foreign trade zone under AS 45.77.010;

4 (19) negotiate agreements for the overflight or recovery of a space vehicle, rocket,
5 missile, payload, booster, scientific experiments or other space-related material, debris, or parts
6 with any person or entity, including but not limited to adjacent landowners;

7 (20) lease the Poker Flat Research Range or portions of it from the University of
8 Alaska and to lease to the University space-related facilities that the corporation may construct
9 or acquire;

10 (21) apply for and hold in the name of the corporation patents, copyrights, and
11 other intellectual property.

12 (b) The corporation shall

13 (1) prepare an annual report of its operations to include a balance sheet, an
14 income statement, a statement of changes in financial position, a reconciliation of changes in
15 equity accounts, a summary of significant accounting principles, an auditor's report, comments
16 regarding the year's business, and prospects from the next year; the report shall be provided by
17 the third day of each regular session of the legislature to the governor, the presiding officers of
18 each house of the legislature, the University of Alaska, and the Legislative Budget and Audit
19 Committee;

20 (2) submit its annual budget to the legislature through the governor as provided
21 for state agencies by AS 37.07;

22 (3) establish a personnel management system for hiring employees and setting
23 employee-benefit packages;

24 (4) establish procedures, rules, and rates governing per diem and travel expenses
25 of the employees of the corporation in substantial conformity to statutes, procedures, rules, and
26 rates governing state employees;

27 (5) fulfill its purposes, perform its duties, and exercise its power in a manner that
28 does not interfere or restrict the educational and research functions of Poker Flat Research Range
29 and the University of Alaska.

30 Sec. 14.40.871. REGULATIONS. (a) The corporation shall adopt regulations to carry

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1 out the purposes of this chapter.

2 (b) Except for AS 44.62.310 and 44.62.312 regarding public meetings, the provisions of
3 AS 44.62 (Administrative Procedure Act) regarding the adoption of regulations do not apply to
4 the corporation. The corporation shall make available to members of the public copies of the
5 regulations adopted under this section. Within 45 days after adoption of a regulation under this
6 section, the chair of the corporation shall submit the regulation adopted to the chair of the
7 Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460.

8 (c) The corporation may adopt regulations by motion or by resolution or in another
9 manner permitted by its bylaws.

10 (d) Except as provided in (e) of this section, at least 15 days before the adoption of a
11 regulation, the corporation shall give public notice of the proposed action by publishing the notice
12 in at least three newspapers of general circulation in the state and by mailing a copy of the notice
13 to every person who has filed a request for notice of proposed regulations with the corporation.
14 The public notice must include a statement of the time, place, and nature of the proceedings for
15 the adoption of the regulation and must include an informative summary of the subject of the
16 proposed action. On the date and at the time and place designated in the notice, the corporation
17 shall give each interested person or an authorized representative of the person, or both, the
18 opportunity to present statements, arguments, or contentions orally or in writing and shall give
19 members of the public an opportunity to present oral statements, arguments, or contentions for
20 a total period of at least one hour. The corporation shall consider all relevant matter presented
21 to it before taking the proposed action on the regulation. At a hearing under this subsection, the
22 corporation may continue or postpone the hearing to a time and place determined by the
23 corporation and announced at the hearing before taking the action to continue or postpone the
24 hearing. A regulation adopted by the corporation may vary from the informative summary
25 specified in this subsection if the subject matter of the action taken on the regulation remains the
26 same and if the original notice of the proposed action was written so as to assure that members
27 of the public are reasonably notified of the subject matter of the proposed action in order for
28 them to determine whether their interests could be affected by the corporation's proposed action
29 on that subject.

30 (e) The adoption of a regulation may be made as an emergency regulation if, in the order

1 of adoption, the corporation states the facts constituting the emergency and makes a finding that
2 the adoption of the regulation is necessary for the immediate preservation of the orderly operation
3 of the corporation's programs. The requirements of (d) of this section do not apply to the initial
4 adoption of an emergency regulation; however, upon adoption of an emergency regulation under
5 this subsection, the corporation shall, within 10 days after that adoption, publish notice of the
6 adoption in accordance with the notice procedures specified in (d) of this section. An emergency
7 regulation adopted under this subsection may not remain in effect for more than 120 days unless,
8 before the expiration of that period, the corporation adopts that regulation as a permanent
9 regulation in accordance with the procedures specified in (d) of this section.

10 (f) A regulation adopted under this section takes effect immediately upon its adoption
11 by the corporation or at another time specified by the corporation in its order of adoption.

12 Sec. 14.40.876. EXERCISE BY CORPORATION OF POWERS WITHIN
13 MUNICIPALITIES. The corporation may exercise any of its powers in all portions of a space-
14 related facility or territory lying within the boundaries of a municipality to the same extent and
15 in the same manner as in areas of the space-related facility or territory not within the boundaries
16 of a municipality.

17 Sec. 14.40.881. TRADE SECRETS CONFIDENTIAL. The corporation shall maintain
18 the confidentiality of a trade secret, or other proprietary technical information, supplied for
19 purposes related to this chapter unless the owner of the trade secret authorizes its release or a
20 court orders its release. Information covered by this section is not a public record for purposes
21 of AS 09.25.110 - 09.25.140. The corporation shall adopt regulations implementing this section.

22 Sec. 14.40.886. APPROVAL OF PROJECTS BY LEGISLATURE. Notwithstanding any
23 other provision of this chapter, a proposed construction project of \$1,000,000 or more shall be
24 submitted by the corporation to the legislature for approval at a regular session of the legislature.

25 Sec. 14.40.891. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS. (a)
26 Except as provided in (b) of this section, the corporation may issue bonds in its discretion for
27 any of its corporate purposes and may issue refunding bonds for the purpose of paying or retiring
28 bonds previously issued by it.

29 (b) The corporation may not, without prior legislative approval, issue bonds, other than
30 refunding bonds,

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1 (1) in a total amount in excess of \$1,000,000 each calendar year; or

2 (2) if the annual debt service on all outstanding bonds issued and proposed to be
3 issued exceeds \$1,000,000 in a fiscal year.

4 Sec. 14.40.896. SECURITY FOR BONDS. The corporation may issue bonds including
5 but not limited to bonds on which the principal and interest are payable (1) exclusively from the
6 income and revenue of the space-related project financed with the proceeds of the bonds, (2)
7 exclusively from the income and revenue of designated space-related projects whether or not they
8 are financed in whole or in part with the proceeds of the bonds, (3) from its revenue or other
9 assets generally, or (4) exclusively from rents, fees, charges, or other revenue collected or
10 received by the corporation. Bonds may be additionally secured by a pledge of a grant or
11 contribution from the federal government or from another source, or by a pledge of income or
12 revenue of the corporation, or by a mortgage of a space-related project or other property of the
13 corporation.

14 Sec. 14.40.899. LIMITATION OF LIABILITY ON BONDS. The members of the
15 corporation and a person executing the bonds are not liable personally on the bonds by reason
16 of their issuance. The bonds of the corporation are not a debt of the state or a political or
17 municipal corporation or other subdivision of the state, including the University of Alaska, and
18 each bond must so state on its face. Neither the state nor a political or municipal corporation
19 or other subdivision of the state, including the University of Alaska, other than the corporation
20 is liable on the bonds, nor are the bonds payable out of funds or properties other than those of
21 the corporation. The corporation may not pledge the faith of the people of the state for a loan
22 or obligation. Bonds of the corporation are not a debt, indebtedness, or the borrowing of money
23 within the meaning of a limitation or restriction on the issuance of bonds contained in the
24 constitution or laws of the state.

25 Sec. 14.40.902. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes
26 of the corporation are authorized by adoption of a resolution prescribing the date of issuance and
27 maturity, interest rate, denomination, form, conversion privilege, rank or priority, execution, terms
28 of redemption, medium, and place of payment. Bonds and notes may be sold in the manner, on
29 the terms, and at the price the corporation determines. Each bond and note is negotiable. The
30 signature of a member or an officer upon a bond or note or coupon is not invalidated by that

1 person's ceasing to hold office before the delivery of the bond or note. The recitation of a bond
2 or note that it has been issued in the financing of a space-related project or purpose under this
3 chapter is conclusive as to the issuance of the bond or note and the character of the project in
4 a challenge of the validity of the bond or note or the security for it.

5 Sec. 14.40.906. BONDS EXEMPT FROM TAXES. Bonds and other obligations of the
6 corporation are issued for an essential public and governmental purpose and are public
7 instrumentalities and, together with interest on them and income from them, are exempt from
8 taxes.

9 Sec. 14.40.908. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private
10 sale of bonds or bond anticipation notes to an underwriter, the corporation shall retain a financial
11 advisor who is independent from the underwriter. The financial advisor may not bid on the
12 bonds or notes if offered at public sale or negotiate for their purchase if sold at private sale.

13 Sec. 14.40.912. ADDITIONAL POWERS TO SECURE BONDS OR OBLIGATIONS
14 UNDER LEASES. In connection with the issuance of bonds or the incurring of obligations
15 under leases and in order to secure the payment of bonds or lease obligations, the corporation,
16 in addition to its other powers, may

17 (1) pledge all or a part of its gross or net rents, fees, or revenues to which its
18 right exists or may exist;

19 (2) mortgage or encumber all or a part of its real or personal property, owned or
20 later acquired;

21 (3) covenant against pledging all or a part of its rents, fees, and revenue, or
22 against mortgaging all or a part of its real or personal property, to which its right or title exists
23 or may come into existence or against permitting or suffering any lien on the revenues or
24 property;

25 (4) covenant with respect to limitations on its right to sell, lease, or otherwise
26 dispose of a space-related project or a part of a space-related project;

27 (5) covenant as to what other, or additional debts or obligations may be incurred
28 by it;

29 (6) covenant as to the bonds to be issued and as to the issuance of the bonds in
30 escrow or otherwise, and as to the use and disposition of the proceeds of bonds;

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- 1 (7) provide for the replacement of lost, destroyed, or mutilated bonds;
- 2 (8) covenant against extending the time for the payment of its bonds or interest
- 3 on the bonds;
- 4 (9) redeem the bonds, and covenant for their redemption and to provide the terms
- 5 and conditions of redemption;
- 6 (10) covenant as to the rents and fees to be charged in the operation of a space-
- 7 related project, the amount to be raised each year or other period of time by rents, fees, and other
- 8 revenue, and as to the use and disposition of this revenue;
- 9 (11) create or authorize the creation of special funds for money held for
- 10 construction or operating costs, debt service, reserves, or other purposes, and covenant as to the
- 11 use and disposition of this money;
- 12 (12) prescribe the procedure by which the terms of a contract with bondholders
- 13 may be amended or abrogated, the amount of bonds the holders of which must consent thereto
- 14 and the manner in which the consent may be given;
- 15 (13) covenant as to the rights, liabilities, powers, and duties arising upon the
- 16 breach by it of a covenant, condition, or obligation, and covenant and prescribe as to events of
- 17 default and terms and conditions upon which any or all of its bonds or obligations shall become
- 18 or may be declared due before maturity, and covenant as to the terms and conditions upon which
- 19 this declaration and its consequences may be waived;
- 20 (14) vest in a trustee or trustees or the holders of bonds or a specified proportion
- 21 of them, the right to enforce the payment of the bonds or covenants securing or relating to the
- 22 bonds;
- 23 (15) vest in one or more trustees the right, in the event of a default by the
- 24 corporation, to take possession of a space-related project or a part of the project, and so long as
- 25 the corporation continues in default to retain possession and to use, operate, and manage the
- 26 project, and to collect the rent and revenue from the project, and to dispose of the money
- 27 according to the agreement between the corporation and the trustees;
- 28 (16) provide for the powers and duties of the trustees, and limit the liability of
- 29 the trustees; and
- 30 (17) provide the terms and conditions upon which the trustee or trustees or the

1 holders of bonds, or portions of bonds, may enforce a covenant or right securing or relating to
2 the bonds.

3 Sec. 14.40.916. RIGHT OF OBLIGEE OF CORPORATION TO BRING INJUNCTION.

4 An obligee of the corporation may, in addition to all other rights that may be conferred and
5 subject only to contractual restriction binding upon the obligee, seek an injunction or an action
6 in nature of an action for mandamus against the members, the corporation, its officers, agents,
7 or employees.

8 Sec. 14.40.921. POWER OF CORPORATION TO CONFER UPON OBLIGEE RIGHT
9 TO BRING ACTION OR PROCEEDING. The corporation may by resolution, trust indenture,
10 mortgage, lease, or other contract confer upon an obligee holding or representing a specified
11 amount in bonds, or holding a lease, the right upon a default as defined in the resolution or
12 instrument by suit, action or proceeding

13 (1) to have possession of a space-related project or part of one surrendered to the
14 obligee, with possession retained by the obligee as long as the corporation continues in default;

15 (2) to obtain the appointment of a receiver of a space-related project or part of
16 one and its rents and profits, who may enter, take possession, and for the duration of the default
17 operate and maintain it, collect and receive all fees, rents, revenues, or other charges thereafter
18 arising, and keep the money in a separate account or accounts to be applied in accordance with
19 the obligations of the corporation as the court directs;

20 (3) to require the corporation and its members to account as if they were the
21 trustees of an express trust.

22 Sec. 14.40.926. EXEMPTION OF REAL PROPERTY OF CORPORATION FROM
23 EXECUTION OR OTHER PROCESS. All real property of the corporation is exempt from levy
24 and sale by execution, and an execution or other judicial process may not issue against it. A
25 judgment against the corporation may not be a charge or lien upon its real property. However,
26 this section does not limit the right of an obligee to foreclose or otherwise enforce a mortgage
27 of the corporation or to pursue any remedy for the enforcement of a pledge or lien given by the
28 corporation on its rents, fees, or revenues.

29 Sec. 14.40.931. POWER OF CORPORATION TO OBTAIN FEDERAL AID AND
30 COOPERATION. The corporation may borrow, accept contributions, grants, or other financial

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1 assistance from the federal government in aid of a space-related project and for this purpose may
2 comply with conditions and enter into the mortgages, trust indentures, leases, or agreements that
3 are necessary, convenient, or desirable in order to obtain financial aid or cooperation from the
4 federal government in the undertaking, construction, maintenance, or operation of a space-related
5 project.

6 Sec. 14.40.936. EXEMPTION FROM TAXES AND ASSESSMENTS. The property of
7 the corporation is public property used for essential public and governmental purposes and this
8 property and the corporation are exempt from all taxes and special assessments of a municipality,
9 the state, or a political subdivision of the state. However, instead of taxes, the corporation may
10 make payments to the municipality or political subdivision for improvements, services, and
11 facilities furnished by it for the benefit of a space-related project.

12 Sec. 14.40.941. DISPOSAL OF SURPLUS PROPERTY. (a) The corporation may
13 convey real or personal property that it determines is in excess of its needs. Except as provided
14 in (b) of this section, the sale shall be by public auction or by sealed bids. Public notice shall
15 be given by publishing notice of the sale at least once a week for two consecutive weeks in a
16 newspaper of general circulation within the area in which the property to be sold is located and
17 by posting notice of sale in at least two public places in the area. In no event may the auction
18 be held less than 30 days after the last day of publication. If an acceptable bid is not received,
19 the corporation may sell the property at negotiated sale within six months after the date of the
20 auction. A negotiated sale may not be made on an appraisal made more than nine months before
21 the date of sale. The price at a negotiated sale may not be less than the appraised value.

22 (b) Real or personal property of the corporation may be conveyed to a state or federal
23 agency or political subdivision or the University of Alaska for less than the appraised value
24 without competitive bidding, upon a determination by the board that the terms are fair and proper
25 and in the best interests of the state. The board shall consider both the nature of the agency's
26 or political subdivision's public services or functions and the terms under which the property was
27 acquired by the corporation.

28 Sec. 14.40.946. PUBLIC LOANS OR DONATIONS TO OR COOPERATION WITH
29 CORPORATION. (a) A public body or agency of the state may

- 30 (1) lend or donate money or property to the corporation;

- 1 (2) cooperate with it in the planning, construction, or operation of a project;
- 2 (3) transfer to it an interest in property, grant an easement, undertake otherwise
- 3 authorized construction of facilities adjacent to a project;
- 4 (4) furnish or improve otherwise authorized roads, streets, alleys, and sidewalks;
- 5 (5) purchase bonds of the corporation;
- 6 (6) incur the entire expense of improvements made under this chapter;
- 7 (7) agree with the corporation that a certain sum or that no sum shall be paid by
- 8 the corporation to it instead of taxes;
- 9 (8) enter into agreements respecting exercise of the powers granted in this chapter
- 10 that shall be approved and executed by the public body or municipality in or adjacent to the
- 11 project before the project may be constructed; and
- 12 (9) in general do all things necessary or convenient to cooperate in the planning,
- 13 construction, or operation of a project.

14 (b) Except as required under AS 44.62.310 and 44.62.312, a sale, conveyance, lease, or

15 agreement under this section may be made without appraisal, public notice or advertisement, or

16 bidding. A public body may exercise the powers granted in this section by resolution or

17 ordinance by a majority of the members of the governing body present at the meeting at which

18 it is introduced, and the resolution or ordinance takes effect immediately without publishing or

19 posting.

20 Sec. 14.40.951. RESERVE FUND. (a) The corporation shall establish and maintain a

21 special fund called the Alaska Aerospace Development Corporation reserve fund in which there

22 shall be deposited or transferred

- 23 (1) all money appropriated by the legislature for the purpose of the fund in
- 24 accordance with the provisions of (g) of this section;
- 25 (2) all proceeds of bonds required to be deposited in the fund by terms of a
- 26 contract between the corporation and its bondholders or a resolution of the corporation with
- 27 respect to the proceeds of bonds;
- 28 (3) all other money appropriated by the legislature to the reserve fund; and
- 29 (4) any other money or funds of the corporation that it decides to deposit in the
- 30 fund.

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1 (b) Subject to the provisions of (h) of this section, money in the reserve fund shall be
2 held and applied solely to the payment of the interest on and principal of bonds of the
3 corporation as the interest and principal become due and payable and for the retirement of bonds;
4 and the money may not be withdrawn if a withdrawal would reduce the amount in the reserve
5 fund to an amount less than the required debt service reserve except for payment of interest then
6 due and payable on bonds and the principal of bonds then maturing and payable and for the
7 retirement of bonds in accordance with the terms of a contract between the corporation and its
8 bondholders and for which payments of other money of the corporation is not then available. In
9 this subsection, "required debt service reserve" means, as of the date of computation, the amount
10 required to be on deposit in the reserve fund as provided by resolution of the corporation.

11 (c) Money in the reserve fund in excess of the required debt service reserve as defined
12 in (b) of this section, whether by reason of investment or otherwise, may be withdrawn at any
13 time by the corporation and transferred to another fund or account of the corporation subject to
14 the provision of (h) of this section.

15 (d) Money in the reserve fund may be invested in the same manner and on the same
16 conditions as permitted for investment of funds belonging to the state or held in the treasury
17 under AS 37.10.070; however, the corporation may agree with the bondholders to further limit
18 these investments.

19 (e) For purposes of valuation, investments in the reserve fund shall be valued at par or
20 if purchased at less than par, at cost unless otherwise provided by resolution of the corporation.
21 Valuation on a particular date shall include the amount of interest then earned or accrued to that
22 date on the money or investments in the reserve fund.

23 (f) Notwithstanding any other provision of this chapter, bonds may not be issued by the
24 corporation unless there is in the reserve fund the required debt service reserve for all bonds then
25 issued and outstanding and for the bonds to be issued; however, the corporation may satisfy this
26 requirement by depositing as much of the proceeds of the bonds to be issued, upon their issuance,
27 as is needed to meet the required debt service reserve. The corporation may at any time issue
28 its bonds or notes for the purpose of increasing the amount in the reserve fund to the required
29 debt service reserve, or to meet whatever higher or additional reserve that may be fixed by the
30 corporation with respect to the fund.

1 (g) In order to assure the maintenance of the required debt service reserve in the reserve
2 fund, the legislature may appropriate annually to the corporation for deposit in the fund the sum,
3 certified by the chair of the corporation to the governor and to the legislature, that is necessary
4 to restore the fund to an amount equal to the required debt service reserve. The chair annually,
5 before January 30, shall make and deliver to the governor and to the legislature a certificate
6 stating the sum required to restore the fund to that amount, and the certified sum may be
7 appropriated and paid to the corporation during the then current state fiscal year. Nothing in this
8 subsection creates a debt or liability of the state.

9 (h) All amounts received on account of money appropriated to the reserve fund referred
10 to in (a)(3) of this section shall be held and applied in accordance with (b) of this section;
11 however, at the end of each fiscal year, if the amount in the reserve fund is in excess of the
12 required debt service reserve, any amount representing earnings or income received on account
13 of money appropriated to the reserve fund that exceeds the operating expenses of the corporation
14 for that fiscal year shall be transferred to the general fund of the state.

15 (i) All references to the reserve fund in this section include special accounts within the
16 reserve fund that may be created by the corporation to secure the payment of particular bonds.
17 The commissioner of revenue may lend surplus money in the general fund to the corporation for
18 deposit to any account in the reserve fund in an amount equal to the required debt service
19 reserve. The loans shall be made on the terms and conditions that may be agreed upon by the
20 commissioner of revenue and the corporation, including, without limitation, terms and conditions
21 providing that the loans need not be repaid until the obligations of the corporation secured and
22 to be secured by the account in the reserve fund are no longer outstanding.

23 Sec. 14.40.956. COOPERATION WITH OTHER AUTHORITIES. In issuing a bond,
24 the corporation may request the assistance of and work with the Alaska Industrial Development
25 and Export Authority and the Alaska Municipal Bond Bank Authority. The Alaska Industrial
26 Development and Export Authority may invest in and issue bonds for space-related projects of
27 the Alaska Aerospace Development Corporation. The Alaska Industrial Development and Export
28 Authority and the Alaska Municipal Bond Bank Authority may purchase and market bonds of
29 the Alaska Aerospace Development Corporation.

30 Sec. 14.40.961. INVESTMENT OF REVENUE. The revenue and receipts of the

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1 corporation, to the extent they are not needed to pay bonds or other obligations of the corporation
2 shall be invested by the commissioner of revenue in cooperation with the corporation.

3 Sec. 14.40.966. LEGALITY OF CORPORATION BONDS AS INVESTMENTS. Bonds
4 of the corporation are legal and proper investments and security for public and private banking,
5 insurance, and trust funds.

6 Sec. 14.40.990. DEFINITIONS. In AS 14.40.821 - 14.40.990,

7 (1) "board" means the board of directors of the Alaska Aerospace Development
8 Corporation;

9 (2) "corporation" means the Alaska Aerospace Development Corporation;

10 (3) "landing site" means a site or facility designed, intended, or used for the
11 landing or recovery of space vehicles, aircraft, or balloons;

12 (4) "launch site" means a site or facility designed, intended, or used for the
13 launching of space vehicles, sounding rockets, aircraft, or balloons;

14 (5) "payload" means property or cargo, including people or animals, to be
15 transported aboard a vehicle launched by the corporation;

16 (6) "recovery" means the retrieval and recovery of space vehicles, payloads, and
17 parts that have been launched from the corporation's facilities;

18 (7) "space vehicle" means a rocket, missile, booster, or other vehicle designed,
19 intended, or used to reach high altitude.

20 * Sec. 3. AS 24.20.201(a) is amended to read:

21 (a) The Legislative Budget and Audit Committee has the power to:

22 (1) organize, adopt rules for the conduct of its business, and prescribe procedures
23 for the comprehensive fiscal analysis, budget review, and post-audit functions;

24 (2) hold public hearings, administer oaths, issue subpoenas, compel the attendance
25 of witnesses and production of papers, books, accounts, documents, and testimony, and have the
26 deposition of witnesses taken in a manner prescribed by court rule or law for taking depositions
27 in civil actions;

28 (3) require all state officials and agencies of state government to give full
29 cooperation to the committee or its staff in assembling and furnishing requested information;

30 (4) review revenue projections, state agency appropriation requests, the

1 expenditure of state funds, including the relationship between state agency program
2 accomplishments and legislative intent, and the fiscal policies and procedures of state
3 government;

4 (5) review and approve proposed changes to agency authorized budgets as
5 provided in the Executive Budget Act (AS 37.07);

6 (6) make recommendations concerning appropriations, their expenditure and the
7 fiscal policies and procedures of state government to the governor when appropriate, and to the
8 legislature;

9 (7) prepare and distribute reports, memoranda, or other necessary materials;

10 (8) sue in the name of the legislature during the interim between sessions if
11 authorized by majority vote of the full membership of the committee;

12 (9) hold public hearings on the confirmation of the members of the Board of
13 Trustees of the Alaska Permanent Fund Corporation;

14 (10) make recommendations to the legislature and to agencies of the state that
15 [WHICH] perform lending or investment functions concerning the structure and operating
16 practices of the agencies;

17 (11) enter into and enforce all contracts necessary or desirable for the functions
18 of the committee;

19 (12) provide for annual post audits of the Alaska Housing Finance Corporation,
20 the Alaska Aerospace Development Corporation, and the Alaska Industrial Development and
21 Export Authority.

22 * Sec. 4. AS 29.45.650(a) is amended to read:

23 (a) Except as provided in AS 04.21.010(c) and in (f) and (h) of this section, a borough
24 may levy and collect a sales tax on sales, rents, and on services provided in the borough. The
25 sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

26 * Sec. 5. AS 29.45.650 is amended by adding a new subsection to read:

27 (h) A borough may not levy or collect a sales tax on sales, rents, and services, or a use
28 tax on the storage, use, or consumption of personal property on the following activities:

29 (1) the sale, lease, rental, storage, consumption, or distribution in this state of or
30 the provision of services relating to an orbital space facility, space propulsion system, or space

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1 vehicle, satellite, or station of any kind possessing space flight capacity, including the
2 components of them;

3 (2) the sale, lease, rental, storage, consumption, or use of tangible personal
4 property placed on or used aboard an orbital space facility, space propulsion system, or space
5 vehicle, satellite, or station of any kind, regardless of whether the tangible personal property is
6 returned to this state for subsequent use, storage, or consumption; an exemption under this
7 paragraph is not affected by the failure of a launch to occur, or the destruction of a launch
8 vehicle or a component of a launch vehicle.

9 * Sec. 6. AS 36.30.015(e) is amended to read:

10 (e) The board of directors of the Alaska Railroad Corporation and the board of
11 directors of the Alaska Aerospace Development Corporation shall adopt procedures to govern
12 the procurement of supplies, services, professional services, and construction. The procedures
13 must be substantially equivalent to the procedures prescribed in this chapter and in regulations
14 adopted under this chapter.

15 * Sec. 7. AS 36.30.990(1) is amended to read:

16 (1) "agency"

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

20 (B) does not include

21 (i) the University of Alaska;

22 (ii) the Alaska State Housing Authority;

23 (iii) the Alaska Railroad Corporation;

24 (iv) the Alaska Housing Finance Corporation;

25 (v) a regional Native housing authority created under

26 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

27 (vi) the Alaska Aerospace Development Corporation;

28 * Sec. 8. AS 37.05.146 is amended to read:

29 Sec. 37.05.146. DEFINITION OF PROGRAM RECEIPTS. In AS 37.05.142 - 37.05.146
30 and AS 37.07.080 "program receipts" means fees, charges, income earned on assets, and other

1 state money received by a state agency in connection with the performance of its functions; all
 2 program receipts except the following are general fund program receipts:

3 (1) federal receipts;

4 (2) University of Alaska receipts (AS 14.40.491);

5 (3) individual, foundation, or corporation gifts, grants, or bequests that by their
 6 terms are restricted to a specific purpose;

7 (4) receipts of the following funds:

8 (A) highway working capital fund (AS 44.68.210);

9 (B) correctional industries fund (AS 33.32.020);

10 (C) loan funds;

11 (D) international airport revenue fund (AS 37.15.430);

12 (E) funds managed by the Alaska State Housing Authority (AS 18.55.020),
 13 the Alaska Housing Finance Corporation (AS 18.56.020), the Medical Indemnity
 14 Corporation of Alaska (AS 21.88.020), the Alaska Railroad Corporation (AS 42.40.010),
 15 the Municipal Bond Bank Authority (AS 44.85.020), the Alaska Aerospace Development
 16 Corporation (AS 14.40.821), or the Alaska Industrial Development and Export Authority
 17 (AS 44.88.020);

18 (F) fish and game fund (AS 16.05.100);

19 (G) school fund (AS 43.50.140);

20 (H) training and building fund (AS 23.20.130);

21 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and
 22 former AS 39.37);

23 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);

24 (K) public school fund (AS 37.14.110);

25 (L) second injury fund (AS 23.30.040);

26 (M) fishermen's fund (AS 23.35.060);

27 (N) FICA administration fund (AS 39.30.050).

28 * Sec. 9. AS 38.05.810 is amended by adding a new subsection to read:

29 (h) The commissioner may issue permits to the Alaska Aerospace Development
 30 Corporation for purposes of down range space vehicle or payload overflight, booster retrieval,

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1 and recovery. The commissioner may, if it is in the best interests of the state, lease land to the
2 Alaska Aerospace Development Corporation for other space-related purposes for, or at less than
3 the appraised market value.

4 * Sec. 10. AS 39.25.110(11) is amended to read:

5 (11) the officers and employees of the following boards, commissions, and
6 authorities:

7 (A) Alaska Gas Pipeline Financing Authority;

8 (B) Alaska Permanent Fund Corporation;

9 (C) [REPEALED,

10 (D)] Alaska Industrial Development and Export Authority;

11 (D) [(E)] Alaska Commercial Fisheries Entry Commission;

12 (E) [(F)] Alaska Commission on Postsecondary Education;

13 (F) Alaska Aerospace Development Corporation;

14 * Sec. 11. AS 39.50.200(b) is amended by adding a new paragraph to read:

15 (52) the board of directors and the executive director of the Alaska Aerospace
16 Development Corporation (AS 14.40.821).

17 * Sec. 12. AS 44.99.200(b) is amended to read:

18 (b) The determination under (a) of this section shall be made by the

19 (1) commissioner of administration for a state agency in the executive branch,
20 except as provided in (4) - (6) of this subsection;

21 (2) administrative director of the judicial branch for an agency in the judicial
22 branch;

23 (3) Alaska Legislative Council for an agency in the legislative branch;

24 (4) Board of Regents or president of the University of Alaska for the university;

25 (5) board of directors of the Alaska State Housing Authority for the authority;

26 [AND]

27 (6) board of directors of the Alaska Railroad Corporation for the corporation; and

28 (7) board of directors of the Alaska Aerospace Development Corporation for
29 the corporation.

30 * Sec. 13. AS 44.99.400 is amended to read:

1 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for software
2 created by the agency or developed by a private contractor for an agency, and may enforce its
3 rights to protect the copyright. In this section, "state agency" means a department, institution,
4 board, commission, division, authority, public corporation, committee, or other administrative unit
5 of the executive, judicial, or legislative branch of state government, including the University of
6 Alaska, the Alaska State Housing Authority, the Alaska Aerospace Development Corporation,
7 and the Alaska Railroad Corporation.

8 * Sec. 14. INITIAL APPOINTMENTS. The initial appointments of the members of the board under
9 AS 14.40.826(a)(1), (6), (7), and (8) shall be staggered under AS 39.05.055(3).

10 * Sec. 15. This Act takes effect July 1, 1991.