

CS FOR SENATE BILL NO. 64(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered: 4/7/95
Referred: Finance

Sponsor(s): SENATE TRANSPORTATION COMMITTEE

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.

1 (e) The board of directors of the Alaska Railroad Corporation shall assign to the
2 successor corporation all contracts, including collective bargaining agreements and agreements
3 with connecting carriers, shippers, or other persons concerning services, operation, property,
4 and facilities of the Alaska Railroad Corporation, entered into by the Alaska Railroad
5 Corporation and in effect on the date of the transfer of assets and liabilities to the successor
6 corporation, unless the contract does not allow assignment of the contract.

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

10 * **Sec. 2. ISSUANCE AND DISTRIBUTION OF STOCK; ORIGINAL BOARD OF**
11 **DIRECTORS.** (a) Upon formation of the successor corporation under sec. 1 of this Act, the
12 board of directors of the Alaska Railroad Corporation shall immediately issue shares of voting
13 stock in the successor corporation to the state. The stock shall represent the value of the
14 assets and liabilities of the Alaska Railroad Corporation at the time of transfer to the successor
15 corporation under this Act.

16 (b) At the time of issuing stock under this section, the board of directors shall notify
17 the governor of the time and place of the first stockholders' meeting. The meeting shall be
18 held within 90 days after the stock is issued.

19 (c) At the first stockholders' meeting, the governor shall, subject to sec. 3(b) of this
20 Act, elect seven individuals to serve as the new board of directors of the successor
21 corporation, and the board of directors of the Alaska Railroad Corporation shall resign as
22 directors of the successor corporation.

23 * **Sec. 3. MANAGEMENT OF SUCCESSOR CORPORATION.** (a) The governor shall
24 vote the shares of stock in the successor corporation that are held by the state.

25 (b) If the state is the majority shareholder in the successor corporation, the governor
26 shall elect to the board of directors one person who has at least 10 years of experience in the
27 management of railroads in the United States; one person who is a resident, an employee of
28 the corporation, and a member of a bargaining unit representing employees of the corporation;
29 and five persons who are residents and have broad experience and demonstrated competence
30 in business management, finance, or law.

31 (c) The powers of the successor corporation are vested in the board of directors.

1 (d) By February 1, 1996, the board of directors of the successor corporation shall
2 prepare and submit to the legislature a report on the feasibility and advisability of placing the
3 state-owned shares of stock in the corporation with a trustee for the purpose of voting the
4 shares of stock to maximize profits of the corporation and for the purpose of disposing of the
5 shares of stock to private ownership.

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

8 * **Sec. 5. DIVIDENDS.** If, on the final day of the fiscal year of the successor corporation,
9 the state, including agencies and public corporations of the state, owns more than 50 percent
10 of the shares issued under this Act, the successor corporation shall pay dividends to all
11 stockholders of record on the last day of the fiscal year. Dividends shall be paid within six
12 months from the end of the fiscal year. The total amount paid as dividends under this section
13 must equal or exceed 30 percent of the net earnings of the successor corporation for the fiscal
14 year.

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

24 (b) The governor, or legislature by appropriation, may dispose of state-owned shares
25 of stock in the successor corporation, if the disposal is in the best interest of the state.

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

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

29 (g) Each public agency shall establish the fees for the electronic services and
30 products provided under this section. The Telecommunications Information Council
31 may cancel the fees established by a public agency in the executive branch, except the

1 fees of the University of Alaska [AND THE ALASKA RAILROAD
2 CORPORATION], if the council determines that the fees are unreasonably high.

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

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

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

10 (a) The Telecommunications Information Council shall supervise and adopt
11 regulations for the operation and implementation of AS 09.25.110 - 09.25.140 by
12 public agencies in the executive branch [, EXCEPT THE ALASKA RAILROAD
13 CORPORATION].

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

15 (2) "public agency" means a political subdivision, department,
16 institution, board, commission, division, authority, public corporation, council,
17 committee, or other instrumentality of the state or a municipality; "public agency"
18 includes the University of Alaska [AND THE ALASKA RAILROAD
19 CORPORATION];

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

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

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

29 Sec. 23.05.380. REGULATIONS. The agency shall adopt regulations under
30 AS 44.62([THE] Administrative Procedure Act) [(AS 44.62)] to carry out labor
31 relations functions under AS 23.05.360 - 23.05.390 **and** [,] AS 23.40.070 - 23.40.260

1 [, AND AS 42.40.730 - 42.40.890].

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

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

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

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

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

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

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

15 (a) The preferences established in AS 36.10.150 - 36.10.175 apply to work
16 performed

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

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

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

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

31 (5) on any other public works project or construction project that is

1 funded in whole or in part by state money.

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

3 (e) The [BOARD OF DIRECTORS OF THE ALASKA RAILROAD
4 CORPORATION AND THE] board of directors of the Alaska Aerospace Development
5 Corporation shall adopt procedures to govern the procurement of supplies, services,
6 professional services, and construction. The procedures must be substantially
7 equivalent to the procedures prescribed in this chapter and in regulations adopted under
8 this chapter.

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

10 (c) The lists may be used by the chief procurement officer or an agency when
11 issuing invitations to bid or requests for proposals under this chapter. The lists may
12 be used by the legislative council and [,] the court system [, AND THE ALASKA
13 RAILROAD CORPORATION].

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

15 (E) funds managed by the Alaska Housing Finance Corporation
16 (AS 18.56.020), [THE ALASKA RAILROAD CORPORATION
17 (AS 42.40.010),] the Municipal Bond Bank Authority (AS 44.85.020), the
18 Alaska Aerospace Development Corporation (AS 14.40.821), or the Alaska
19 Industrial Development and Export Authority (AS 44.88.020);

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

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

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

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

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

30 (12) "instrumentality of the state" means a state agency or
31 administrative unit, whether in the legislative, judicial, or executive branch, including

1 such entities as the University of Alaska [, THE ALASKA RAILROAD,] and any
2 public or quasi-public corporations, boards, or commissions; the term includes
3 municipalities;

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

5 (4) "public body" includes an officer or agency of

6 (A) the federal government;

7 (B) the state;

8 (C) a political subdivision of the state including

9 (i) a municipality;

10 (ii) a school district; and

11 (iii) a rural educational attendance area;

12 (D) a public or quasi-public corporation or authority established
13 by state law [INCLUDING THE ALASKA RAILROAD CORPORATION];
14 and

15 (E) the University of Alaska.

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

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

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

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

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

28 Sec. 44.99.020. USE OF PAPER. A state agency shall use both sides of paper
29 when feasible. In this section, "state agency" means a department, institution, board,
30 commission, division, authority, public corporation, or other administrative unit of the
31 executive, legislative, or judicial branch of state government, including the University

1 of Alaska [, THE ALASKA RAILROAD CORPORATION,] and legislative
2 committees.

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

4 (2) "state agency" means

5 (A) a department, institution, board, commission, division,
6 authority, public corporation, or other administrative unit of the executive
7 branch, including the University of Alaska [AND THE ALASKA RAILROAD
8 CORPORATION];

9 (B) a committee, division, or administrative unit of the
10 legislative branch, including the Alaska Legislative Council, the leadership of
11 each house, and the office of the ombudsman;

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

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

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

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

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

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

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

31 * **Sec. 32.** AS 09.25.110(g); AS 23.05.370(a)(6); AS 36.30.990(1)(B)(ii); AS 42.40;

1 AS 44.33.124(12); and AS 44.99.350(3)(B) are repealed.

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

3 * **Sec. 34.** Sections 4 - 6, and 8 - 32 of this Act take effect 30 days after the election of
4 the board of directors of the successor corporation under sec. 2 of this Act. The governor
5 shall notify the revisor of statutes of the date the directors are elected.