

CS FOR SENATE BILL NO. 64(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/9/96
Referred: Rules

Sponsor(s): SENATE TRANSPORTATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the sale of the Alaska Railroad; and providing for an
2 effective date."

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

4 * **Section 1. SALE OF THE ALASKA RAILROAD.** (a) The governor shall issue by
5 October 1, 1996, a request for proposals to purchase the Alaska Railroad and all other assets
6 of the Alaska Railroad Corporation that are necessary or convenient for the operation of the
7 railroad.

8 (b) By February 15, 1997, the governor shall enter into an agreement to sell the
9 Alaska Railroad to the most responsive offeror who agrees to

10 (1) continue operation of the railroad for a minimum of 20 years following the
11 date of sale of the Alaska Railroad;

12 (2) accept assignment of all contracts, including collective bargaining
13 agreements and retirement obligations and agreements with connecting carriers, shippers, or
14 other persons concerning services, operation, property, and facilities of the Alaska Railroad

1 Corporation, entered into by the Alaska Railroad Corporation and in effect on the date of the
2 sale of the Alaska Railroad, provided that the contracts are assignable under terms of the
3 contract or that the other parties to the contract consent to the assignment; and

4 (3) purchase the Alaska Railroad for an amount that exceeds either the fair
5 market value of the Alaska Railroad and the assets of the Alaska Railroad Corporation that
6 are necessary or convenient for the operation of the railroad or the amount that the State of
7 Alaska has expended to obtain, maintain, and subsidize the Alaska Railroad and the Alaska
8 Railroad Corporation.

9 (c) An agreement to sell the Alaska Railroad under this Act is subject to approval by
10 the legislature. Upon entering into an agreement to sell the Alaska Railroad, the governor
11 shall immediately submit the agreement to the legislature for review during a regular session
12 of the legislature. The legislature may disapprove the agreement by a concurrent resolution.
13 If the agreement is not disapproved by the legislature before the adjournment of the regular
14 session during which the agreement was submitted, the agreement is approved. An agreement
15 to sell the Alaska Railroad that has been disapproved by the legislature or that has not been
16 submitted to the legislature for review under this subsection is void.

17 (d) The Alaska Railroad Corporation may not enter into a contract or other agreement
18 that has the effect or purpose of substantially diminishing the value or marketability of the
19 Alaska Railroad.

20 (e) Notwithstanding other provisions of this Act, the State of Alaska shall retain an
21 easement for transportation, communication, and transmission purposes on all land within the
22 right-of-way of the Alaska Railroad received by the state under the Alaska Railroad Transfer
23 Act of 1982 (P.L. 97-468, Title VI; 96 Stat. 2556).

24 (f) The governor shall contract for preparation of a report on the fair market value of
25 the Alaska Railroad and all other assets of the Alaska Railroad Corporation that are necessary
26 or convenient for the operation of the railroad by a qualified railroad appraiser. The results
27 of the appraisal shall be submitted to the legislature by the 10th legislative day of the First
28 Session of the Twentieth Alaska State Legislature. A contract for the appraisal under this
29 section is exempt from AS 36.30.

30 (g) The governor shall report to the legislature by the 10th legislative day of the First
31 Session of the Twentieth Alaska State Legislature regarding the procedures established for and

1 the progress toward the sale of the Alaska Railroad as mandated by this Act.

2 (h) Upon the completion of the sale of the railroad, the governor shall dissolve the
3 Alaska Railroad Corporation. Real property of the Alaska Railroad Corporation that is
4 identified as not necessary or convenient for the operation of the railroad under sec. 2 of this
5 Act shall be transferred to, and managed by, the Department of Natural Resources upon
6 dissolution of the Alaska Railroad Corporation.

7 (i) The governor shall adopt regulations under AS 44.62 to implement this Act.

8 (j) The sale of the Alaska Railroad under this Act is not subject to AS 36.30 or
9 AS 42.40.

10 * **Sec. 2.** IDENTIFICATION OF ALASKA RAILROAD CORPORATION ASSETS. (a)
11 By August 1, 1996, the governor shall identify all assets, real and personal and tangible and
12 intangible, of the Alaska Railroad Corporation and classify those assets as necessary or
13 convenient for the operation of the railroad or as other assets of the corporation. The
14 governor shall submit the report to the Legislative Budget and Audit Committee.

15 (b) The Legislative Budget and Audit Committee may recommend amendments to the
16 identification or classification of assets listed in the report.

17 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).