

SENATE BILL NO. 313

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Introduced: 3/18/96

Referred: TRA, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the international airports in Anchorage and Fairbanks and
2 establishing the Alaska International Airport Authority; and providing for an
3 effective date."

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

5 * **Section 1.** FINDINGS AND PURPOSE. (a) The Alaska State Legislature finds that the
6 state-owned and state-operated international airports at Anchorage and Fairbanks are critical
7 air transportation links between the Orient, Europe, and North America and are the major
8 points of access to Alaska for international and interstate air travelers. In order to protect and
9 maintain the viability and competitive position of the Anchorage and Fairbanks international
10 airports, it is in the best interest of the state to vest management of these airports in an
11 independent authority that can provide effective marketing of the airports; efficient, responsive,
12 and integrated management of the airports; and competitive services and facilities to users of
13 the airports.

14 (b) The purpose of this Act is to establish an authority for the operation, management,

1 planning, and construction of facilities for the state-owned and state-operated international
2 airports at Anchorage and Fairbanks.

3 * **Sec. 2.** AS 02 is amended by adding a new chapter to read:

4 CHAPTER 40. ALASKA INTERNATIONAL AIRPORT AUTHORITY.

5 ARTICLE 1. CREATION AND ORGANIZATION.

6 Sec. 02.40.010. ALASKA INTERNATIONAL AIRPORT AUTHORITY. (a)
7 The Alaska International Airport Authority is established as a public corporation of the
8 state. The corporation is an instrumentality of the state in the Department of
9 Transportation and Public Facilities but has a legal existence independent of and
10 separate from the state and has continuing succession until its existence is terminated
11 by law.

12 (b) The authority is the exclusive state agency responsible for the operation,
13 management, planning, marketing, construction, and maintenance of facilities for the
14 state-owned and state-operated international airports located at Anchorage and
15 Fairbanks.

16 (c) The powers of the authority are vested in the board of directors of the
17 authority.

18 Sec. 02.40.020. BOARD OF DIRECTORS. (a) The board of directors of the
19 authority consists of seven voting members appointed by the governor in accordance
20 with this section:

21 (1) two members who are residents of the Municipality of Anchorage;

22 (2) two members who are residents of the Fairbanks North Star
23 Borough; and

24 (3) three other members of whom at least two are residents of the state.

25 (b) The appointed members of the board described under (a) of this section
26 shall have appropriate and relevant experience in the management or operation of
27 airports or of aviation or related business enterprises, except that

28 (1) at least one member shall be a representative of a labor organization
29 that represents employees of the authority;

30 (2) at least one member shall have experience in the management of
31 scheduled airline service;

1 (3) at least one member shall have experience in general aviation in the
2 state; and

3 (4) at least one member shall have airport management experience at
4 an airport serving a community with a population of at least 60,000 persons.

5 (c) The commissioner of transportation and public facilities is a nonvoting, ex
6 officio member of the board. The commissioner may designate a person to serve on
7 the board in the commissioner's absence.

8 (d) The appointed members of the board serve for staggered terms of four
9 years. The terms of the appointed members begin on January 1.

10 (e) The appointed members of the board shall comply with the requirements
11 of AS 39.50 (conflict of interest).

12 (f) The appointed members of the board may neither be employed by the state,
13 including the University of Alaska, nor hold an elected state or municipal office.

14 Sec. 02.40.030. REMOVAL OF MEMBERS. The governor may remove an
15 appointed member of the board for cause, including incompetence, neglect of duty, or
16 misconduct in office. Before a member is removed for cause, the member shall be
17 given a copy of the charges and afforded an opportunity to publicly present a defense
18 in person or by counsel upon not less than 10 days' notice. If a member is removed
19 for cause, the governor shall file with the lieutenant governor a complete statement of
20 all charges made against the member and the governor's findings based on the charges,
21 together with a complete record of the proceedings. The governor may suspend a
22 member of the board pending a final action under this section.

23 Sec. 02.40.040. COMPENSATION AND EXPENSES. (a) A member of the
24 board, other than the commissioner and the commissioner's designee, is entitled to
25 compensation not to exceed \$400 for each day the member is engaged in the actual
26 performance of duties as a member of the board for a maximum of 60 days in a
27 calendar year. The board may provide by rule for compensation for partial days
28 during which an appointed member is engaged in actual performance of duties as a
29 member of the board.

30 (b) In addition to compensation under (a) of this section, a member of the
31 board, other than the commissioner and the commissioner's designee, is entitled to per

1 diem and travel expenses authorized by law for state boards and commissions under
2 AS 39.20.180.

3 Sec. 02.40.050. MEETINGS. (a) The board shall hold at least four regular
4 meetings each year. The site of regular meetings shall rotate between Anchorage and
5 Fairbanks.

6 (b) The board may hold special meetings at the call of the chair or at the
7 request of three members of the board.

8 Sec. 02.40.060. OFFICERS AND QUORUM. (a) The board shall elect a
9 chair and a vice-chair from among its members. The chair of the board shall be an
10 appointed member of the board. A member of the board may not serve as chair for
11 two consecutive terms. The chairmanship of the board shall rotate between members
12 of the board appointed under AS 02.40.020(a)(1) and members of the board appointed
13 under AS 02.40.020(a)(2). The chair and vice-chair serve for a term of two years.

14 (b) The board shall elect a secretary who need not be a member. The
15 secretary serves at the pleasure of the board.

16 (c) Four members of the board constitute a quorum. Action may be taken and
17 motions and resolutions adopted by the board at a meeting by the affirmative vote of
18 at least four members of which at least one member must be a member appointed
19 under AS 02.40.020(a)(1) and at least one member must be a member appointed under
20 AS 02.40.020(a)(2). Members may not vote by proxy. A vacancy in the membership
21 of the board does not impair the right of a quorum to exercise all the powers and
22 perform all the duties of the board.

23 (d) Members may participate in meetings of the board by electronic means.

24 Sec. 02.40.070. STAFF. (a) The board shall employ a manager for the
25 Anchorage International Airport and a manager for the Fairbanks International Airport.
26 Airport managers shall be selected on the basis of education, experience, training, and
27 expertise in management of airports. Airport managers serve at the pleasure of the
28 board. Between meetings of the board, the airport managers shall report to the chair
29 of the board.

30 (b) The board shall employ officers and employees as necessary for the
31 efficient operation of the airports.

1 (c) The board may employ executive, administrative, fiscal, and legal officers
2 and employees as the board considers necessary for the efficient management of the
3 authority. The board shall seek to minimize unnecessary duplication of staff and
4 functions at airports operated by the authority.

5 Sec. 02.40.080. RULES AND EMERGENCY RULES. (a) The board shall
6 adopt rules to carry out its functions and the purposes of this chapter, including rules
7 to safeguard property owned by the authority and to protect employees and persons
8 using the authority's property or services. At least 15 days before the adoption of a
9 rule, the board shall give public notice of the proposed action by publishing a notice
10 in at least two newspapers of general circulation in the state and by mailing a copy of
11 the notice to each person who has requested notice of proposed changes to its rules.
12 The notice must state the time, place, and nature of the proceedings and must contain
13 a summary of the subject of the proposed rule.

14 (b) On the date and at the time and place designated in the notice required
15 under (a) of this section, the board shall provide each interested person an opportunity
16 to present statements in writing concerning the proposed rule and shall give members
17 of the public an opportunity to present oral statements for a minimum period of at least
18 one hour.

19 (c) The board shall consider all relevant matters presented to it before adopting
20 a rule. The board may take action on a rule that varies in content from the summary
21 provided with the notice of the proposed rule if the summary reflected the subject of
22 the rule in a way that provided reasonable notice to the public about whether the
23 authority's action on that subject could affect the public's interest.

24 (d) The board may adopt a rule on an emergency basis only when necessary
25 for the orderly operation of the authority's facilities or programs. The requirements
26 of (a) - (c) of this section do not apply to the adoption of an emergency rule under this
27 subsection. However, within 10 days after the adoption of an emergency rule, the
28 authority shall give notice of its action that substantially complies with the notice
29 requirements of this section. A rule adopted under this subsection remains in effect
30 for not more than 120 days. To prevent an emergency rule from lapsing, the board
31 may adopt the same rule under (a) - (c) of this section before the end of the 120-day

1 period.

2 (e) Failure to mail a notice to a person under (a) or (d) of this section does
3 not invalidate an action taken by the board.

4 (f) An interested person may challenge a rule adopted by the board by bringing
5 an action in the superior court. In addition to other grounds, a court may declare a
6 rule invalid

7 (1) for substantial failure by the authority to comply with this section;
8 or

9 (2) if the rule was adopted under (d) of this section, upon the ground
10 that the emergency rule was not necessary for the orderly operation of the authority's
11 facilities or programs.

12 ARTICLE 2. POWERS AND DUTIES.

13 Sec. 02.40.100. POWERS AND DUTIES OF AUTHORITY. (a) In addition
14 to other powers granted in this chapter, the authority may

15 (1) sue and be sued;
16 (2) adopt and alter an official seal;
17 (3) maintain an office in the state;
18 (4) acquire, hold, use, and dispose of its money, subject to
19 appropriation by the legislature;

20 (5) acquire, hold, use, lease, rent, construct, and dispose of property for
21 its purposes;

22 (6) issue revenue bonds in the amount authorized by law; and

23 (7) do all acts necessary to carry out this chapter that are not expressly
24 prohibited by law.

25 (b) The authority shall

26 (1) operate, manage, plan, improve, market, construct, and maintain the
27 facilities of the state-owned and state-operated international airports located at
28 Anchorage and Fairbanks; and

29 (2) adopt and enforce

30 (A) bylaws of the authority establishing procedures consistent
31 with AS 02.40.080 for the adoption of rules and emergency rules;

1 (B) rules for the conduct of its business and for the use of its
2 services and facilities;

3 (C) a code of ethics for its directors and employees that is
4 substantially equivalent to that in AS 39.52;

5 (D) personnel rules necessary to establish a system of personnel
6 administration substantially equivalent to the state personnel rules adopted
7 under AS 39.

8 Sec. 02.40.110. PUBLIC NATURE OF AUTHORITY ACTIVITIES. The
9 planning, construction, improvement, maintenance, and operation of an airport, whether
10 by the authority separately or jointly with another state agency, municipality, or
11 person, and the exercise of other powers granted to the authority are public and
12 governmental functions exercised for a public purpose and matters of public necessity.
13 Land and other property and privileges acquired and used by or on behalf of the
14 authority for the purposes enumerated in this chapter are acquired and used for public
15 and governmental purposes and as a matter of public necessity.

16 Sec. 02.40.120. ACQUISITION OF LAND AND EASEMENTS. The
17 authority, as part of the cost of constructing, maintaining, or improving airport
18 facilities, may acquire by purchase, gift, grant, exchange, or eminent domain land in
19 fee simple or easements that the authority considers necessary for present or future
20 public use, either temporary or permanent, including easements in airport hazards or
21 land outside the boundaries of an airport, necessary to permit the removal, elimination,
22 and obstruction marking or obstruction lighting of airport hazards or to prevent the
23 establishment of airport hazards. By the same means, the authority may obtain
24 material, including clay, gravel, sand, or rock, or the land necessary to obtain the
25 material. The authority may acquire the land or material notwithstanding the fact that
26 title to the land or material is vested in the state or a department, agency, commission,
27 or institution of the state.

28 Sec. 02.40.130. AUTHORITY TO ACQUIRE PROPERTY FOR THE
29 PURPOSE OF EXCHANGE. When the authority declares that it is in the best public
30 interest of the state to do so, the authority may acquire by purchase, gift, grant,
31 exchange, or eminent domain privately or publicly owned land or an interest in land

1 for the purpose of exchanging the land or interest in land for privately or publicly
2 owned land or an interest in land that the authority is authorized by law to acquire.

3 Sec. 02.40.140. EMINENT DOMAIN. (a) The authority may exercise the
4 power of eminent domain under AS 09.55.240 - 09.55.460 to acquire land for airport
5 purposes consistent with this chapter. Notwithstanding AS 09.55.250, the authority
6 may acquire a fee simple title whenever, in the judgment of the authority, ownership
7 of a fee simple title is necessary to carry out the purposes of this chapter.

8 (b) The authority may file a declaration of taking in the manner provided for
9 the state under AS 09.55.420.

10 (c) The exercise of the power of eminent domain requires the prior approval
11 of the governor.

12 Sec. 02.40.150. INDEMNIFICATION. (a) If the person acted in good faith
13 on behalf of the authority and within the scope of the person's official duties or
14 powers, the authority may defend and indemnify a current or former member of the
15 board, employee, or agent of the authority against all costs, expenses, judgments, and
16 liabilities, including attorney fees, incurred by or imposed upon that person in
17 connection with a civil or criminal action in which the person is involved by affiliation
18 with the authority.

19 (b) The authority may purchase insurance to protect and hold personally
20 harmless its employees, agents, and board members from an action, claim, or
21 proceeding arising out of the performance, purported performance, or failure of
22 performance, in good faith, of duties for, or employment with, the authority and to
23 hold them harmless from expenses connected with the defense, settlement, or monetary
24 judgments from that action, claim, or proceeding. The purchase of insurance is
25 discretionary with the board and insurance is not considered to be compensation to the
26 insured person.

27 Sec. 02.40.160. INSURANCE. Except as provided in AS 02.40.150(b), the
28 authority shall protect its assets, services, and employees by purchasing insurance or
29 providing for certain self-insurance retentions. The authority shall also maintain
30 casualty, property, and other insurance in amounts reasonably calculated to cover
31 potential claims against the authority or state for bodily injury, death, or disability and

1 property damage that may arise from or be related to authority operations and
2 activities.

3 Sec. 02.40.170. FIDELITY BOND. The authority shall obtain a fidelity bond
4 in an amount determined by the board for board members and each executive officer
5 responsible for accounts and finances. A bond must be in effect during the entire
6 tenure in office of the bonded person.

7 ARTICLE 3. INTERNATIONAL AIRPORT FACILITIES.

8 Sec. 02.40.200. OPERATION AND USE PRIVILEGES. (a) The authority
9 may enter into contracts, leases, and other arrangements covering periods not
10 exceeding 55 years with a person, municipality, state agency, or the United States,
11 granting the privilege of using or improving an airport or air navigation facility or a
12 portion of an airport or air navigation facility or space in an airport or air navigation
13 facility for commercial, governmental, or other public purposes, including private plane
14 tie down; or conferring the privilege of supplying goods, commodities, services, or
15 facilities at an airport or air navigation facility. The authority may establish the terms
16 and conditions and fix the charges, rentals, and fees for the privileges or services that
17 are reasonable and uniform for the same class of privilege or service. Charges, rentals,
18 or fees authorized by this section may be fixed by order of the board or by negotiated
19 or competitively offered contract. The fixing of charges, rentals, or fees as permitted
20 under this section is not subject to AS 37.10.050(a). The terms, conditions, charges,
21 rentals, and fees shall be established with due regard to the property and improvements
22 used and the expense of operation to the authority. The authority shall provide public
23 notice and an opportunity to comment before a charge, rental, or fee is fixed by order
24 of the board as permitted under this section.

25 (b) The Alaska Wing, Civil Air Patrol and its squadrons may use airport
26 facilities without rental charges.

27 (c) The authority may not deprive the public of its rightful, equal, and uniform
28 use of an airport, air navigation facility, or a portion of an airport or air navigation
29 facility.

30 Sec. 02.40.210. SALE AND DELIVERY OF IN-BOND MERCHANDISE.

31 (a) The authority shall allow the sale and delivery of in-bond merchandise at an

1 airport only by an exclusive contract.

2 (b) If an exclusive contract for the sale and delivery of in-bond merchandise
3 at an airport exists on June 30, 1996, the authority may not permit or confer a right
4 on another person to offer to sell, sell, or deliver in-bond merchandise at that airport
5 except as provided in (c) of this section.

6 (c) After exclusive contracts described in (b) of this section expire, the
7 authority shall enter into one exclusive contract and, on its expiration, additional
8 successive exclusive contracts for the sale and delivery of in-bond merchandise at each
9 airport. Except under the existing and future exclusive contracts described in this
10 section, the authority may not permit or confer a right upon a person to offer to sell,
11 sell, or deliver in-bond merchandise at an airport.

12 (d) The authority shall offer the exclusive contracts required by this section
13 by competitive bid and shall award the contracts after considering the generation of
14 maximum revenue for the international airports revenue fund under AS 37.15.430.

15 (e) The authority shall actively supervise the operations under each exclusive
16 contract for the sale and delivery of in-bond merchandise in order to ensure the
17 effectiveness of the operations. To supervise contract operations under this section,
18 the authority shall adopt rules that provide for review of the reasonableness of price
19 schedules, quality and assortment of merchandise, and customer service.

20 (f) This section does not apply to deliveries of in-bond merchandise as cargo
21 to airlines. In this subsection, "cargo" means goods carried by an airline under an
22 agreement between the shipper and the airline, other than a passenger ticket, that are
23 accepted, carried, and handled separately from passenger baggage and that are
24 delivered to a location other than a baggage claim area; "cargo" does not include goods
25 carried by an airline as baggage, whether belly loaded or hand carried and whether
26 accompanied or unaccompanied by a passenger.

27 Sec. 02.40.220. POLICE POWERS VESTED. The officers and employees of
28 the authority whom the board may designate have general police powers in aid of the
29 enforcement of this chapter and of the powers exercised by the authority under
30 AS 02.15 and AS 02.25. The persons designated under this section shall meet the
31 minimum standards for police officers adopted under AS 18.65.130 - 18.65.290.

1 Sec. 02.40.230. REGULATION OF GROUND TRANSPORTATION AT
2 AIRPORTS. Notwithstanding the provisions of AS 02.40.200, the authority may not
3 exclude taxis, buses, or limousines that carry passengers for hire or courtesy cars from
4 the highways, parking facilities, or other portions of an airport designated for operation
5 or parking of ground transportation vehicles. The authority may regulate by rule the
6 operations of taxis, buses, limousines, and courtesy cars as necessary to promote
7 efficient operation of an airport. In this section, "courtesy car" means a motor vehicle
8 owned or operated by a hotel, motel, or other place of public accommodation for the
9 transportation of its guests to and from the airport at the request of the guest and for
10 which no service charge is made to the guest.

11 Sec. 02.40.240. LIENS. The authority may enforce the payment of charges
12 for repairs, improvements, storage, or care of personal property made or furnished by
13 the authority or its agents in connection with the operation of an airport or air
14 navigation facility owned or operated by the authority. The authority has those lien
15 rights generally allowed by law to secure payment for those services.

16 Sec. 02.40.250. INTERNATIONAL AIRPORT ADVISORY COMMITTEES.

17 (a) The board shall establish an advisory committee for each of the international
18 airports and shall prescribe by rule the powers, duties, and procedures of each
19 committee. An advisory committee serves only as an advisor and may not exercise
20 or be delegated a substantive power conferred on the board by law. An advisory
21 committee may take action by a majority vote of its members.

22 (b) The advisory committee for the Anchorage International Airport consists
23 of the two members of the board from the Municipality of Anchorage who are
24 appointed under AS 02.40.020(a)(1) and one other member of the board chosen by the
25 chair of the board. The advisory committee shall act as an advisor to the manager of
26 the Anchorage International Airport.

27 (c) The advisory committee for the Fairbanks International Airport consists of
28 the two members of the board from the Fairbanks North Star Borough who are
29 appointed under AS 02.40.020(a)(2) and one other member of the board chosen by the
30 chair of the board. The advisory committee shall act as an advisor to the manager of
31 the Fairbanks International Airport.

1 ARTICLE 4. FISCAL PROCEDURES.

2 Sec. 02.40.300. BUDGET REQUEST. (a) The authority, on the date and in
3 the form and content prescribed by the governor after consultation with the legislative
4 finance division, shall prepare and forward to the governor and the legislative finance
5 division established under AS 24.20.211 a document containing

6 (1) the goals and objectives of the authority and the problem or need
7 that the activities and operations of the authority are intended to address;

8 (2) proposed plans of the authority to implement the goals and
9 objectives, including estimates of future service needs, planned methods of
10 administration, proposed modification of existing services and establishment of new
11 services, and the estimated resources needed to carry out the proposed plan;

12 (3) the budget requested to carry out proposed plans of the authority
13 in the succeeding fiscal year, including information reflecting the expenditures during
14 the last fiscal year, those expenditures authorized for the current fiscal year, those
15 expenditures proposed for the succeeding fiscal year, an explanation of the services to
16 be provided, the number of total positions for all persons employed or under contract
17 by the authority for personal services including those rendered for capital improvement
18 projects, the need for the services, the cost of the services, and other information
19 requested by the governor;

20 (4) a report of the receipts during the last fiscal year, an estimate of the
21 receipts during the current fiscal year, and an estimate of receipts for the succeeding
22 fiscal year;

23 (5) a statement of the performance and accomplishments of the
24 authority in each of the last four fiscal years;

25 (6) a statement of legislation required to implement the proposed
26 programs and financial plans;

27 (7) an assessment of the degree to which the overall policies of the
28 authority, as expressed in rules adopted by the authority, meet the objectives of the
29 legislature in establishing the authority;

30 (8) an evaluation of the advantages and disadvantages of specific
31 alternatives to existing or proposed program policies or administrative methods.

1 (b) The document prepared under (a) of this section must describe the
2 relationship of the services provided by the authority to those services provided by
3 other government agencies and nongovernmental organizations.

4 (c) If the authority fails to transmit the program and financial information
5 required under (a) of this section on the specified date, the governor may prepare the
6 information.

7 (d) All goals and objectives, plans, programs, estimates, budgets, and other
8 documents forwarded to the governor by the authority under this section are public
9 information after the date they are forwarded.

10 Sec. 02.40.310. PROGRAM EXECUTION. (a) Except as limited by policy
11 decisions of the governor, appropriations by the legislature, and other provisions of
12 law, the authority has power to administer its programs and is responsible for the
13 proper management of the airports.

14 (b) The governor may direct the reduction of expenditures by the authority
15 during the fiscal year only if the governor determines that the planned expenditures can
16 no longer be made due to factors outside the control of the state that make the
17 expenditures factually impossible.

18 Sec. 02.40.320. ACCEPTANCE OF MONEY FROM FEDERAL AND
19 OTHER SOURCES. The authority may accept federal money, and money from other
20 public or private sources, to accomplish the purposes of this chapter; however, the
21 authority may not expend the money without appropriation of the money by the
22 legislature. Federal money accepted under this chapter shall be accepted and expended
23 by the authority under the terms and conditions prescribed by federal law and
24 regulations.

25 Sec. 02.40.330. ANNUAL REPORT. By January 15 of each year, the
26 authority shall submit to the governor, the legislature, the mayor of the Municipality
27 of Anchorage, the mayor of the Fairbanks North Star Borough, and the mayor of the
28 City of Fairbanks a concise report describing the operations, income, and expenditures
29 for the preceding fiscal year. The report must contain information substantially similar
30 to that required by the Security and Exchange Commission form 10-K. The report
31 must also include financial statements audited by an independent outside auditor.

1 Sec. 02.40.340. ANNUAL AUDIT. The authority shall have a certified audit
2 of its financial records prepared annually by an independent certified public
3 accountant.

4 Sec. 02.40.350. RESPONSIBILITY OF AUTHORITY FOR REVENUE
5 BONDS. The authority succeeds to all rights, duties, powers, and obligations of the
6 state bond committee regarding the issuance, sale, and repayment of revenue bonds
7 authorized under AS 37.15.410 - 37.15.550.

8 ARTICLE 5. GENERAL PROVISIONS.

9 Sec. 02.40.900. AUTHORITY EMPLOYEES. (a) Employees of the authority
10 are not employees of the state.

11 (b) Notwithstanding (a) of this section, employees of the authority who were
12 state employees the day before they were transferred to the authority shall continue to
13 participate in the supplemental employee benefits program under AS 39.30.150 -
14 39.30.180 and in the public employees' retirement system under AS 39.35. The
15 authority shall pay the employer's contributions required under AS 39.30.150 -
16 39.30.180 and under AS 39.35.

17 (c) The authority may engage in collective bargaining with its employees.

18 Sec. 02.40.910. APPLICATION OF EXISTING LAWS. Unless specifically
19 provided otherwise in this chapter, the following laws do not apply to the operations
20 of the authority:

- 21 (1) AS 36.30, except as specifically provided in that chapter;
- 22 (2) AS 37.07;
- 23 (3) AS 39, except as provided in this chapter;
- 24 (4) AS 44.62.010 - 44.62.300.

25 Sec. 02.40.990. DEFINITIONS. In this chapter, unless the context requires
26 otherwise,

- 27 (1) "airport" means the international airports owned and operated by
28 the state and located at Anchorage and Fairbanks;
- 29 (2) "authority" means the Alaska International Airport Authority;
- 30 (3) "board" means the board of directors of the authority;
- 31 (4) "bonds" means the international airports revenue bonds authorized

1 by AS 37.15.410 - 37.15.550; and

2 (5) "capital improvement" means a project for the construction,
3 rehabilitation, rebuilding, enlarging, or improving of all or a part of the international
4 airport system, as determined by the authority to be necessary or desirable for efficient
5 operation of the international airports and to best serve the public.

6 Sec. 02.40.995. SHORT TITLE. This chapter may be cited as the Alaska
7 International Airport Authority Act.

8 * **Sec. 3.** AS 02.15.020(b) is amended to read:

9 (b) The department may enter into contracts necessary or advisable to the
10 execution of the powers granted **to the department** [IT] by this chapter. Where the
11 planning, acquisition, construction, improvement, maintenance, or operation of an
12 airport or air navigation facility **subject to the jurisdiction of the department** is
13 financed wholly or partially with federal money, the department, as agent of the state,
14 or of a municipality, or person, may let contracts in the manner prescribed by the
15 federal authorities acting under the laws and rules and regulations of the United States.

16 * **Sec. 4.** AS 02.15.060 is amended to read:

17 Sec. 02.15.060. ESTABLISHMENT, OPERATION, AND MAINTENANCE.
18 **Except as otherwise provided under this title, the** [THE] department may plan,
19 establish, construct, enlarge, improve, maintain, equip, operate, regulate, protect, and
20 police airports and air navigation facilities within the state.

21 * **Sec. 5.** AS 02.15.090 is amended to read:

22 Sec. 02.15.090. OPERATION AND USE PRIVILEGES. (a) In operating an
23 airport or air navigation facility owned or controlled by the state **and subject to the**
24 **jurisdiction of the department**, the department may enter into contracts, leases, and
25 other arrangements covering periods not exceeding 55 years with a person,
26 municipality, or the United States, granting the privilege of using or improving an
27 airport or air navigation facility or a portion of **an airport or air navigation facility**
28 [IT] or space in **an airport or air navigation facility** [IT] for commercial,
29 governmental, or other public purposes, including private plane tie down; or conferring
30 the privilege of supplying goods, commodities, services, or facilities at an airport or
31 air navigation facility. The department may establish the terms and conditions and fix

1 the charges, rentals, and fees for the privileges or services that are reasonable and
2 uniform for the same class of privilege or service. [CHARGES, RENTALS, OR FEES
3 AUTHORIZED BY THIS SUBSECTION MAY BE FIXED FOR THE
4 INTERNATIONAL AIRPORTS BY ORDER OF THE COMMISSIONER OR BY
5 NEGOTIATED OR COMPETITIVELY OFFERED CONTRACT.] Notwithstanding
6 AS 37.10.050(a), the fixing of charges, rentals, or fees as permitted under this
7 subsection is not subject to the adoption of regulation provisions of AS 44.62
8 (Administrative Procedure Act). The terms, conditions, charges, rentals, and fees shall
9 be established with due regard to the property and improvements used and the expense
10 of operation to the state. However, use of state land and buildings by the Alaska
11 Wing, Civil Air Patrol and its squadrons shall be permitted without rental charges.
12 The department shall provide for public notice and an opportunity to comment before
13 a charge, rental, or fee is fixed by order of the commissioner as permitted under this
14 subsection. The public may not be deprived of its rightful, equal, and uniform use of
15 the airport, air navigation facility, or a portion of them.

16 (b) The department may by contract or other arrangement, upon a
17 consideration fixed by the department [IT], grant to a qualified municipality or person
18 for a reasonable period of time the privilege of operating, as agent of the state or
19 otherwise, an airport owned or controlled by the state and subject to the jurisdiction
20 of the department. A municipality or person granted that privilege may not operate
21 the airport other than as a public airport or enter into a [ANY] contract, lease, or other
22 arrangement in connection with the operation that the department may not have
23 undertaken under (a) of this section.

24 * **Sec. 6.** AS 02.15.095 is amended to read:

25 Sec. 02.15.095. COURTESY CARS. Notwithstanding the provisions of
26 AS 02.15.090(a), in operating an airport subject to the jurisdiction of the
27 department, the department may not exclude from the streets, roads, highways,
28 parking facilities, or other portions of the [A STATE-OPERATED] airport designated
29 for operation or parking of ground transportation vehicles, nor may the department
30 prohibit, from picking up and discharging passengers, those motor vehicles commonly
31 known as "courtesy cars." In this section, "courtesy car" means motor vehicles ["

1 owned or operated by hotels, motels, or other similar places of public accommodation
2 for the transportation of their guests to and from the airport at the request of the guest
3 and for which service no charge is made to the guest.

4 * **Sec. 7.** AS 02.15.100 is amended to read:

5 Sec. 02.15.100. LIENS. The department may enforce the payment of any
6 charges for repairs, improvements, storage, or care of personal property made or
7 furnished by the department or its agents [,] in connection with the operation of an
8 airport or air navigation facility owned or operated by the state **and subject to the**
9 **jurisdiction of the department.** The state has those lien rights generally allowed by
10 law to secure payment for those services.

11 * **Sec. 8.** AS 02.15.102 is amended to read:

12 Sec. 02.15.102. USE OF AIRPORTS FOR UTILITIES. (a) A utility facility
13 may be constructed, placed, or maintained across, along, over, under, or within

14 (1) a state airport, **subject to the jurisdiction of the department,** only
15 **under** [IN ACCORDANCE WITH] regulations adopted or procedures prescribed by
16 the department and only if authorized by a written permit issued by the department;

17 (2) a state airport, **subject to the jurisdiction of the authority under**
18 **AS 02.40, only under rules adopted by the authority and only if authorized by**
19 **written permit issued by the authority.**

20 (b) The department **or the authority** may charge a fee for a permit **that it**
21 **issues** [ISSUED] under this section.

22 * **Sec. 9.** AS 02.15.104 is amended to read:

23 Sec. 02.15.104. RELOCATION OF UTILITY FACILITIES INCIDENT TO
24 AIRPORT PROJECTS. (a) If, incident to the construction of an airport project, the
25 department **or authority** determines and orders that a utility facility located across,
26 along, over, under, or within a state airport **subject to its jurisdiction** must be
27 changed, relocated, or removed, the utility owning or maintaining the facility shall
28 change, relocate, or remove **the facility** [IT] in accordance with the order, within a
29 reasonable time set by the department **or authority** in the order.

30 (b) If the utility facility is not changed, relocated, or removed in accordance
31 with the order, any permit authorizing the facility issued by the department **or the**

1 authority under AS 02.15.102 becomes invalid and the facility will be considered an
2 unauthorized encroachment subject to the provisions of AS 02.15.114.

3 (c) The cost of change, relocation, or removal, as defined in AS 02.15.260,
4 ordered under (a) of this section is to be paid as follows:

5 (1) by the department or the authority as a cost of airport construction
6 [,] if the utility facility is installed or authorized after June 11, 1986, under a utility
7 permit or a regulation adopted by the department and is installed in the location
8 specified in the permit or the regulation;

9 (2) by the department or the authority as a cost of airport construction
10 [,] if the utility facility was installed before June 11, 1986, under a utility permit or
11 utility easement and is in the location specified in the permit or easement;

12 (3) by the department or the authority as a cost of airport construction
13 [,] if the utility facility was installed before the location became part of a state airport
14 or before permits were required;

15 (4) by the department or the authority as a cost of airport construction
16 [,] if the utility permit that requires the utility to pay the relocation cost was issued
17 more than five years before the contract for the airport construction project was first
18 advertised;

19 (5) by the utility in all other cases unless

20 (A) for airports subject to the jurisdiction of the
21 department, the commissioner finds it is in the public interest for the cost to
22 be paid by the department;

23 (B) for airports subject to the jurisdiction of the authority,
24 the board of directors of the authority finds that it is in the public interest
25 for the cost to be paid by the authority.

26 * **Sec. 10.** AS 02.15.106 is amended to read:

27 Sec. 02.15.106. ENCROACHMENT PERMITS. An encroachment may be
28 constructed, placed, changed, or maintained across or within an airport, but only in
29 accordance with regulations or procedures adopted by the department for airports
30 subject to the jurisdiction of the department or with rules adopted by the
31 authority for airports subject to the jurisdiction of the authority. An

1 encroachment may not be constructed, placed, maintained, or changed until **the**
2 **encroachment** [IT] is authorized by a written permit issued by the department **or the**
3 **authority**, unless the department **or the authority** provides otherwise by regulation
4 **or rule**. The department **or the authority** may charge a fee for a permit **that it issues**
5 [ISSUED] under this section.

6 * **Sec. 11.** AS 02.15.108 is amended to read:

7 Sec. 02.15.108. RELOCATION OR REMOVAL OF ENCROACHMENT. If,
8 incidental to the construction or maintenance of a state airport, the department **or the**
9 **authority** determines and orders that an encroachment previously authorized by written
10 permit must be changed, relocated, or removed, the owner of the encroachment shall
11 change, relocate, or remove **the encroachment** [IT] within a reasonable time set by
12 the department **or authority** in the order. The cost of the change, relocation, or
13 removal shall be paid as provided in AS 02.15.104(c). If the owner does not change,
14 relocate, or remove an encroachment within the time set by the department **or the**
15 **authority**, the encroachment will be considered an unauthorized encroachment subject
16 to the provisions of AS 02.15.114.

17 * **Sec. 12.** AS 02.15.110 is amended to read:

18 Sec. 02.15.110. UNAUTHORIZED ENCROACHMENTS. If an unauthorized
19 encroachment exists in, on, under, or over a state airport, the department **or the**
20 **authority, as appropriate,** may require the removal of the encroachment, at the
21 expense of the owner, in the manner provided in AS 02.15.112 - 02.15.114.

22 * **Sec. 13.** AS 02.15.112 is amended to read:

23 Sec. 02.15.112. NOTICE OF REMOVAL OF UNAUTHORIZED
24 ENCROACHMENT. **The department or the authority, as appropriate, shall give**
25 **notice to** [NOTICE SHALL BE GIVEN] the owner, occupant, or person in possession
26 of an unauthorized encroachment, or to another person causing or permitting the
27 encroachment to exist, by serving upon any of them a notice demanding the removal
28 of the encroachment within a time limit set by the department **or the authority**. The
29 notice must describe the encroachment with reasonable certainty as to its character and
30 location. Service of the notice may be made by certified mail.

31 * **Sec. 14.** AS 02.15.114 is amended to read:

1 Sec. 02.15.114. REMOVAL AT OWNER’S EXPENSE AFTER
2 NONCOMPLIANCE; REMOVAL EXPENSE. After a failure of the owner of an
3 unauthorized encroachment to comply with a notice or order of the department or the
4 authority under AS 02.15.104, 02.15.108, or 02.15.112, the department or the
5 authority, as appropriate, may remove the encroachment, or cause the encroachment
6 [IT] to be removed. The owner of the unauthorized encroachment shall pay to the
7 department or the authority

8 (1) the expense of the removal of the encroachment;

9 (2) all costs and expenses paid by the state as a result of a claim or
10 claims filed against the state by third parties for damages due to delays because the
11 encroachment was not changed, removed, or relocated according to the order of the
12 department or the authority; and

13 (3) costs and expense of suit.

14 * **Sec. 15.** AS 02.15.130 is amended to read:

15 Sec. 02.15.130. ASSISTANCE TO THE FEDERAL GOVERNMENT,
16 MUNICIPALITIES, AND OTHER PERSONS. The department may make available
17 its engineering, maintenance, and other services, with or without charge, to the
18 authority, the federal government, [OR TO] a municipality, or a person in connection
19 with the planning, acquisition, construction, improvement, maintenance, or operation
20 of airports or air navigation facilities.

21 * **Sec. 16.** AS 02.15.205(a) is amended to read:

22 (a) A person or the authority may not construct, reconstruct, relocate, or
23 extend an airport, airstrip, or private air facility within two miles of a federal-aid
24 highway or proposed federal-aid highway without first obtaining the written approval
25 of the commissioner, as provided by regulation.

26 * **Sec. 17.** AS 02.15.210 is amended to read:

27 Sec. 02.15.210. EXCLUSIVE RIGHTS PROHIBITED. The department may
28 not grant an exclusive right for the use of an airway, airport, or air navigation facility
29 under its jurisdiction. This section does not prevent the making of contracts, leases,
30 and other arrangements under AS 02.15.060 - 02.15.100 and 02.15.120, including
31 exclusive contracts for the sale and delivery of in-bond merchandise [DESCRIBED IN

1 AS 02.15.091].

2 * **Sec. 18.** AS 02.15.260 is amended by adding a new paragraph to read:

3 (19) "authority" means the Alaska International Airport Authority.

4 * **Sec. 19.** AS 02.25.110(4) is amended to read:

5 (4) "department" means the Department of Transportation and Public
6 Facilities **with regard to airports that are not subject to AS 02.40 and the Alaska**
7 **International Airport Authority with regard to airports that are subject to**
8 **AS 02.40;**

9 * **Sec. 20.** AS 02.25.110 is amended by adding a new paragraph to read:

10 (8) "regulation" includes rules adopted by the board of directors of the
11 Alaska International Airport Authority.

12 * **Sec. 21.** AS 18.65.290(5) is amended to read:

13 (5) "police officer" means

14 (A) a full-time employee of the state or a local police
15 department with the authority to arrest and issue citations; detain a person taken
16 into custody until that person can be arraigned before a judge or magistrate;
17 conduct investigations of violations of and enforce criminal laws, regulations,
18 and traffic laws; search with or without a warrant persons, dwellings, and other
19 forms of property for evidence of a crime; carry a concealed weapon; and take
20 other action consistent with exercise of these enumerated powers when
21 necessary to maintain the public peace;

22 (B) an officer or employee of the **Alaska International Airport**
23 **Authority** [DEPARTMENT OF TRANSPORTATION AND PUBLIC
24 FACILITIES] who is stationed at an international airport and has been
25 designated to have the general police powers authorized under **AS 02.40.220**
26 [AS 02.15.230(a)];

27 (C) a University of Alaska public safety officer with general
28 police powers authorized under AS 14.40.043;

29 * **Sec. 22.** AS 19.45.015 is amended by adding a new subsection to read:

30 (d) In this section,

31 (1) "commissioner" means the commissioner of transportation and

1 public facilities in regard to airports not subject to AS 02.40 and the board of directors
2 of the Alaska International Airport Authority in regard to airports subject to AS 02.40;

3 (2) "regulation" includes a rule adopted by the board of directors of the
4 Alaska International Airport Authority.

5 * **Sec. 23.** AS 23.10.037(b) is amended to read:

6 (b) The provisions of (a) of this section do not apply to the state or a political
7 subdivision of the state when dealing with police officers in its employ or with persons
8 applying to be employed as police officers. In this subsection, "police officers"
9 includes officers and employees of the **Alaska International Airport Authority**
10 [DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES] who are
11 stationed at an international airport and have been designated to have the general
12 police powers authorized under **AS 02.40.220** [AS 02.15.230(a)].

13 * **Sec. 24.** AS 35.27 is amended by adding a new section to read:

14 Sec. 35.27.025. APPLICATION TO THE ALASKA INTERNATIONAL
15 AIRPORT AUTHORITY. This chapter applies to the Alaska International Airport
16 Authority. Compliance with this chapter is the sole responsibility of the Alaska
17 International Airport Authority with regard to the public buildings and facilities of the
18 authority.

19 * **Sec. 25.** AS 35.27.030(1) is amended to read:

20 (1) "building" or "facility" means a permanent improvement constructed
21 by the department **or the Alaska International Airport Authority**; the term

22 (A) includes [, BUT IS NOT LIMITED TO,]

23 (i) schools, office buildings, and court buildings;

24 (ii) other buildings which the commissioner determines
25 are designed for substantial public use;

26 (iii) boats and vessels of the marine highway system;

27 (iv) transportation facilities **that** [WHICH] accommodate
28 traveling passengers;

29 (B) excludes other transportation facilities;

30 * **Sec. 26.** AS 36.10.180(a) is amended to read:

31 (a) The preferences established in AS 36.10.150 - 36.10.175 apply to work

1 performed

2 (1) under a contract for construction, repair, preliminary surveys,
3 engineering studies, consulting, maintenance work, or any other retention of services
4 necessary to complete a given project that is let by the state or an agency of the state,
5 a department, office, state board, commission, public corporation, or other
6 organizational unit of or created under the executive, legislative, or judicial branch of
7 state government, including the University of Alaska, the Alaska International
8 Airport Authority, and the Alaska Railroad Corporation, or by a political subdivision
9 of the state including a regional school board with respect to an educational facility
10 under AS 14.11.020;

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

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

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

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

19 * **Sec. 27.** AS 36.30.015(e) is amended to read:

20 (e) The board of directors of the Alaska Railroad Corporation, **the board of**
21 **directors of the Alaska International Airport Authority**, and the board of directors
22 of the Alaska Aerospace Development Corporation shall adopt procedures to govern
23 the procurement of supplies, services, professional services, and construction. The
24 procedures must be substantially equivalent to the procedures prescribed in this chapter
25 and in regulations adopted under this chapter.

26 * **Sec. 28.** AS 36.30.050(c) is amended to read:

27 (c) The lists may be used by the chief procurement officer or an agency when
28 issuing invitations to bid or requests for proposals under this chapter. The lists may
29 be used by the legislative council, the court system, **the Alaska International Airport**
30 **Authority**, and the Alaska Railroad Corporation.

31 * **Sec. 29.** AS 36.30.850(b)(8) is amended to read:

1 (8) acquisitions or disposals of property and other contracts relating to
2 airports under AS 02.15.070, 02.15.090, AS 02.40.120, 02.40.200, 02.40.210
3 [02.15.091], and AS 44.88;

4 * **Sec. 30.** AS 36.30.990(1) is amended to read:

5 (1) "agency"

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

9 (B) does not include

10 (i) the University of Alaska;

11 (ii) the Alaska Railroad Corporation;

12 (iii) the Alaska Housing Finance Corporation;

13 (iv) a regional Native housing authority created under
14 AS 18.55.996 or a regional electrical authority created under
15 AS 18.57.020;

16 (v) the Department of Transportation and Public
17 Facilities, in regard to the repair, maintenance, and reconstruction of
18 vessels, docking facilities, and passenger and vehicle transfer facilities
19 of the Alaska marine highway system;

20 (vi) the Alaska Aerospace Development Corporation;

21 (vii) the Alaska State Pension Investment Board;

22 (viii) the Alaska Seafood Marketing Institute;

23 **(ix) the Alaska International Airport Authority;**

24 * **Sec. 31.** AS 37.05 is amended by adding a new section to article 1 to read:

25 Sec. 37.05.055. DELEGATION TO THE ALASKA INTERNATIONAL
26 AIRPORT AUTHORITY. The commissioner of administration may delegate the
27 performance of the functions under this chapter as they relate to the Alaska
28 International Airport Authority to the authority and set the criteria and guidelines that
29 shall be followed.

30 * **Sec. 32.** AS 37.15.415 is amended to read:

31 Sec. 37.15.415. CONTINUING REVENUE BOND DEBT SERVICE

1 APPROPRIATION. The amounts required annually to pay the principal, interest, and
2 redemption premium on all issued and outstanding international airports revenue bonds
3 of the state are appropriated each fiscal year from the international airports revenue
4 fund to the **board** [STATE BOND COMMITTEE] to make all required payments of
5 principal, interest, and redemption premium.

6 * **Sec. 33.** AS 37.15.420(b) is amended to read:

7 (b) The bond resolution may provide for the investment of money in the
8 construction fund in a manner that the **board** [COMMITTEE] may determine. The
9 interest earned upon or any profits derived from the sale of this investment shall be
10 deposited in and become a part of the construction fund.

11 * **Sec. 34.** AS 37.15.430(b) is amended to read:

12 (b) The investment of money in the revenue fund may be made in the manner
13 that the **board** [COMMITTEE] may determine. The interest earned upon or any
14 profits derived from the sale of this investment shall be deposited in and become a part
15 of the revenue fund.

16 * **Sec. 35.** AS 37.15.440 is amended to read:

17 Sec. 37.15.440. REDEMPTION FUND. There is another special fund of the
18 state, known as the "International Airports Revenue Bond Redemption Fund," which
19 is a trust fund for paying and securing the payment of the principal of and interest and
20 redemption premium, if any, on the bonds and which shall be at all times completely
21 segregated and set apart from all other funds of the state. The **board** [COMMITTEE],
22 on behalf of the state, shall obligate and bind the state to set aside and pay into the
23 bond redemption fund any part or parts of, or all of, or a fixed proportion of, or a
24 fixed amount of the money in the revenue fund sufficient to pay the principal of and
25 interest and redemption premium, if any, on the bonds as the payments become due
26 and, if **the board** [IT] considers it necessary, to set aside and maintain reserves for this
27 purpose. The bond redemption fund shall be drawn upon for the purpose of paying
28 the principal of and interest and redemption premium, if any, on the bonds, and the
29 bonds do not constitute a general obligation of the state.

30 * **Sec. 36.** AS 37.15.450(a) is amended to read:

31 (a) The bonds may be sold at public or private sale in the manner, in the

1 amounts or series, and at the time or times that the **board** [COMMITTEE] determines.
2 However, the bonds, or each series of **bonds** [THEM], shall be sold at such a price so
3 that the effective interest rate over the life of the bonds does not exceed 11 percent per
4 year or that rate of interest that is 125 percent of the rate of the Bond Buyer Index of
5 20 Municipal Bond Average Yields for the week previous to the date of sale of the
6 bonds, whichever is higher. Interest shall be payable annually or semiannually.

7 * **Sec. 37.** AS 37.15.450(b) is amended to read:

8 (b) The bonds mature at the time or times fixed by the **board** [COMMITTEE].
9 The bonds may be subject to redemption before their fixed maturities as determined
10 by the **board** [COMMITTEE] and with a premium or premiums fixed by the **board**
11 [COMMITTEE], but a bond is not subject to redemption before its fixed maturity date
12 unless the right so to redeem that bond is expressly mentioned on the face of the bond.
13 The bonds may be in denominations determined by the **board** [COMMITTEE]; may
14 be issued in coupon form or in fully registered form, and may be registrable as to
15 principal or both principal and interest, all under **rules** [REGULATIONS] and
16 conditions that the **board** [COMMITTEE] shall provide; shall be payable as to
17 principal and interest at such place or places as may be determined by the **board**
18 [COMMITTEE]; shall be signed on behalf of the state by the governor and shall be
19 attested by the lieutenant governor, both of which signatures may be facsimile
20 signatures; shall have the seal of the state impressed, printed, or lithographed on them,
21 and each of the interest coupons attached to them shall be signed by the facsimile
22 signatures of these officials; shall be issued under and subject to such terms,
23 conditions, and covenants providing for the payment of the principal of them and
24 interest on them and such other terms, conditions, covenants, and protective features
25 safeguarding this payment and relating to the maintenance, operation, and improvement
26 of the airports as found necessary by the **board** [COMMITTEE], which covenants may
27 include a provision requiring the setting aside and maintenance of certain reserves to
28 secure the payment of this principal and interest. The **board** [COMMITTEE] may
29 provide that any additional bonds authorized after June 27, 1972, by the legislature to
30 be payable out of the same source or sources as the bonds authorized as of that date
31 may later be issued on a parity with the bonds authorized as of that date upon

1 compliance with any conditions which the **board** [COMMITTEE] may prescribe.

2 * **Sec. 38.** AS 37.15.450(c) is amended to read:

3 (c) If found reasonably necessary, the **board** [COMMITTEE] may select a
4 trustee or trustees for the holders of the bonds or any series of them, for the
5 safeguarding and disbursement of any of the money in any of the funds created by
6 AS 37.15.420, 37.15.430, and 37.15.440, or for duties with respect to the
7 authentication, delivery, and registration of the bonds as the **board** [COMMITTEE]
8 may determine, and shall fix the rights, duties, powers, and obligations of the trustee
9 or trustees.

10 * **Sec. 39.** AS 37.15.450(d) is amended to read:

11 (d) In its determination of all of the matters and questions relating to the
12 issuance and sale of the bonds and the fixing of the maturities, terms, conditions, and
13 covenants of them as provided in (a), (b), and (c) of this section, the decisions of the
14 **board** [COMMITTEE] shall be those found to be reasonably necessary for the best
15 interests of the state and its inhabitants, and those that will accomplish the most
16 advantageous sale of the bonds, with due regard, however, to necessary or normal costs
17 of maintenance and operation, renewals, and replacements of and repairs to the airports
18 and to all improvements to them and facilities of them owned, used, operated, or
19 leased in connection with them, the future growth and expansion of the airports and
20 all of such facilities, and the possibility of additional revenue bond financing for
21 airports purposes. Any such decisions of the **board** [COMMITTEE], as expressed in
22 any bond resolution, are final and conclusive when any bonds have been issued
23 pursuant to the bond resolution.

24 * **Sec. 40.** AS 37.15.460 is amended to read:

25 Sec. 37.15.460. BOND RESOLUTION. The **board** [COMMITTEE] shall
26 adopt the bond resolution and prepare all other documents and proceedings necessary
27 for the issuance, sale, and delivery of the bonds or any part or series of them. The
28 bond resolution must fix the principal amount, denomination, date, maturities, place
29 or places of payment, rights of redemption, if any, terms, form, conditions, and
30 covenants of the bonds or each series of them. The **board** [COMMITTEE] shall also
31 determine and provide for the date and manner of sale of the bonds, and shall provide

1 whether the notice of sale is to be published elsewhere in addition to the publication
2 required by AS 37.15.450.

3 * **Sec. 41.** AS 37.15.480 is amended to read:

4 Sec. 37.15.480. AMOUNTS REQUIRED FOR PAYMENTS. The **board**
5 [COMMITTEE] shall, before December 31 of each year, commencing with the year
6 in which the bonds are issued, certify [TO THE COMMISSIONERS OF REVENUE
7 AND TRANSPORTATION AND PUBLIC FACILITIES] the amounts required in the
8 next ensuing calendar year by the bond resolution or resolutions to be paid out of the
9 revenue fund into the bond redemption fund and to be paid into and maintained in any
10 reserve fund or account or any other fund or account created by the bond resolution
11 or resolutions, and shall also certify [TO THE COMMISSIONERS] the last date or
12 dates upon which payments may be made.

13 * **Sec. 42.** AS 37.15.500 is amended to read:

14 Sec. 37.15.500. AIRPORT CHARGES. As provided in **AS 02.40.200, the**
15 **authority** [AS 02.15.090(a), THE COMMISSIONER OF TRANSPORTATION AND
16 PUBLIC FACILITIES] shall fix and collect the fees, charges, and rentals derived by
17 the state from the ownership, lease, use, and operation of the airports and all of the
18 facilities and improvements that will provide revenue sufficient to comply with all of
19 the covenants of the bond resolution.

20 * **Sec. 43.** AS 37.15.510 is amended to read:

21 Sec. 37.15.510. STATE IMPROVEMENTS TO AIRPORTS. The state is
22 authorized to acquire, equip, construct, and install additions and improvements to and
23 extensions of the airports, facilities for the landing, parking, loading, storing, repairing,
24 safety, and utility of aircraft at the airports and passenger, freight, and terminal
25 facilities, including safety equipment and devices at the airports, found to be necessary
26 by the **authority** [COMMISSIONER OF TRANSPORTATION AND PUBLIC
27 FACILITIES].

28 * **Sec. 44.** AS 37.15.520(a) is amended to read:

29 (a) The bonds or any part of them may be refunded at or before their maturity
30 by the issuance of refunding revenue bonds of the state if in the opinion of the **board**
31 [COMMITTEE] refunding is advantageous to and in the best interests of the state and

1 its inhabitants.

2 * **Sec. 45.** AS 37.15.520(b) is amended to read:

3 (b) The issuance of refunding bonds need not be authorized by an Act of the
4 legislature, and the **board** [COMMITTEE] shall adopt the resolution or resolutions and
5 prepare all other documents and proceedings necessary for the issuance, exchange or
6 sale, and delivery of such bonds. All provisions of AS 37.15.410 - 37.15.550
7 applicable to revenue bonds are applicable to the refunding bonds and to the issuance,
8 sale, or exchange of them, except as otherwise provided in this section.

9 * **Sec. 46.** AS 37.15.550(3) is amended to read:

10 (3) "bond resolution" means the resolution or resolutions authorizing
11 the issuance of bonds, adopted by the **board** [COMMITTEE] under AS 37.15.460;

12 * **Sec. 47.** AS 37.15.550 is amended by adding new paragraphs to read:

13 (10) "authority" means the Alaska International Airport Authority;

14 (11) "board" means the board of directors of the authority, or any other
15 committee, body, department, or officer of the state which or who succeeds to the
16 rights, powers, duties, and obligations of the board by lawful Act of the legislature.

17 * **Sec. 48.** AS 38.05.030(b) is amended to read:

18 (b) The provisions of this chapter do not apply to any power, duty, or authority
19 now or in the future granted to the Department of Transportation and Public Facilities
20 **or the Alaska International Airport Authority** in the name of the state, to acquire,
21 use, lease, dispose of, or exchange real property, or any interest in real property. Land
22 assigned by the division of lands to the Department of Transportation and Public
23 Facilities **or the Alaska International Airport Authority** shall be returned to the
24 management of the division of lands when **the land** [IT] is no longer needed for the
25 purposes assigned.

26 * **Sec. 49.** AS 38.05.030 is amended by adding a new subsection to read:

27 (h) Except for land that is required to be returned to the department under (b)
28 of this section, the Alaska International Airport Authority may dispose of real property
29 (1) acquired by the authority under AS 02.40.120, or (2) acquired by the Department
30 of Transportation and Public Facilities under AS 02.15.070 and transferred to the
31 authority under provisions of the Act creating the authority. Land conveyed under this

1 section to a municipality for less than fair market value shall be credited against the
2 municipality's entitlement under AS 29.65.

3 * **Sec. 50.** AS 39.35 is amended by adding a new section to read:

4 Sec. 39.35.152. ALASKA INTERNATIONAL AIRPORT AUTHORITY
5 EMPLOYEES. (a) An employee of the Alaska International Airport Authority who
6 was an employee of the state on the day before the employee was transferred to the
7 authority under AS 02.40 shall be included in the system.

8 (b) An employee of the Alaska International Airport Authority who is not
9 covered under (a) of this section shall be included in the system on the effective date
10 of the authority's participation in the system for that employee.

11 * **Sec. 51.** AS 39.50.200(b) is amended by adding a new paragraph to read:

12 (56) Alaska International Airport Authority (AS 02.40.010).

13 * **Sec. 52.** AS 39.52.960(2) is amended to read:

14 (2) "agency" means a department, office of the governor, or entity in
15 the executive branch, including but not limited to the University of Alaska, public or
16 quasi-public corporations, and boards or commissions, but excluding the Alaska
17 Railroad Corporation **and the Alaska International Airport Authority;**

18 * **Sec. 53.** AS 39.52.960(4) is amended to read:

19 (4) "board or commission" means a board, commission, authority, or
20 board of directors of a public or quasi-public corporation, established by statute in the
21 executive branch, but excluding the Alaska Railroad **Corporation and the Alaska**
22 **International Airport Authority;**

23 * **Sec. 54.** AS 39.52.960(12) is amended to read:

24 (12) "instrumentality of the state" means a state agency or
25 administrative unit, whether in the legislative, judicial, or executive branch, including
26 such entities as the University of Alaska, the Alaska Railroad **Corporation, the**
27 **Alaska International Airport Authority,** and any public or quasi-public corporations,
28 boards, or commissions; the term includes municipalities;

29 * **Sec. 55.** AS 44.42.020(a)(7) is amended to read:

30 (7) manage, operate, and maintain state transportation facilities and all
31 docks, floats, breakwaters, and buildings, including all state highways, vessels,

1 railroads, pipelines, **and** airports [,] and aviation facilities **other than airports and**
2 **aviation facilities managed, operated, and maintained by the Alaska International**
3 **Airport Authority under AS 02.40;**

4 * **Sec. 56.** AS 44.88.080(25) is amended to read:

5 (25) to make cooperative agreements with the **Alaska International**
6 **Airport Authority** [DEPARTMENT OF TRANSPORTATION AND PUBLIC
7 FACILITIES], acting on behalf of the international airports revenue fund established
8 under AS 37.15.430, to acquire, equip, operate, maintain, construct, or install facilities
9 that will enhance the competitiveness of the international airports, including a
10 cooperative agreement to lend amounts from the international **airports** [AIRPORT]
11 revenue fund to finance the development or improvement of utilities serving the
12 airports.

13 * **Sec. 57.** TRANSITION. (a) Real and personal property used and controlled by the
14 Anchorage International Airport or the Fairbanks International Airport on the effective date
15 of this subsection shall be transferred to the Alaska International Airport Authority.

16 (b) All employees of the Department of Transportation and Public Facilities assigned
17 to the management, operation, and maintenance of the Anchorage International Airport or the
18 Fairbanks International Airport on the effective date of this subsection shall be transferred to
19 the Alaska International Airport Authority as employees of the authority.

20 (c) Classified state employees transferred to the Alaska International Airport Authority
21 under (b) of this section retain the rights and status of state employees until the expiration
22 dates of the collective bargaining agreements covering those employees that are in effect on
23 the effective date of (b) of this section.

24 (d) The Alaska International Airport Authority is bound by the collective bargaining
25 agreements covering employees transferred to the authority under (b) of this section for the
26 terms of the agreements.

27 (e) Notwithstanding AS 02.40.900(a), as added by sec. 2 of this Act, and (c) and (d)
28 of this section, the Alaska International Airport Authority shall operate under personnel rules
29 adopted under AS 39 until January 1, 1998, or until the authority adopts its own personnel
30 rules under AS 02.40.100(b), as added by sec. 2 of this Act, whichever occurs first.

31 * **Sec. 58.** INTERIM MANAGEMENT OF THE INTERNATIONAL AIRPORTS. (a)

1 Notwithstanding other provisions of this Act, until the board of directors of the Alaska
2 International Airport Authority convenes its first meeting, the commissioner of transportation
3 and public facilities shall manage the state-owned and state-operated international airports at
4 Anchorage and Fairbanks under applicable laws that are in effect on the day before the
5 effective date of sec. 1 of this Act.

6 (b) Notwithstanding AS 02.40.060, as added by sec. 2 of this Act, the commissioner
7 of transportation and public facilities is the chair pro tempore of the board of directors of the
8 Alaska International Airport Authority until the board elects a chair from among its members
9 at its first meeting.

10 (c) The board of directors of the Alaska International Airport Authority shall convene
11 its first meeting after appointment of at least five members, including the two members
12 appointed under AS 02.40.020(a)(1), as added by sec. 2 of this Act, and the two members
13 appointed under AS 02.40.020(a)(2), as added by sec. 2 of this Act.

14 * **Sec. 59. INITIAL APPOINTMENTS.** (a) Notwithstanding AS 02.40.020, as added by
15 sec. 2 of this Act, one person initially appointed to serve on the board of directors of the
16 Alaska International Airport Authority under AS 02.40.020(a)(1) shall serve as a member of
17 the board until December 31, 1998, and the other person initially appointed to serve on the
18 board under AS 02.40.020(a)(1) shall serve as a member of the board until December 31,
19 2000.

20 (b) Notwithstanding AS 02.40.020, as added by sec. 2 of this Act, the person initially
21 appointed to serve on the board of directors of the Alaska International Airport Authority
22 under AS 02.40.020(a)(2) shall serve as a member of the board until December 31, 1998, and
23 the other person initially appointed to serve on the board of directors of the Alaska
24 International Airport Authority under AS 02.40.020(a)(2) shall serve as a member of the board
25 until December 31, 2000.

26 (c) Notwithstanding AS 02.40.020, as added by sec. 2 of this Act, two persons initially
27 appointed to serve on the board of directors of the Alaska International Airport Authority
28 under AS 02.40.020(a)(3) shall serve as members of the board until December 31, 1999, and
29 the other person initially appointed to serve on the board of directors of the Alaska
30 International Airport Authority under AS 02.40.020(a)(3) shall serve as a member of the board
31 until December 31, 1997. The governor shall designate which initial term a person appointed

1 under AS 02.40.020(a)(3) shall serve under this subsection.

2 * **Sec. 60.** TRANSFER OF RESPONSIBILITY FOR INTERNATIONAL AIRPORTS
3 REVENUE BONDS. All rights, duties, powers, obligations, and authorities of the state bond
4 committee in regard to international airports revenue bonds under AS 37.15.410 - 37.15.550
5 are transferred to the Alaska International Airport Authority.

6 * **Sec. 61.** SAVINGS CLAUSE. Litigation, hearings, investigations, and other proceedings
7 pending under a law amended or repealed by this Act, or in connection with functions
8 transferred by this Act, continue in effect and may be continued and completed
9 notwithstanding a transfer or amendment or repeal provided for by this Act. Regulations
10 adopted under authority of a law amended or repealed by this Act remain in effect for the
11 term adopted or until repealed or otherwise amended under the provisions of this Act.

12 * **Sec. 62.** AS 02.15.091, 02.15.260(13); and AS 39.25.120(c)(14) are repealed.

13 * **Sec. 63.** AS 37.15.550(5), 37.15.550(6), and 37.15.550(7) are repealed.

14 * **Sec. 64.** AS 02.40.900 and 02.40.910, as added by sec. 2 of this Act, and secs. 55, 57,
15 and 62 of this Act take effect on the day on which the board of directors of the Alaska
16 International Airport Authority convenes its first meeting. The commissioner of transportation
17 and public facilities shall inform the revisor of statutes of the date on which the board of
18 directors of the Alaska International Airport Authority convenes its first meeting.

19 * **Sec. 65.** AS 02.40.350, as added by sec. 2 of this Act, and secs. 32 - 47, 56, 60, and 63
20 of this Act take effect on January 1 of the calendar year following the calendar year in which
21 the board of directors of the Alaska International Airport Authority convenes its first meeting.
22 The commissioner of transportation and public facilities shall inform the revisor of statutes
23 of the date on which the board of directors of the Alaska International Airport Authority
24 convenes its first meeting.

25 * **Sec. 66.** Except as provided by secs. 64 and 65 of this Act, this Act takes effect July 1,
26 1996.