

**CS FOR SENATE BILL NO. 42(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 4/1/97

Referred: Resources

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND  
AUDIT COMMITTEE

**A BILL**

**FOR AN ACT ENTITLED**

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

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

4 \* **Section 1.** Section 1(b), ch. 153, SLA 1984, is amended to read:

5 (b) It is the purpose of this Act to

6 (1) create a viable economic entity with the powers and duties  
7 necessary to operate and manage the Alaska Railroad pending eventual transfer of the  
8 railroad to the private sector for its ownership or operation or both consistent with  
9 45 U.S.C. 1201 - 1214 (Alaska Railroad Transfer Act of 1982);

10 (2) provide for the level of transportation service that best satisfies the  
11 needs of the people of the state consistent with the other findings and policies of this  
12 section;

13 (3) create a public corporation with the powers, duties, and functions  
14 needed to operate the Alaska Railroad and manage its rail, industrial, port, and other

1 properties in the best interest of the people of the state by ensuring that the corporation  
2 will

3 (A) be [EXCLUSIVELY] responsible for the management of  
4 the financial and legal obligations of the Alaska Railroad;

5 (B) operate the railroad as a common carrier subject to the  
6 jurisdiction of the United States Interstate Commerce Commission consistent  
7 with 45 U.S.C. 1207;

8 (C) have the ability to raise capital by issuing bonds upon  
9 approval of the legislature exempt from federal and state taxation and applying  
10 for federal money to which the state may be entitled or that may be available;

11 (D) carry out its responsibilities on a self-sustaining basis;

12 (E) provide the best possible combination of types and levels  
13 of safe, efficient, and economical transportation to meet the overall needs of  
14 the state, supported when necessary by state investment;

15 (F) provide for the prudent operation of the railroad according  
16 to sound business management practices; [AND]

17 (G) preserve the integrity of the railroad utility corridor for  
18 transportation, communication, and transmission purposes; **and**

19 **(H) be subject to AS 37.07 (Executive Budget Act) and be**  
20 **responsible for the operating, capital, and debt service expenditures of the**  
21 **corporation in accordance with appropriations made by the legislature;**

22 (4) ensure that borrowing by the corporation does not directly or  
23 indirectly endanger the state's own borrowing capacity.

24 \* **Sec. 2.** AS 37.07.120(1) is amended to read:

25 (1) "agency" means a department, officer, institution, board,  
26 commission, bureau, division, or other administrative unit forming the state  
27 government and includes the **Alaska Railroad Corporation**, Alaska Pioneers' Home,  
28 and the University of Alaska, but does not include the legislature or the judiciary;

29 \* **Sec. 3.** AS 42.40.100 is amended to read:

30 **Sec. 42.40.100. Management by the board.** The board is responsible for the  
31 management of the corporation but shall delegate certain powers and duties to the chief

1 executive officer in accordance with AS 42.40.120. In managing the corporation, the  
2 board shall

3 (1) be responsible for the management of the financial and legal  
4 obligations of the Alaska Railroad;

5 (2) operate the Alaska Railroad as a common carrier subject to the  
6 jurisdiction of the United States Interstate Commerce Commission consistent with 45  
7 U.S.C. 1207;

8 (3) generally manage the corporation on a self-sustaining basis;

9 (4) in accordance with AS 37.07, apply to the legislature for an  
10 appropriation with the concurrence of the governor to be used to

11 (A) fund the operating, capital, and debt service  
12 expenditures of the corporation; and

13 (B) when necessary, provide a particular service that is not  
14 otherwise self-sustaining if a subsidy is required to maintain that service;

15 (5) provide for safe, efficient, and economical transportation to meet  
16 the overall needs of the state;

17 (6) raise needed capital by issuing bonds of the corporation upon  
18 approval by the legislature while ensuring that borrowing by the corporation does not  
19 directly or indirectly endanger the state's own borrowing capacity;

20 (7) review all state and other land disposal proposals to aid in planning  
21 for future development or expansion of transportation services;

22 (8) ensure that the procurement procedures of the corporation meet  
23 accepted railroad industry standards;

24 (9) ensure that the accounting procedures of the corporation meet  
25 generally accepted accounting principles consistent with industry standards for  
26 comparable railroads.

27 \* **Sec. 4.** AS 42.40.540 is amended to read:

28 **Sec. 42.40.540. Appropriations.** The corporation shall [MAY] request, in  
29 accordance with AS 37.07, appropriations [THE CONCURRENCE OF THE  
30 GOVERNOR, A DIRECT APPROPRIATION OR GRANT] from the legislature to  
31 carry [ASSIST IN CARRYING] out the provisions of this chapter.

1     \* **Sec. 5.** AS 42.40.920(b) is amended to read:

2             (b) Unless specifically provided otherwise in this chapter, the following laws  
3     do not apply to the operations of the corporation:

4             (1) AS 19;

5             (2) AS 30.15;

6             (3) AS 35;

7             (4) AS 36.30, except as specifically provided in that chapter;

8             (5) AS 37.05;

9             (6) [AS 37.07;

10            (7)] AS 37.10.010 - 37.10.060;

11            (7) [(8)] AS 37.10.085;

12            (8) [(9)] AS 37.20;

13            (9) [(10)] AS 37.25;

14            (11)] AS 38;

15            (10) [(12)] AS 44.62.010 - 44.62.320.

16     \* **Sec. 6.** PREPARATION OF FIRST ANNUAL BUDGET UNDER AS 37.07. The  
17 Alaska Railroad Corporation shall prepare its first agency program and financial plan under  
18 AS 37.07 for consideration by the governor in the development of the governor's  
19 recommended operating and capital improvements programs and financial plans that are  
20 submitted to the legislature at the next regular session of the legislature that convenes  
21 following the effective date of this Act.

22     \* **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).