

AMENDMENT

#1

OFFERED IN THE SENATE  
TO: CSSB 218(TRA)

BY SENATOR PEARCE

1 Page 1, line 2, following "Fund;":

2 Insert "relating to customer facility charges to fund facilities in airports to be  
3 constructed without using international airport revenue bonds;"

4  
5 Page 1, following line 3:

6 Insert a new bill section to read:

7 "\* Section 1. AS 02.15.090(a) is amended to read:

8 (a) In operating an airport or air navigation facility owned or controlled by the  
9 state, the department may enter into contracts, leases, and other arrangements covering  
10 periods not exceeding 55 years with a person, municipality, or the United States,  
11 granting the privilege of using or improving an airport or air navigation facility or a  
12 portion of it or space in it for commercial, governmental, or other public purposes,  
13 including private plane tie down, or conferring the privilege of supplying goods,  
14 commodities, services, or facilities at an airport or air navigation facility. The  
15 department may establish the terms and conditions and fix the charges, rentals, and  
16 fees for the privileges or services that are reasonable and uniform for the same class of  
17 privilege or service. Charges, rentals, or fees authorized by this subsection may be  
18 fixed for the international airports by order of the commissioner or by negotiated or  
19 competitively offered contract. However, for the privilege of accompanying or  
20 using a state-owned facility on an airport, which facility is or will be acquired,  
21 constructed, equipped, installed or improved with the proceeds of indebtedness,  
22 the payment of which is secured solely by revenues from customer facility  
23 charges, the department shall require occupants or users of all or a portion of the  
24 facility to pay to the department, or shall require persons under contract to

1 occupy or use all or a portion of the existing or proposed facility to charge their  
 2 customers, a uniform customer facility charge stipulated by the department in an  
 3 amount sufficient to pay the principal of, interest on, and any other cost of debt  
 4 service on the indebtedness. Notwithstanding AS 37.10.050(a), the fixing of  
 5 charges, rentals, or fees as permitted under this subsection is not subject to the  
 6 adoption of regulation provisions of AS 44.62 (Administrative Procedure Act). The  
 7 terms, conditions, charges, rentals, and fees shall be established with due regard to the  
 8 property and improvements used and the expense of operation to the state. However,  
 9 use of state land and buildings by the Alaska Wing, Civil Air Patrol and its squadrons  
 10 shall be permitted without rental charges. If the department permits space in state-  
 11 owned or state-controlled airports to be used as lounges for members of the United  
 12 States armed forces, the Alaska National Guard, the Alaska Naval Militia, or the  
 13 Alaska State Defense Force, and if the lounges are operated by persons exempt from  
 14 taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code), rent may not be charged  
 15 for the use of the space. The department shall provide for public notice and an  
 16 opportunity to comment before a charge, rental, or fee is fixed by order of the  
 17 commissioner as permitted under this subsection. The public may not be deprived of  
 18 its rightful, equal, and uniform use of the airport, air navigation facility, or a portion of  
 19 them."  
 20

21 Page 1, line 4:

22 Delete "\* Section 1. "

23 Insert "\* Sec. 2.

24  
 25 Renumber the following bill sections accordingly.

26  
 27 Page 1, line 13, following "purpose":

28 Insert "excepting only proceeds of any customer facility charge set by the  
 29 commissioner of transportation and public facilities under AS 02.15.090"  
 30

3 Page 2, following line 20

1 Insert new bill sections to read.

2 **\* Sec. 4.** AS 37.15.430(a) is amended to read:

3 (a) There is established an enterprise fund known as the "International  
4 Airports Revenue Fund," into which shall be paid all revenue, fees, charges, and  
5 rentals derived by the state from the ownership, lease, use, and operation of the  
6 airports and all of the facilities and improvements of them and facilities and  
7 improvements used in connection with them, excepting only proceeds of any  
8 customer facility charge set by the commissioner of transportation and public  
9 facilities under AS 02.15.090. The revenue, charges, fees, and rentals may not  
10 include the proceeds of any state tax or license. The money in the revenue fund may  
11 only be used for the purpose of

12 (1) paying or securing the payment of the principal of and interest on  
13 the bonds and of and on any other revenue bonds issued by authorization of the  
14 legislature to provide money to acquire, equip, construct, and install additions and  
15 improvements to, and extensions of and facilities for, the airports, and to be payable  
16 out of the revenue fund;

17 (2) paying the normal and necessary costs of maintaining and  
18 operating the airports and all of the improvements and facilities of them;

19 (3) paying the costs of renewals, replacements, and extraordinary  
20 repairs to the airports and all of the improvements and facilities of them;

21 (4) redeeming before their fixed maturities any and all revenue bonds  
22 issued for the purposes of the airports;

23 (5) providing money to acquire, construct and install necessary  
24 additions and improvements to and extensions of and facilities for the airports and all  
25 of their facilities; and

26 (6) providing money to pay any and all other costs relating to the  
27 ownership, use, and operation of the airports.

28 **\* Sec. 5.** AS 37.15.430 is amended by adding a new subsection to read:

29 (c) For proceeds of a customer facility charge set by the commissioner of  
30 transportation and public facilities under AS 02.15.090 but required to be charged to  
31 customers by occupants or users of a facility acquired, constructed, equipped,

2 installed, or improved with the proceeds of indebtedness incurred by a person other  
3 than the state to acquire, construct, equip, install, or improve the facility for state  
4 ownership,

5 (1) the Department of Transportation and Public Facilities shall by  
6 regulation or contract require that the proceeds of the customer facility charge be  
7 remitted directly to a bond trustee designated to receive such proceeds and to pay the  
8 principal of interest on, and any other cost of debt services on the indebtedness; and

9 (2) such proceeds shall not be considered a revenue of the state."

10 Renumber the following bill section accordingly.