

SENATE BILL NO. 64

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Introduced: 2/3/95

Referred: TRA, STA, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the dissolution of the Alaska Railroad Corporation and
2 providing for a successor corporation; and providing for an effective date."

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

4 * **Section 1.** FORMATION OF SUCCESSOR CORPORATION. (a) Within one year
5 from the effective date of this section, the board of directors of the Alaska Railroad
6 Corporation shall form a successor corporation under AS 10.06, subject to the provisions of
7 this Act, to own, operate, and manage the Alaska Railroad and to assume sole responsibility
8 for assets and liabilities of the Alaska Railroad Corporation.

9 (b) The successor corporation is a private corporation and is not a state agency, public
10 corporation, or other state entity.

11 (c) The board of directors of the Alaska Railroad Corporation shall serve as the board
12 of directors for the successor corporation until a new board is elected by the shareholders.

13 (d) The board of directors of the Alaska Railroad Corporation shall transfer the assets
14 and liabilities of the Alaska Railroad Corporation to the successor corporation. The board of

1 directors shall obtain an appraisal by a qualified railroad appraiser and a qualified real estate
2 appraiser of the value of assets and liabilities to be transferred to the successor corporation
3 under this Act.

4 (e) The board of directors of the Alaska Railroad Corporation shall assign to the
5 successor corporation all contracts, including collective bargaining agreements and agreements
6 with connecting carriers, shippers, or other persons concerning services, operation, property,
7 and facilities of the Alaska Railroad Corporation, entered into by the Alaska Railroad
8 Corporation and in effect on the date of the transfer of assets and liabilities to the successor
9 corporation, subject to the concurrence of the other parties to the contract.

10 (f) Notwithstanding AS 42.40.300, the Alaska Railroad Corporation shall pay the costs
11 incurred for the formation and operation of the successor corporation before the effective date
12 of sec. 4 of this Act.

13 * **Sec. 2. ISSUANCE AND DISTRIBUTION OF STOCK.** (a) Upon formation of the
14 successor corporation under sec. 1 of this Act, the board of directors of the Alaska Railroad
15 Corporation shall immediately issue shares of voting stock in the successor corporation to the
16 state. The stock shall represent the entire appraised value of the assets and liabilities of the
17 Alaska Railroad Corporation at the time of transfer to the successor corporation under this
18 Act. The shares of stock shall have a par value of \$25 per share.

19 (b) The governor shall vote the shares of stock in the successor corporation that are
20 held by the state.

21 * **Sec. 3. STOCKHOLDERS' MEETING.** (a) At the time of issuing stock under sec. 2
22 of this Act, the board of directors shall notify the governor of the time and place of the first
23 stockholders' meeting. The meeting shall be held within 90 days after the stock is issued.

24 (b) At the stockholders' meeting, the stockholders shall elect nine individuals to serve
25 as the new board of directors of the successor corporation, and the board of directors of the
26 Alaska Railroad Corporation shall resign as directors of the successor corporation.

27 * **Sec. 4. TRANSFER OF ASSETS AND LIABILITIES.** The assets and liabilities of the
28 Alaska Railroad Corporation are transferred to the successor corporation.

29 * **Sec. 5. DIVIDENDS.** If, on the final day of the fiscal year of the successor corporation,
30 the state, including agencies and public corporations of the state, owns more than 50 percent
31 of the shares issued under this Act, the successor corporation shall pay dividends to all

1 stockholders of record on the last day of the fiscal year. Dividends shall be paid within six
2 months from the end of the fiscal year. The total amount paid as dividends under this section
3 must equal or exceed 30 percent of the net earnings of the successor corporation for the fiscal
4 year.

5 * **Sec. 6. SALE OF SHARES HELD BY THE STATE.** (a) The governor shall adopt
6 regulations under AS 44.62 (Administrative Procedure Act) governing the sale of state-owned
7 shares of stock in the successor corporation. Unless otherwise provided by the legislature by
8 law, the governor shall evaluate proposals to dispose of state-owned shares of stock in the
9 successor corporation to determine whether the disposal of the shares may hinder the ability
10 of the successor corporation to continue operation of the Alaska Railroad, whether the state
11 can recover the amount of funds it had expended in connection with the Alaska Railroad and
12 the Alaska Railroad Corporation, and whether the disposal of the shares is in the best interest
13 of the state.

14 (b) The governor may dispose of state-owned shares of stock in the successor
15 corporation, if the disposal is in the best interest of the state.

16 * **Sec. 7. THE ALASKA RAILROAD, INC.** The name "The Alaska Railroad, Inc." is
17 reserved to the exclusive use of the successor corporation formed under sec. 1 of this Act.

18 * **Sec. 8.** AS 09.25.115(g) is amended to read:

19 (g) Each public agency shall establish the fees for the electronic services and
20 products provided under this section. The Telecommunications Information Council
21 may cancel the fees established by a public agency in the executive branch, except the
22 fees of the University of Alaska [AND THE ALASKA RAILROAD
23 CORPORATION], if the council determines that the fees are unreasonably high.

24 * **Sec. 9.** AS 09.25.115(i) is amended to read:

25 (i) A public agency other than a municipality [OR THE ALASKA
26 RAILROAD CORPORATION] shall separately account for the fees received by the
27 agency under this section and deposited in the general fund. The annual estimated
28 balance in the account may be used by the legislature to make appropriations to the
29 agency to carry out the activities of the agency.

30 * **Sec. 10.** AS 09.25.123(a) is amended to read:

31 (a) The Telecommunications Information Council shall supervise and adopt

1 regulations for the operation and implementation of AS 09.25.110 - 09.25.140 by
2 public agencies in the executive branch [, EXCEPT THE ALASKA RAILROAD
3 CORPORATION].

4 * **Sec. 11.** AS 09.25.220(2) is amended to read:

5 (2) "public agency" means a political subdivision, department,
6 institution, board, commission, division, authority, public corporation, council,
7 committee, or other instrumentality of the state or a municipality; "public agency"
8 includes the University of Alaska [AND THE ALASKA RAILROAD
9 CORPORATION];

10 * **Sec. 12.** AS 23.05.360(f) is amended to read:

11 (f) For purposes of holding hearings, the members of the board sit in panels
12 of three members. The chair designates the panel that will consider a matter. Each
13 panel must include a representative of management, a representative of labor, and a
14 representative from the general public. A member of one panel may serve on the other
15 panel when the chair considers it necessary for the prompt administration of
16 AS 23.40.070 - 23.40.260 (Public Employment Relations Act) [OR AS 42.40
17 (ALASKA RAILROAD CORPORATION ACT)].

18 * **Sec. 13.** AS 23.05.380 is amended to read:

19 Sec. 23.05.380. REGULATIONS. The agency shall adopt regulations under
20 AS 44.62([THE] Administrative Procedure Act) [(AS 44.62)] to carry out labor
21 relations functions under AS 23.05.360 - 23.05.390 and [,] AS 23.40.070 - 23.40.260
22 [, AND AS 42.40.730 - 42.40.890].

23 * **Sec. 14.** AS 23.10.430(c)(2) is amended to read:

24 (2) "employer" means a person who employs one or more other persons
25 and includes the state, the University of Alaska [, THE ALASKA RAILROAD,] and
26 political subdivisions of the state.

27 * **Sec. 15.** AS 23.10.440(e) is amended to read:

28 (e) In this section, "employer" means an employer that employs 15 or more
29 employees at one time and includes the state, the University of Alaska, [THE
30 ALASKA RAILROAD CORPORATION,] and political subdivisions of the state.

31 * **Sec. 16.** AS 23.10.550(7) is amended to read:

1 (7) "state" includes the University of Alaska [, THE ALASKA
2 RAILROAD,] and the executive, legislative, and judicial branches of state government
3 including public and quasi-public corporations and authorities established by law.

4 * **Sec. 17.** AS 36.10.180(a) is amended to read:

5 (a) The preferences established in AS 36.10.150 - 36.10.175 apply to work
6 performed

7 (1) under a contract for construction, repair, preliminary surveys,
8 engineering studies, consulting, maintenance work, or any other retention of services
9 necessary to complete a given project that is let by the state or an agency of the state,
10 a department, office, state board, commission, public corporation, or other
11 organizational unit of or created under the executive, legislative, or judicial branch of
12 state government, including the University of Alaska [AND THE ALASKA
13 RAILROAD CORPORATION], or by a political subdivision of the state including a
14 regional school board with respect to an educational facility under AS 14.11.020;

15 (2) on a public works project under a grant to a municipality under
16 AS 37.05.315 or AS 37.06.010;

17 (3) on a public works project under a grant to a named recipient under
18 AS 37.05.316;

19 (4) on a public works project under a grant to an unincorporated
20 community under AS 37.05.317 or AS 37.06.020; and

21 (5) on any other public works project or construction project that is
22 funded in whole or in part by state money.

23 * **Sec. 18.** AS 36.30.015(e) is amended to read:

24 (e) The [BOARD OF DIRECTORS OF THE ALASKA RAILROAD
25 CORPORATION AND THE] board of directors of the Alaska Aerospace Development
26 Corporation shall adopt procedures to govern the procurement of supplies, services,
27 professional services, and construction. The procedures must be substantially
28 equivalent to the procedures prescribed in this chapter and in regulations adopted under
29 this chapter.

30 * **Sec. 19.** AS 36.30.050(c) is amended to read:

31 (c) The lists may be used by the chief procurement officer or an agency when

1 issuing invitations to bid or requests for proposals under this chapter. The lists may
2 be used by the legislative council **and** [,] the court system [, AND THE ALASKA
3 RAILROAD CORPORATION].

4 * **Sec. 20.** AS 37.05.146(4)(E) is amended to read:

5 (E) funds managed by the Alaska Housing Finance Corporation
6 (AS 18.56.020), [THE ALASKA RAILROAD CORPORATION
7 (AS 42.40.010),] the Municipal Bond Bank Authority (AS 44.85.020), the
8 Alaska Aerospace Development Corporation (AS 14.40.821), or the Alaska
9 Industrial Development and Export Authority (AS 44.88.020);

10 * **Sec. 21.** AS 39.52.960(2) is amended to read:

11 (2) "agency" means a department, office of the governor, or entity in
12 the executive branch, including [BUT NOT LIMITED TO] the University of Alaska,
13 public or quasi-public corporations, and boards or commissions [, BUT EXCLUDING
14 THE ALASKA RAILROAD CORPORATION];

15 * **Sec. 22.** AS 39.52.960(4) is amended to read:

16 (4) "board or commission" means a board, commission, authority, or
17 board of directors of a public or quasi-public corporation, established by statute in the
18 executive branch [, BUT EXCLUDING THE ALASKA RAILROAD];

19 * **Sec. 23.** AS 39.52.960(12) is amended to read:

20 (12) "instrumentality of the state" means a state agency or
21 administrative unit, whether in the legislative, judicial, or executive branch, including
22 such entities as the University of Alaska [, THE ALASKA RAILROAD,] and any
23 public or quasi-public corporations, boards, or commissions; the term includes
24 municipalities;

25 * **Sec. 24.** AS 39.90.140(4) is amended to read:

26 (4) "public body" includes an officer or agency of
27 (A) the federal government;
28 (B) the state;
29 (C) a political subdivision of the state including
30 (i) a municipality;
31 (ii) a school district; and

1 (iii) a rural educational attendance area;
2 (D) a public or quasi-public corporation or authority established
3 by state law [INCLUDING THE ALASKA RAILROAD CORPORATION];
4 and
5 (E) the University of Alaska.

6 * **Sec. 25.** AS 44.12.200(b) is amended to read:

7 (b) In this section, "state agency" means a department, institution, board,
8 commission, division, authority, public corporation, committee, or other administrative
9 unit of the executive branch of state government, including the University of Alaska
10 [, THE ALASKA RAILROAD CORPORATION,] and the Alaska Aerospace
11 Development Corporation.

12 * **Sec. 26.** AS 44.19.519(2) is amended to read:

13 (2) "state agencies" means all departments, divisions, and offices in the
14 executive and legislative branches of state government and the University of Alaska;
15 it does not mean [THE ALASKA RAILROAD CORPORATION OR] an agency of the
16 judicial branch of government.

17 * **Sec. 27.** AS 44.99.020 is amended to read:

18 Sec. 44.99.020. USE OF PAPER. A state agency shall use both sides of paper
19 when feasible. In this section, "state agency" means a department, institution, board,
20 commission, division, authority, public corporation, or other administrative unit of the
21 executive, legislative, or judicial branch of state government, including the University
22 of Alaska [, THE ALASKA RAILROAD CORPORATION,] and legislative
23 committees.

24 * **Sec. 28.** AS 44.99.240(2) is amended to read:

25 (2) "state agency" means
26 (A) a department, institution, board, commission, division,
27 authority, public corporation, or other administrative unit of the executive
28 branch, including the University of Alaska [AND THE ALASKA RAILROAD
29 CORPORATION];
30 (B) a committee, division, or administrative unit of the
31 legislative branch, including the Alaska Legislative Council, the leadership of

1 each house, and the office of the ombudsman;

2 (C) an administrative unit of the judicial branch, including the
3 Alaska Judicial Council and the Commission on Judicial Conduct.

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

5 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for
6 software created by the agency or developed by a private contractor for an agency, and
7 may enforce its rights to protect the copyright. In this section, "state agency" means
8 a department, institution, board, commission, division, authority, public corporation,
9 committee, or other administrative unit of the executive, judicial, or legislative branch
10 of state government, including the University of Alaska **and** [,] the Alaska Aerospace
11 Development Corporation [, AND THE ALASKA RAILROAD CORPORATION].

12 * **Sec. 30.** AS 46.14.990(18) is amended to read:

13 (18) "person" has the meaning given in AS 01.10.060 and also includes
14 an agency of the United States, a municipality, the University of Alaska, [THE
15 ALASKA RAILROAD CORPORATION,] and other departments, agencies,
16 instrumentalities, units, and corporate authorities of the state;

17 * **Sec. 31.** AS 46.17.900(7) is amended to read:

18 (7) "person" has the meaning given in AS 01.10.060, and includes the
19 state and political subdivisions of the state, including [THE ALASKA RAILROAD
20 CORPORATION AND] the University of Alaska;

21 * **Sec. 32.** AS 09.25.110(g); AS 23.05.370(a)(6); AS 36.30.990(1)(B)(ii); AS 42.40;
22 AS 44.33.124(12); and AS 44.99.350(3)(B) are repealed.

23 * **Sec. 33.** Sections 1 - 3, and 7 of this Act take effect July 1, 1995.

24 * **Sec. 34.** Sections 4 - 6, and 8 - 32 of this Act take effect 30 days after the election of
25 the board of directors of the successor corporation under sec. 3 of this Act. The governor
26 shall notify the revisor of statutes of the date the directors are elected.