

CS FOR SENATE BILL NO. 314(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/6/98
Referred: Rules

Sponsor(s): SENATORS TORGERSON, Pearce

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Alaska marine highway system and to municipal feeder
2 vessel authorities and port authorities."

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

4 * **Section 1.** AS 19.65.011 is amended by adding a new subsection to read:

5 (b) The long-range plan and revisions and updates of the plan shall provide for
6 increased service by ferries operated by the Alaska marine highway system along main
7 lines running north and south, with the gradual phasing out of ferry service to smaller
8 municipalities and communities as service to those areas becomes available through
9 the operation of feeder vessels by authorities established under AS 29.35.605 or
10 29.35.750.

11 * **Sec. 2.** AS 19.65 is amended by adding a new section to read:

12 **Sec. 19.65.013. Contracts with feeder vessel authorities.** The department
13 may enter into a contract with a port authority established under AS 29.35.605 or with
14 a feeder vessel authority established under AS 29.35.750 to provide ferry service to

1 connect communities and municipalities with ferry services provided by the Alaska
2 marine highway system.

3 * **Sec. 3.** AS 19.65.030(c) is amended to read:

4 (c) **The department shall permit a port authority established under**
5 **AS 29.35.605 or a feeder vessel authority established under AS 29.35.750 to use**
6 **ferry terminal facilities that are operated by the department.** The department may
7 adopt regulations governing the use of ferry terminal facilities by the public that it
8 considers necessary and proper in the public interest. The department may charge a
9 fee for the use of ferry terminal facilities **that are operated by the department,**
10 whether the use is under a permit or otherwise, and whether it is by one or more
11 individuals.

12 * **Sec. 4.** AS 29.35 is amended by adding new sections to read:

13 **Article 10. Feeder Vessel Authorities.**

14 **Sec. 29.35.750. Establishment of feeder vessel authorities.** (a) A feeder
15 vessel authority may be established to operate a system of feeder vessels that transport
16 passengers and motor vehicles from the area served by the authority to ferry terminal
17 facilities used by the Alaska marine highway system to enable passengers to connect
18 with other ferries. The authority may be established by one of the following means:

19 (1) the governing body of a municipality may establish the authority
20 by ordinance; or

21 (2) the governing bodies of two or more municipalities may establish
22 the authority by parallel ordinances adopted by each of the governing bodies.

23 (b) One or more municipalities may join an authority established under (a) of
24 this section upon the adoption of parallel ordinances by the governing bodies of each
25 affected municipality.

26 (c) A feeder vessel authority established under this section is a body corporate
27 and politic and an instrumentality of the municipality or municipalities that participate
28 in it, but it has a separate and independent legal existence. Establishing or joining an
29 authority is an exercise of a municipality's transportation system powers. The enabling
30 ordinance by which an authority is established must specify the powers and duties of
31 the authority.

1 **Sec. 29.35.755. Dissolution of a feeder vessel authority.** The enabling
 2 ordinance by which a feeder vessel authority is established must provide for the
 3 manner by which the authority may be dissolved. If an authority is dissolved, its
 4 assets shall be distributed to the municipalities that participated in the authority in
 5 proportion to the difference between their contributions to the authority and any
 6 outstanding debts, or obligations of the municipalities to the authority, provided that
 7 any other obligations of the authority shall first be satisfied in full.

8 **Sec. 29.35.760. Powers.** Subject to the enabling ordinance, a feeder vessel
 9 authority may

- 10 (1) sue and be sued;
- 11 (2) acquire an interest in property by purchase, gift, lease, or contract;
- 12 (3) accept grants, gifts, or loans and enter into contracts;
- 13 (4) acquire, manage, and operate ferry terminal facilities and vessels;
- 14 (5) regulate and charge fees for the use of property owned or managed
 15 by the authority;
- 16 (6) enter into contracts with the Department of Transportation and
 17 Public Facilities to provide connecting ferry service to communities and municipalities
 18 that are participating in the authority and to communities and municipalities that are
 19 not participating;
- 20 (7) exercise any power that enables the authority to provide connecting
 21 ferry service with ferries operated by the Alaska marine highway system.

22 **Sec. 29.35.765. Liability.** A liability incurred by a feeder vessel authority
 23 shall be satisfied exclusively from the assets or revenue of the authority. A creditor
 24 or other person does not have a right of action against the state or a municipality
 25 participating in an authority because of a debt, obligation, or liability of the authority.
 26 A board member or employee of an authority is not subject to personal liability or
 27 accountability that may result from the exercise of official duties for the authority.

28 **Sec. 29.35.770. Administration.** A feeder vessel authority is governed by a
 29 board of directors. The enabling ordinance establishing the authority must specify the
 30 number, qualifications, manner of appointment or election, and terms of members of
 31 the board. The board shall appoint a chief executive officer who serves at the pleasure

1 of the board. The board shall adopt bylaws and regulations consistent with the
2 enabling ordinance to carry out its functions and purposes.

3 **Sec. 29.35.775. Feeder vessel authority grant fund.** (a) The feeder vessel
4 authority grant fund is established in the Department of Transportation and Public
5 Facilities consisting of appropriations of federal or other funds. Money in the fund
6 may be used by the Department of Transportation and Public Facilities to make grants
7 to

8 (1) municipalities to study the feasibility of establishing authorities
9 under AS 29.35.750 - 29.35.770;

10 (2) authorities established under AS 29.35.600 - 29.35.730 or
11 AS 29.35.750 - 29.35.770 for acquisition, construction, or maintenance of ferry
12 terminal facilities or feeder vessels.

13 (b) The Department of Transportation and Public Facilities shall establish the
14 terms and conditions for receipt of a grant under this section and shall provide forms
15 for applying for a grant. The Department of Transportation and Public Facilities shall
16 prioritize each project for which a grant is requested and inform the legislature of the
17 amount of money needed to fund priority grants for the next fiscal year.