

**SENATE BILL NO. 235**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

**BY SENATOR COWDERY**

**Introduced: 5/21/03**

**Referred: Transportation, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the airports in Anchorage, Fairbanks, and Cold Bay, and**  
2 **establishing the Alaska Airport Authority; and providing for an effective date."**

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

4 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
5 to read:

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

1 to users of the airports.

2 (b) The purpose of this Act is to establish an authority for the operation, management,  
3 planning, and construction of facilities for the state-owned and state-operated international  
4 airports at Anchorage and Fairbanks and the state-owned and state-operated airport at Cold  
5 Bay.

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

7 **Chapter 45. Alaska Airport Authority.**

8 **Article 1. Creation and Organization.**

9 **Sec. 02.45.010. Alaska Airport Authority.** (a) The Alaska Airport  
10 Authority is established as a public corporation of the state. The corporation is an  
11 instrumentality of the state in the Department of Transportation and Public Facilities  
12 but has a legal existence independent of and separate from the state and has continuing  
13 succession until its existence is terminated by law.

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

18 (c) The powers of the authority are vested in the board of directors of the  
19 authority.

20 **Sec. 02.45.020. Board of directors.** (a) The board of directors of the  
21 authority consists of seven voting members appointed by the governor.

22 (b) The appointed members of the board described under (a) of this section  
23 shall have appropriate and relevant experience in the management or operation of  
24 airports or of aviation or related business enterprises, except that at least one member  
25 shall be a representative of a labor organization that represents employees of the  
26 authority.

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

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

1 (e) The appointed members of the board shall comply with the requirements of  
2 AS 39.50 (public official financial disclosure).

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

5 **Sec. 02.45.030. Removal of members.** The governor may remove an  
6 appointed member of the board for cause, including incompetence, neglect of duty, or  
7 misconduct in office. Before a member is removed for cause, the member shall be  
8 given a copy of the charges and afforded an opportunity to publicly present a defense  
9 in person or by counsel upon not less than 10 days' notice. If a member is removed for  
10 cause, the governor shall file with the lieutenant governor a complete statement of all  
11 charges made against the member and the governor's findings based on the charges,  
12 together with a complete record of the proceedings. The governor may suspend a  
13 member of the board pending a final action under this section.

14 **Sec. 02.45.040. Compensation and expenses.** (a) A member of the board,  
15 other than the commissioner and the commissioner's designee, is entitled to  
16 compensation not to exceed \$400 for each day the member is engaged in the actual  
17 performance of duties as a member of the board for a maximum of 60 days in a  
18 calendar year. The board may provide by rule for compensation for partial days  
19 during which an appointed member is engaged in actual performance of duties as a  
20 member of the board.

21 (b) In addition to compensation under (a) of this section, a member of the  
22 board, other than the commissioner and the commissioner's designee, is entitled to per  
23 diem and travel expenses authorized by law for state boards and commissions under  
24 AS 39.20.180.

25 **Sec. 02.45.050. Meetings.** (a) The board shall hold at least four regular  
26 meetings each year. The site of the regular meetings shall rotate between Anchorage  
27 and Fairbanks.

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

30 **Sec. 02.45.060. Officers and quorum.** (a) The board shall elect a chair and a  
31 vice-chair from among its members. A member of the board may not serve as chair

1 for two consecutive terms. The chairmanship of the board shall rotate among the  
 2 appointed members of the board. The chair and vice-chair serve for terms of two  
 3 years.

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

6 (c) Four appointed members of the board constitute a quorum. Action may be  
 7 taken and motions and resolutions adopted by the board at a meeting by the  
 8 affirmative vote of at least four appointed members. Members may not vote by proxy.  
 9 A vacancy in the membership of the board does not impair the right of a quorum to  
 10 exercise all the powers and perform all the duties of the board.

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

12 **Sec. 02.45.070. Staff.** (a) The board shall employ a manager for the Ted  
 13 Stevens Anchorage International Airport and a manager for the Fairbanks  
 14 International Airport. The board may employ a manager for the Cold Bay Airport.  
 15 Airport managers shall be selected on the basis of education, experience, training, and  
 16 expertise in management of airports. Airport managers serve at the pleasure of the  
 17 board. Between meetings of the board, the airport managers shall report to the chair of  
 18 the board.

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

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

25 **Sec. 02.45.080. Rules and emergency rules.** (a) The board shall adopt rules  
 26 to carry out its functions and the purposes of this chapter, including rules to safeguard  
 27 property owned by the authority and to protect employees and persons using the  
 28 authority's property or services. At least 15 days before the adoption of a rule, the  
 29 board shall give public notice of the proposed action by publishing a notice in at least  
 30 two newspapers of general circulation in the state and by mailing a copy of the notice  
 31 to each person who has requested notice of proposed changes to its rules. The notice

1 must state the time, place, and nature of the proceedings and must contain a summary  
2 of the subject of the proposed rule.

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

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

13 (d) The board may adopt a rule on an emergency basis only when necessary  
14 for the orderly operation of the authority's facilities or programs. The requirements of  
15 (a) - (c) of this section do not apply to the adoption of an emergency rule under this  
16 subsection. However, within 10 days after the adoption of an emergency rule, the  
17 authority shall give notice of its action that substantially complies with the notice  
18 requirements of this section. A rule adopted under this subsection remains in effect  
19 for not more than 120 days. To prevent an emergency rule from lapsing, the board  
20 may adopt the same rule under (a) - (c) of this section before the end of the 120-day  
21 period.

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

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

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

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

1 **Article 2. Powers and Duties.**

2 **Sec. 02.45.100. Powers and duties of authority.** (a) In addition to other  
3 powers granted in this chapter, the authority may

- 4 (1) sue and be sued;
- 5 (2) adopt and alter an official seal;
- 6 (3) maintain an office in the state;
- 7 (4) acquire, hold, use, and dispose of its money, subject to  
8 appropriation by the legislature;
- 9 (5) acquire, hold, use, lease, rent, construct, and dispose of property for  
10 its purposes;
- 11 (6) issue revenue bonds in the amount authorized by law; and
- 12 (7) do all acts necessary to carry out this chapter that are not expressly  
13 prohibited by law.

14 (b) The authority shall

15 (1) operate, manage, plan, improve, market, construct, and maintain  
16 the facilities of the state-owned and state-operated international airports located at  
17 Anchorage and Fairbanks and of the state-owned and state-operated airport at Cold  
18 Bay; and

19 (2) adopt and enforce

20 (A) bylaws of the authority establishing procedures consistent  
21 with AS 02.45.080 for the adoption of rules and emergency rules;

22 (B) rules for the conduct of its business and for the use of its  
23 services and facilities;

24 (C) personnel rules necessary to establish a system of personnel  
25 administration substantially equivalent to the state personnel rules adopted  
26 under AS 39.

27 **Sec. 02.45.110. Public nature of authority activities.** The planning,  
28 construction, improvement, maintenance, and operation of an airport, whether by the  
29 authority separately or jointly with another state agency, municipality, or person, and  
30 the exercise of other powers granted to the authority are public and governmental  
31 functions exercised for a public purpose and matters of public necessity. Land and

1 other property and privileges acquired and used by or on behalf of the authority for the  
 2 purposes enumerated in this chapter are acquired and used for public and  
 3 governmental purposes and as a matter of public necessity.

4 **Sec. 02.45.120. Acquisition of land and easements.** The authority, as part of  
 5 the cost of constructing, maintaining, or improving airport facilities, may acquire by  
 6 purchase, gift, grant, exchange, or eminent domain land in fee simple or easements  
 7 that the authority considers necessary for present or future public use, either temporary  
 8 or permanent, including easements in airport hazards or land outside the boundaries of  
 9 an airport, necessary to permit the removal, elimination, and obstruction marking or  
 10 obstruction lighting of airport hazards or to prevent the establishment of airport  
 11 hazards. By the same means, the authority may obtain material, including clay,  
 12 gravel, sand, or rock, or the land necessary to obtain the material. The authority may  
 13 acquire the land or material notwithstanding the fact that title to the land or material is  
 14 vested in the state or a department, agency, commission, or institution of the state.

15 **Sec. 02.45.130. Authority to acquire property for the purpose of**  
 16 **exchange.** When the authority declares that it is in the best public interest of the state  
 17 to do so, the authority may acquire by purchase, gift, grant, exchange, or eminent  
 18 domain privately or publicly owned land or an interest in land for the purpose of  
 19 exchanging the land or interest in land for privately or publicly owned land or an  
 20 interest in land that the authority is authorized by law to acquire.

21 **Sec. 02.45.140. Eminent domain.** (a) The authority may exercise the power  
 22 of eminent domain under AS 09.55.240 - 09.55.460 to acquire land for airport  
 23 purposes consistent with this chapter. Notwithstanding AS 09.55.250, the authority  
 24 may acquire a fee simple title whenever, in the judgment of the authority, ownership  
 25 of a fee simple title is necessary to carry out the purposes of this chapter.

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

28 (c) The exercise of the power of eminent domain by the authority requires the  
 29 prior approval of the governor.

30 **Sec. 02.45.150. Indemnification.** (a) If the person acted in good faith on  
 31 behalf of the authority and within the scope of the person's official duties or powers,

1 the authority may defend and indemnify a current or former member of the board,  
 2 employee, or agent of the authority against all costs, expenses, judgments, and  
 3 liabilities, including attorney fees, incurred by or imposed upon that person in  
 4 connection with a civil or criminal action in which the person is involved by affiliation  
 5 with the authority.

6 (b) The authority may purchase insurance to protect and hold personally  
 7 harmless its employees, agents, and board members from an action, claim, or  
 8 proceeding arising out of the performance, purported performance, or failure of  
 9 performance, in good faith, of duties for, or employment with, the authority and to  
 10 hold them harmless from expenses connected with the defense, settlement, or  
 11 monetary judgments from that action, claim, or proceeding. The purchase of  
 12 insurance is discretionary with the board, and insurance is not considered to be  
 13 compensation to the insured person.

14 **Sec. 02.45.160. Insurance.** Except as provided in AS 02.45.150(b), the  
 15 authority shall protect its assets, services, and employees by purchasing insurance or  
 16 providing for certain self-insurance retentions. The authority shall also maintain  
 17 casualty, property, and other insurance in amounts reasonably calculated to cover  
 18 potential claims against the authority or state for bodily injury, death, or disability and  
 19 property damage that may arise from or be related to authority operations and  
 20 activities.

21 **Sec. 02.45.170. Fidelity bond.** The authority shall obtain a fidelity bond in an  
 22 amount determined by the board for board members and each executive officer  
 23 responsible for accounts and finances. A bond must be in effect during the entire  
 24 tenure in office of the bonded person.

### 25 **Article 3. Airport Facilities.**

26 **Sec. 02.45.200. Operation and use privileges.** (a) The authority may enter  
 27 into contracts, leases, and other arrangements covering periods not exceeding 55 years  
 28 with a person, a municipality, or the United States, granting the privilege of using or  
 29 improving an airport or air navigation facility, a portion of an airport or air navigation  
 30 facility, or space in an airport or air navigation facility for commercial, governmental,  
 31 or other public purposes, including private plane tie down, or conferring the privilege

1 of supplying goods, commodities, services, or facilities at an airport or air navigation  
2 facility. The authority may establish the terms and conditions and fix the charges,  
3 rentals, and fees for the privileges or services that are reasonable and uniform for the  
4 same class of privilege or service. Charges, rentals, or fees authorized by this  
5 subsection may be fixed by order of the board or by negotiated or competitively  
6 offered contract. However, for the privilege of occupying or using a state-owned  
7 facility on an airport operated by the authority, which facility is or will be acquired,  
8 constructed, equipped, installed, or improved with the proceeds of indebtedness, the  
9 payment of which is secured solely by revenue from customer facility charges, the  
10 authority shall require occupants or users of all or a portion of the facility to pay to the  
11 authority, or shall require persons under contract to occupy or use all or a portion of  
12 the existing or proposed facility to charge their customers, a uniform customer facility  
13 charge stipulated by the authority in an amount sufficient to pay the principal of,  
14 interest on, and any other cost of debt service on the indebtedness. The fixing of  
15 charges, rentals, or fees as permitted under this subsection is not subject to  
16 AS 37.10.050(a). The terms, conditions, charges, rentals, and fees shall be established  
17 with due regard to the property and improvements used and the expense of operation  
18 to the state. However, use of state land and buildings by the Alaska Wing-Civil Air  
19 Patrol and its squadrons shall be permitted without rental charges. The authority shall  
20 provide for public notice and an opportunity to comment before a charge, rental, or fee  
21 is fixed by order of the board as permitted under this subsection. The public may not  
22 be deprived of its rightful, equal, and uniform use of the airport, air navigation facility,  
23 or a portion of the airport or air navigation facility.

24 (b) If the authority permits space in an airport to be used as lounges for  
25 members of the United States armed forces, the Alaska National Guard, the Alaska  
26 Naval Militia, or the Alaska State Defense Force and if the lounges are operated by  
27 persons exempt from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code), the  
28 authority may not charge rent for the use of the space.

29 (c) The authority may, by contract or other arrangement, upon a consideration  
30 fixed by the board, grant to a qualified municipality or person for a reasonable period  
31 of time the privilege of operating, as agent of the state or otherwise, an airport owned

1 or controlled by the authority. A municipality or person granted that privilege may not  
 2 operate the airport other than as a public airport or enter into a contract, lease, or other  
 3 arrangement in connection with the operation that the authority may not have  
 4 undertaken under (a), (b), or (d) - (h) of this section.

5 (d) Notwithstanding the right of the public to rightful, equal, and uniform use  
 6 under (a) of this section, before the expiration of a land lease, including the  
 7 termination of a lease in holdover status, entered into under this section, the lessee  
 8 may apply for a new lease, or for an extended term under the existing lease, for the  
 9 same land. The board shall approve the application for a new land lease or an  
 10 extended term under this section without offering the land to other persons for leasing  
 11 if

12 (1) the lessee is in compliance with the terms and conditions of the  
 13 existing or holdover lease; and

14 (2) the continued use of the leasehold is consistent with written airport  
 15 operation policies and is in the state's best interest.

16 (e) A land lessee owns title to the permanent improvements that the lessee  
 17 constructed or purchased during the term of the lease, unless the lease expressly  
 18 provides that the state is the owner of the permanent improvements.

19 (f) At the expiration, termination, or cancellation of a land lease entered into  
 20 under this section,

21 (1) a lessee who owns the improvements under (e) of this section shall  
 22 continue to own the permanent improvements that the lessee constructed or purchased  
 23 on a leasehold if the lessee is granted, under (d) of this section, a new lease or an  
 24 extended term for the same land;

25 (2) a lessee may sell the permanent improvements owned by the lessee  
 26 to a succeeding lessee of the same land;

27 (3) at the option of the lessee, the permanent improvements owned by  
 28 the lessee may be sold by the state at public auction with the proceeds from the sale of  
 29 the improvements going to the lessee, less administrative costs of the auction and  
 30 obligations owed under the lease to the state; the successful bidder has the same right  
 31 to enter into a new lease under (d) of this section without the authority offering the

1 land to other persons for leasing;

2 (4) after notice by the authority, the permanent improvements owned  
3 by the lessee shall be removed at the lessee's sole expense if

4 (A) the permanent improvements do not comply with written  
5 airport operational policies or are not in the state's best interest;

6 (B) the permanent improvements are not sold under (2) or (3)  
7 of this subsection; or

8 (C) the authority makes written findings that the permanent  
9 improvements are a hazard to the public health and safety;

10 (5) title to the permanent improvements vests in the authority if the  
11 authority purchases or otherwise contracts for the ownership of the permanent  
12 improvements or if the lessee abandons the permanent improvements.

13 (g) The authority shall require, as a term of all aviation-related contracts,  
14 leases, and other arrangements for use or occupancy of an airport operated by the  
15 authority, that the parties to the contract, lease, or other arrangement, including the  
16 authority, shall be required to reimburse each other according to the principles of  
17 comparative fault for amounts paid others for personal injury and property damage.  
18 The apportionment of liability among the parties to an agreement under this subsection  
19 may not affect the rights of persons who are not parties to the agreement.

20 (h) If the authority determines that it is in the best interests of the state to  
21 require that persons holding aviation-related leases, permits, or concession contracts  
22 for use or occupancy of an airport operated by the authority provide insurance  
23 coverage, the authority shall develop and adopt by rule guidelines for the types and  
24 limits of insurance coverage required for aviation-related leases, permits, or  
25 concession contracts. The authority may authorize a variation from the coverage  
26 required by the rule if the authority finds in writing that the variation is necessary  
27 considering the best interests of the state and the unique circumstances underlying a  
28 specific aviation-related lease, permit, or concession contract.

29 **Sec. 02.45.210. Sale and delivery of in-bond merchandise.** (a) The  
30 authority shall allow the sale and delivery of in-bond merchandise at an airport only  
31 by an exclusive contract.

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

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

12 (d) The authority shall offer the exclusive contracts required by this section by  
 13 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  
 25 goods carried by an airline as baggage, whether belly-loaded or hand-carried and  
 26 whether accompanied or unaccompanied by a passenger.

27 **Sec. 02.45.220. Police powers vested.** The officers and employees of the  
 28 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. 02.45.230. Regulation of ground transportation at airports.**

2           Notwithstanding the provisions of AS 02.45.200, the authority may not exclude taxis,  
3           buses, or limousines that carry passengers for hire or courtesy cars from the highways,  
4           parking facilities, or other portions of an airport designated for operation or parking of  
5           ground transportation vehicles. The authority may regulate by rule the operations of  
6           taxis, buses, limousines, and courtesy cars as necessary to promote efficient operation  
7           of an airport. In this section, "courtesy car" means a motor vehicle owned or operated  
8           by a hotel, motel, or other place of public accommodation for the transportation of its  
9           guests to and from the airport at the request of the guest and for which no service  
10          charge is made to the guest.

11          **Sec. 02.45.240. Liens.** The authority may enforce the payment of charges for  
12          repairs, improvements, storage, or care of personal property made or furnished by the  
13          authority or its agents in connection with the operation of an airport or air navigation  
14          facility owned or operated by the authority. The authority has those lien rights  
15          generally allowed by law to secure payment for those services.

16          **Sec. 02.45.250. Airport advisory committees.** (a) The board shall establish  
17          an advisory committee for each airport and shall prescribe by rule the powers, duties,  
18          and procedures of each committee. An advisory committee serves only as an advisor  
19          and may not exercise or be delegated a substantive power conferred on the board by  
20          law. An advisory committee may take action by a majority vote of its members.

21          (b) The advisory committee for the Ted Stevens Anchorage International  
22          Airport consists of three appointed members of the board chosen by the chair of the  
23          board. The advisory committee shall act as an advisor to the manager of the Ted  
24          Stevens Anchorage International Airport.

25          (c) The advisory committee for the Fairbanks International Airport consists of  
26          the three appointed members of the board chosen by the chair of the board. The  
27          advisory committee shall act as an advisor to the manager of the Fairbanks  
28          International Airport.

29          (d) The advisory committee for the Cold Bay Airport consists of three  
30          appointed members of the board chosen by the chair of the board. The advisory  
31          committee shall act as an advisor to the manager of the Cold Bay Airport.

1 **Article 4. Fiscal Procedures.**

2 **Sec. 02.45.300. Authority program and financial plan.** (a) The authority  
3 shall assure the development of a system of results-based operation designed to  
4 increase efficiency and effectiveness of programs and services of the authority.  
5 Toward that end, the authority shall, on a semi-annual basis, identify results-based  
6 measures that have been used to work toward achievement of the mission statement  
7 and desired results issued by the legislature and of other goals of the authority, and set  
8 out the results as measured. The authority shall also prepare information that shall be  
9 compiled and submitted on December 15 each year to the office of management and  
10 budget, the legislature, and the legislative finance division; this information must

11 (1) identify the mission of the authority and desired results established  
12 by the legislature;

13 (2) identify the goals and objectives the authority will use to achieve  
14 the legislature's mission and desired results;

15 (3) set out the results of any user-group surveys and, if the results do  
16 not agree with the mission and desired results, goals, and objectives, explain why;

17 (4) include written, defined methods of measuring results that apply to  
18 the responsibilities, products, and services of the authority;

19 (5) identify results-based measures that have been used to work toward  
20 achievement of the mission statement and desired results issued by the legislature and  
21 other goals of the authority, and set out the results as measured;

22 (6) identify surveys or other methods of gathering user-group opinions  
23 that have been used by the authority to identify ways to improve its programs;

24 (7) identify methods of measuring performance when the mission  
25 statement and desired results issued by the legislature involve more than one authority  
26 and make recommendations to eliminate duplication of government functions and  
27 waste;

28 (8) identify ways in which the authority has involved its employees in  
29 the development of methods of measuring results, including opportunities for  
30 employee representatives to participate in committees established to develop methods  
31 of measuring results;

1 (9) include the budget requested to carry out the authority's proposed  
2 plans in the succeeding fiscal year, including information reflecting the expenditures  
3 during the last fiscal year, the expenditures authorized for the current fiscal year, the  
4 expenditures proposed for the succeeding fiscal year, an explanation of the services to  
5 be provided, the total number of positions for all persons employed or under contract  
6 by the agency for personal services, including those rendered for capital improvement  
7 projects, the need for the services, the cost of the services, and other information  
8 requested by the office of management and budget;

9 (10) include a report of receipts of the authority during the last fiscal  
10 year, an estimate of receipts during the current fiscal year, and an estimate of receipts  
11 for the succeeding fiscal year;

12 (11) identify legislation required to implement the proposed programs  
13 and financial plans;

14 (12) include an evaluation of the advantages and disadvantages of  
15 specific alternatives to existing or proposed activities or administrative methods of the  
16 authority.

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

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

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

26 (e) The authority shall, with participation of its employees, develop methods  
27 for measuring authority results. A group or committee established by the authority to  
28 develop methods of measuring results shall include a representative of each of the  
29 bargaining units that represents employees of the authority.

30 **Sec. 02.45.310. Program execution.** (a) Except as limited by executive  
31 decisions of the governor, the mission statements and desired results issued by the

1 legislature, appropriations by the legislature, and other provisions of law, the authority  
 2 has power to administer its programs and is responsible for the proper management of  
 3 the airports.

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

8 **Sec. 02.45.320. Acceptance of money from federal and other sources.** The  
 9 authority may accept federal money and money from other public or private sources to  
 10 accomplish the purposes of this chapter; however, the authority may not expend the  
 11 money without appropriation of the money by the legislature. Federal money accepted  
 12 under this chapter shall be accepted and expended by the authority under the terms and  
 13 conditions prescribed by federal law and regulations.

14 **Sec. 02.45.330. Annual report.** By January 15 of each year, the authority  
 15 shall submit to the governor, the legislature, the mayor of the Municipality of  
 16 Anchorage, the mayor of the Fairbanks North Star Borough, the mayor of the City of  
 17 Fairbanks, the mayor of the City of Cold Bay, and the mayor of the Aleutians East  
 18 Borough a concise report describing the operations, income, and expenditures for the  
 19 preceding fiscal year. The report must contain information substantially similar to that  
 20 required by the Security and Exchange Commission form 10-K. The report must also  
 21 include financial statements audited by an independent outside auditor.

22 **Sec. 02.45.340. Annual audit.** The authority shall have a certified audit of its  
 23 financial records prepared annually by an independent certified public accountant.

24 **Sec. 02.45.350. Responsibility of authority for revenue bonds.** The  
 25 authority succeeds to all rights, duties, powers, and obligations of the state bond  
 26 committee regarding the issuance, sale, and repayment of revenue bonds authorized  
 27 under AS 37.15.410 - 37.15.550.

28 **Article 5. General Provisions.**

29 **Sec. 02.45.375. Authority employees.** (a) Employees of the authority are not  
 30 employees of the state.

31 (b) Notwithstanding (a) of this section, employees of the authority who were

1 state employees the day before they were transferred to the authority shall continue to  
 2 participate in the supplemental employee benefits program under AS 39.30.150 -  
 3 39.30.180 and in the public employees' retirement system under AS 39.35. The  
 4 authority shall pay the employer's contributions required under AS 39.30.150 -  
 5 39.30.180 and under AS 39.35.

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

7 **Sec. 02.45.380. Application of existing laws.** Unless specifically provided  
 8 otherwise in this chapter, the following laws do not apply to the operations of the  
 9 authority:

- 10 (1) AS 36.30, except as provided in that chapter;
- 11 (2) AS 37.07;
- 12 (3) AS 39, except as provided in this chapter;
- 13 (4) AS 44.62.010 - 44.62.300.

14 **Sec. 02.45.390. Definitions.** In this chapter, unless the context requires  
 15 otherwise,

16 (1) "airport" means the international airports owned and operated by  
 17 the state and located at or near the cities of Anchorage and Fairbanks and the airport  
 18 owned and operated by the state at or near the City of Cold Bay;

19 (2) "authority" means the Alaska Airport Authority;

20 (3) "board" means the board of directors of the authority;

21 (4) "bonds" means the international airports revenue bonds authorized  
 22 by AS 37.15.410 - 37.15.550;

23 (5) "capital improvement" means a project for the construction,  
 24 rehabilitation, rebuilding, enlarging, or improving of an airport, as determined by the  
 25 authority to be necessary or desirable for efficient operation of the airports operated by  
 26 the authority and to best serve the public.

27 **Sec. 02.45.395. Short title.** This chapter may be cited as the Alaska Airport  
 28 Authority Act.

29 \* **Sec. 3.** AS 02.15.010 is amended to read:

30 **Sec. 02.15.010. Purpose.** The purpose of this chapter is to

31 [(1) REPEALED

1                   (2)] encourage and develop aeronautics and the establishment and  
 2 operation of a state system of airports through cooperation **among the department,**  
 3 **the authority, and** [WITH] municipalities, and otherwise, including cooperation with  
 4 the federal government and acceptance and utilization of federal funds allotted for this  
 5 purpose.

6 \* **Sec. 4.** AS 02.15.020(b) is amended to read:

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

15 \* **Sec. 5.** AS 02.15.060 is amended to read:

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

20 \* **Sec. 6.** AS 02.15.070(a)

21                   (a) For the purposes specified in AS 02.15.060, the department may, by  
 22 purchase, gift, devise, lease, condemnation, or otherwise, acquire real or personal  
 23 property, or any interest in the property including easements in airport hazards or land  
 24 outside the boundaries of an airport or airport site, necessary to permit the removal,  
 25 elimination, obstruction-marking, or obstruction-lighting of airport hazards, or to  
 26 prevent the establishment of airport hazards. The department may acquire existing  
 27 airports and air navigation facilities in the same manner except it may not acquire or  
 28 take over an airport or air navigation facility owned or controlled by **the authority,** a  
 29 municipality, or **a** person without the consent of the **authority,** municipality or person.  
 30 is amended to read:

31 \* **Sec. 7.** AS 02.15.090(a) is amended to read:

1 (a) In operating an airport or air navigation facility owned or controlled by the  
 2 state **and subject to the jurisdiction of the department**, the department may enter  
 3 into contracts, leases, and other arrangements covering periods not exceeding 55 years  
 4 with a person, a municipality, or the United States, granting the privilege of using or  
 5 improving an airport or air navigation facility, [OR] a portion of **an airport or air**  
 6 **navigation facility**, [IT] or space in **an airport or air navigation facility** [IT] for  
 7 commercial, governmental, or other public purposes, including private plane tie down,  
 8 or conferring the privilege of supplying goods, commodities, services, or facilities at  
 9 an airport or air navigation facility. The department may establish the terms and  
 10 conditions and fix the charges, rentals, and fees for the privileges or services that are  
 11 reasonable and uniform for the same class of privilege or service. [CHARGES,  
 12 RENTALS, OR FEES AUTHORIZED BY THIS SUBSECTION MAY BE FIXED  
 13 FOR THE INTERNATIONAL AIRPORTS BY ORDER OF THE COMMISSIONER  
 14 OR BY NEGOTIATED OR COMPETITIVELY OFFERED CONTRACT.]  
 15 However, for the privilege of occupying or using a state-owned facility on an airport,  
 16 which facility is or will be acquired, constructed, equipped, installed, or improved  
 17 with the proceeds of indebtedness, the payment of which is secured solely by revenues  
 18 from customer facility charges, the department shall require occupants or users of all  
 19 or a portion of the facility to pay to the department, or shall require persons under  
 20 contract to occupy or use all or a portion of the existing or proposed facility to charge  
 21 their customers, a uniform customer facility charge stipulated by the department in an  
 22 amount sufficient to pay the principal of, interest on, and any other cost of debt service  
 23 on the indebtedness. Notwithstanding AS 37.10.050(a), the fixing of charges, rentals,  
 24 or fees as permitted under this subsection is not subject to the adoption of regulation  
 25 provisions of AS 44.62 (Administrative Procedure Act). The terms, conditions,  
 26 charges, rentals, and fees shall be established with due regard to the property and  
 27 improvements used and the expense of operation to the state. However, use of state  
 28 land and buildings by the Alaska Wing, Civil Air Patrol and its squadrons shall be  
 29 permitted without rental charges. If the department permits space in state-owned or  
 30 state-controlled airports **that are subject to the jurisdiction of the department** to be  
 31 used as lounges for members of the United States armed forces, the Alaska National

1 Guard, the Alaska Naval Militia, or the Alaska State Defense Force, and if the lounges  
 2 are operated by persons exempt from taxation under 26 U.S.C. 501(c)(3) (Internal  
 3 Revenue Code), rent may not be charged for the use of the space. The department  
 4 shall provide for public notice and an opportunity to comment before a charge, rental,  
 5 or fee is fixed by order of the commissioner as permitted under this subsection. The  
 6 public may not be deprived of its rightful, equal, and uniform use of the airport, air  
 7 navigation facility, or a portion of them.

8 \* **Sec. 8.** AS 02.15.090(b) is amended to read:

9 (b) The department may by contract or other arrangement, upon a  
 10 consideration fixed by **the department** [IT], grant to a qualified municipality or  
 11 person for a reasonable period of time the privilege of operating, as agent of the state  
 12 or otherwise, an airport owned or controlled by the state **and subject to the**  
 13 **jurisdiction of the department**. A municipality or person granted that privilege may  
 14 not operate the airport other than as a public airport or enter into a contract, lease, or  
 15 other arrangement in connection with the operation that the department may not have  
 16 undertaken under (a) or (c) - (e) of this section.

17 \* **Sec. 9.** AS 02.15.090(d) is amended to read:

18 (d) A [LAND] lessee **of land under this section** owns title to the permanent  
 19 improvements that the lessee constructed or purchased during the term of the lease,  
 20 unless the lease expressly provides that the state is the owner of the permanent  
 21 improvements.

22 \* **Sec. 10.** AS 02.15.090(f) is amended to read:

23 (f) The department shall require as a term of all aviation-related contracts,  
 24 leases, and other arrangements for use or occupancy of an airport operated by the  
 25 department [, INCLUDING THE INTERNATIONAL AIRPORTS,] that the parties to  
 26 the contract, lease, or other arrangement, including the department, shall be required to  
 27 reimburse each other according to the principles of comparative fault for amounts paid  
 28 others for personal injury and property damage. The apportionment of liability among  
 29 the parties to an agreement under this subsection may not affect the rights of persons  
 30 who are not parties to the agreement.

31 \* **Sec. 11.** AS 02.15.090(g) is amended to read:

1 (g) If the department determines that it is in the best interests of the state to  
 2 require that persons holding aviation-related leases, permits, or concession contracts  
 3 for use or occupancy of an airport operated by the department [, INCLUDING  
 4 INTERNATIONAL AIRPORTS,] provide insurance coverage, the department shall  
 5 develop and adopt by regulation guidelines for the types and limits of insurance  
 6 coverage required for aviation-related leases, permits, or concession contracts. The  
 7 department may authorize a variation from the coverage required by the regulation if  
 8 the department finds in writing that the variation is necessary considering the best  
 9 interests of the state and the unique circumstances underlying a specific aviation-  
 10 related lease, permit, or concession contract.

11 \* **Sec. 12.** AS 02.15.095 is amended to read:

12 **Sec. 02.15.095. Courtesy cars.** Notwithstanding the provisions of  
 13 AS 02.15.090(a), in operating an airport subject to the jurisdiction of the  
 14 department, the department may not exclude from the streets, roads, highways,  
 15 parking facilities, or other portions of the [A STATE-OPERATED] airport designated  
 16 for operation or parking of ground transportation vehicles, nor may the department  
 17 prohibit from picking up and discharging passengers [,] those motor vehicles  
 18 commonly known as "courtesy cars." In this section, "courtesy cars" means motor  
 19 vehicles [""] owned or operated by hotels, motels, or other similar places of public  
 20 accommodation for the transportation of their guests to and from the airport at the  
 21 request of the guest and for which service no charge is made to the guest.

22 \* **Sec. 13.** AS 02.15.100 is amended to read:

23 **Sec. 02.15.100. Liens.** The department may enforce the payment of any  
 24 charges for repairs, improvements, storage, or care of personal property made or  
 25 furnished by the department or its agents [,] in connection with the operation of an  
 26 airport or air navigation facility owned or operated by the state and subject to the  
 27 jurisdiction of the department. The state has those lien rights generally allowed by  
 28 law to secure payment for those services.

29 \* **Sec. 14.** AS 02.15.102 is amended to read:

30 **Sec. 02.15.102. Use of airports for utilities.** (a) A utility facility may be  
 31 constructed, placed, or maintained across, along, over, under, or within

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

4                   **(2) a state airport, subject to the jurisdiction of the authority**  
 5 **under AS 02.45, only under rules adopted by the authority and only if authorized**  
 6 **by written permit issued by the authority.**

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

9 \* **Sec. 15.** AS 02.15.104 is amended to read:

10                   **Sec. 02.15.104. Relocation of utility facilities incident to airport projects.**

11 (a) If, incident to the construction of an airport project, the department **or authority**  
 12 determines and orders that a utility facility located across, along, over, under, or within  
 13 a state airport **subject to its jurisdiction** must be changed, relocated, or removed, the  
 14 utility owning or maintaining the facility shall change, relocate, or remove **the facility**  
 15 [IT] in accordance with the order, within a reasonable time set by the department **or**  
 16 **authority** in the order.

17 (b) If the utility facility is not changed, relocated, or removed in accordance  
 18 with the order, a permit authorizing the facility issued by the department **or the**  
 19 **authority** under AS 02.15.102 becomes invalid, and the facility will be considered an  
 20 unauthorized encroachment subject to the provisions of AS 02.15.114.

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

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

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

30 (3) by the department **or the authority** as a cost of airport construction  
 31 [,] if the utility facility was installed before the location became part of a state airport

1 or before permits were required;

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

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

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

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

13 \* **Sec. 16.** AS 02.15.106 is amended to read:

14 **Sec. 02.15.106. Encroachment permits.** An encroachment may be  
 15 constructed, placed, changed, or maintained across or within an airport, but only in  
 16 accordance with regulations or procedures adopted by the department for airports  
 17 subject to the jurisdiction of the department or with rules adopted by the  
 18 authority for airports subject to the jurisdiction of the authority. An  
 19 encroachment may not be constructed, placed, maintained, or changed until the  
 20 encroachment [IT] is authorized by a written permit issued by the department or the  
 21 authority, unless the department or the authority provides otherwise by regulation  
 22 or rule. The department or the authority may charge a fee for a permit that it issues  
 23 [ISSUED] under this section.

24 \* **Sec. 17.** AS 02.15.108 is amended to read:

25 **Sec. 02.15.108. Relocation or removal of encroachment.** If, incidental to  
 26 the construction or maintenance of a state airport, the department or the authority  
 27 determines and orders that an encroachment previously authorized by written permit  
 28 must be changed, relocated, or removed, the owner of the encroachment shall change,  
 29 relocate, or remove the encroachment [IT] within a reasonable time set by the  
 30 department or the authority in the order. The cost of the change, relocation, or  
 31 removal shall be paid as provided in AS 02.15.104(c). If the owner does not change,

1 relocate, or remove an encroachment within the time set by the department **or the**  
 2 **authority**, the encroachment will be considered an unauthorized encroachment subject  
 3 to the provisions of AS 02.15.114.

4 \* **Sec. 18.** AS 02.15.110 is amended to read:

5 **Sec. 02.15.110. Unauthorized encroachments.** If an unauthorized  
 6 encroachment exists in, on, under, or over a state airport, the department **or the**  
 7 **authority, as appropriate**, may require the removal of the encroachment, at the  
 8 expense of the owner, in the manner provided in AS 02.15.112 - 02.15.114.

9 \* **Sec. 19.** AS 02.15.112 is amended to read:

10 **Sec. 02.15.112. Notice of removal of unauthorized encroachment.** **The**  
 11 **department or the authority, as appropriate, shall give notice to** [NOTICE  
 12 SHALL BE GIVEN] the owner, occupant, or person in possession of an unauthorized  
 13 encroachment, or to another person causing or permitting the encroachment to exist,  
 14 by serving upon any of them a notice demanding the removal of the encroachment  
 15 within a time limit set by the department **or the authority**. The notice must describe  
 16 the encroachment with reasonable certainty as to its character and location. Service of  
 17 the notice may be made by certified mail.

18 \* **Sec. 20.** AS 02.15.114 is amended to read:

19 **Sec. 02.15.114. Removal at owner's expense after noncompliance; removal**  
 20 **expense.** After a failure of the owner of an unauthorized encroachment to comply  
 21 with a notice or order of the department **or the authority** under AS 02.15.104,  
 22 02.15.108, or 02.15.112, the department **or the authority, as appropriate**, may  
 23 remove the encroachment, or cause **the encroachment** [IT] to be removed. The  
 24 owner of the unauthorized encroachment shall pay to the department **or the authority**

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

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

30 (3) costs and expense of suit.

31 \* **Sec. 21.** AS 02.15.120 is amended to read:

1           **Sec. 02.15.120. Assistance to construct, enlarge, or improve air navigation**  
 2 **facilities.** The department may match available funds with those of **the authority,**  
 3 municipalities, federal agencies, or other state agencies, for project costs relating to the  
 4 construction, enlargement, or improvement of airports. The department may assist  
 5 persons in the construction, enlargement, and improvement of airports and air  
 6 navigation facilities. The airports and facilities, until they are abandoned as such,  
 7 shall be at all times available for the use of and accessible to the general public, and  
 8 maintained as public airports and facilities.

9 \* **Sec. 22.** AS 02.15.130 is amended to read:

10           **Sec. 02.15.130. Assistance to the authority, the federal government,**  
 11 **municipalities, and other persons.** The department may make available its  
 12 engineering, maintenance, and other services, with or without charge, to **the**  
 13 **authority,** the federal government, [OR TO] a municipality, or **a** person in connection  
 14 with the planning, acquisition, construction, improvement, maintenance, or operation  
 15 of airports or air navigation facilities.

16 \* **Sec. 23.** AS 02.15.210 is amended to read:

17           **Sec. 02.15.210. Exclusive rights prohibited.** The department may not grant  
 18 an exclusive right for the use of an airway, airport, or air navigation facility under its  
 19 jurisdiction. This section does not prevent the making of contracts, leases, and other  
 20 arrangements under AS 02.15.060 - 02.15.100 and 02.15.120, including exclusive  
 21 contracts for the sale and delivery of in-bond merchandise [DESCRIBED IN  
 22 AS 02.15.091].

23 \* **Sec. 24.** AS 02.15.260 is amended by adding a new paragraph to read:

24           (18) "authority" means the Alaska Airport Authority.

25 \* **Sec. 25.** AS 02.25.110(4) is amended to read:

26           (4) "department" means the Department of Transportation and Public  
 27 Facilities **with regard to airports that are not subject to AS 02.45 and the Alaska**  
 28 **Airport Authority with regard to airports that are subject to AS 02.45;**

29 \* **Sec. 26.** AS 02.25.110 is amended by adding a new paragraph to read:

30           (8) "regulation" includes rules adopted by the board of directors of the  
 31 Alaska Airport Authority.

1 \* **Sec. 27.** AS 18.65.290(6) is amended to read:

2 (6) "police officer" means

3 (A) a full-time employee of the state or a municipal police  
4 department with the authority to arrest and issue citations; detain a person  
5 taken into custody until that person can be arraigned before a judge or  
6 magistrate; conduct investigations of violations of and enforce criminal laws,  
7 regulations, and traffic laws; search with or without a warrant persons,  
8 dwellings, and other forms of property for evidence of a crime; and take other  
9 action consistent with exercise of these enumerated powers when necessary to  
10 maintain the public peace;

11 (B) an officer or employee of the **Alaska Airport Authority**  
12 [DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES]  
13 who is stationed at an international airport and has been designated to have the  
14 general police powers authorized under **AS 02.45.220** [AS 02.15.230(a)];

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

17 \* **Sec. 28.** AS 19.10.270 is amended by adding a new subsection to read:

18 (d) In this section,

19 (1) "commissioner" means the commissioner of transportation and  
20 public facilities with regard to airports not subject to AS 02.45 and the board of  
21 directors of the Alaska Airport Authority with regard to airports subject to AS 02.45;

22 (2) "regulation" includes a rule adopted by the board of directors of the  
23 Alaska Airport Authority.

24 \* **Sec. 29.** AS 23.10.037(b) is amended to read:

25 (b) The provisions of (a) of this section do not apply to the state or a political  
26 subdivision of the state when dealing with police officers in its employ or with persons  
27 applying to be employed as police officers. In this subsection, "police officers"  
28 includes officers and employees of the **Alaska Airport Authority** [DEPARTMENT  
29 OF TRANSPORTATION AND PUBLIC FACILITIES] who are stationed at an  
30 [INTERNATIONAL] airport **operated by the authority** and have been designated to  
31 have the general police powers authorized under **AS 02.45.220** [AS 02.15.230(a)].

1 \* **Sec. 30.** AS 35.27 is amended by adding a new section to read:

2           **Sec. 35.27.025. Application to the Alaska Airport Authority.** This chapter  
3 applies to the Alaska Airport Authority. Compliance with this chapter is the sole  
4 responsibility of the Alaska Airport Authority with regard to the public buildings and  
5 facilities of the authority.

6 \* **Sec. 31.** AS 35.27.030(1) is amended to read:

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

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

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

11                                  (ii) other buildings **that** [WHICH] the commissioner  
12 determines are designed for substantial public use;

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

14                                  (iv) transportation facilities **that** [WHICH]  
15 accommodate traveling passengers;

16                           (B) excludes other transportation facilities;

17 \* **Sec. 32.** AS 36.10.180(a) is amended to read:

18           (a) The preferences established in AS 36.10.150 - 36.10.175 apply to work  
19 performed

20                           (1) under a contract for construction, repair, preliminary surveys,  
21 engineering studies, consulting, maintenance work, or any other retention of services  
22 necessary to complete a given project that is let by the state or an agency of the state, a  
23 department, office, state board, commission, public corporation, or other  
24 organizational unit of or created under the executive, legislative, or judicial branch of  
25 state government, including the University of Alaska, **the Alaska Airport Authority**,  
26 and the Alaska Railroad Corporation, or by a political subdivision of the state  
27 including a regional school board with respect to an educational facility under  
28 AS 14.11.020;

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

31                           (3) on a public works project under a grant to a named recipient under

1 AS 37.05.316;

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

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

6 \* **Sec. 33.** AS 36.30.015(e) is amended to read:

7 (e) The board of directors of the Alaska Railroad Corporation, **the board of**  
8 **directors of the Alaska Airport Authority**, and the board of directors of the Alaska  
9 Aerospace Development Corporation shall adopt procedures to govern the  
10 procurement of supplies, services, professional services, and construction. The  
11 procedures must be substantially equivalent to the procedures prescribed in this  
12 chapter and in regulations adopted under this chapter. Notwithstanding the other  
13 provisions of this subsection, the Alaska Railroad Corporation, **the Alaska Airport**  
14 **Authority**, and the Alaska Aerospace Development Corporation shall comply with  
15 AS 36.30.170(b), and, when the Department of Transportation and Public Facilities  
16 authorizes the Alaska Railroad Corporation to perform construction work instead of  
17 the Department of Transportation and Public Facilities, the Alaska Railroad  
18 Corporation shall use competitive sealed bidding or competitive sealed proposals  
19 under AS 36.30.100 - 36.30.270 to procure the supplies, services, professional  
20 services, and construction services necessary for the work and, to ensure the state  
21 obtains the lowest cost for the project, may submit a bid or proposal for the work.

22 \* **Sec. 34.** AS 36.30.050(c) is amended to read:

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

27 \* **Sec. 35.** AS 36.30.850(b)(8) is amended to read:

28 (8) acquisitions or disposals of property and other contracts relating to  
29 airports under AS 02.15.070, 02.15.090, **AS 02.45.120, 02.45.200, 02.45.210**  
30 [02.15.091], and AS 44.88;

31 \* **Sec. 36.** AS 36.30.990(1) is amended to read:

1 (1) "agency"

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

5 (B) does not include

6 (i) the University of Alaska;

7 (ii) the Alaska Railroad Corporation;

8 (iii) the Alaska Housing Finance Corporation;

9 (iv) a regional Native housing authority created under  
10 AS 18.55.996 or a regional electrical authority created under  
11 AS 18.57.020;

12 (v) the Department of Transportation and Public  
13 Facilities, in regard to the repair, maintenance, and reconstruction of  
14 vessels, docking facilities, and passenger and vehicle transfer facilities  
15 of the Alaska marine highway system;

16 (vi) the Alaska Aerospace Development Corporation;

17 (vii) the Alaska State Pension Investment Board;

18 (viii) the Alaska Seafood Marketing Institute;

19 **(ix) the Alaska Airport Authority;**

20 \* **Sec. 37.** AS 37.05 is amended by adding a new section to article 1 to read:

21 **Sec. 37.05.055. Delegation to the Alaska Airport Authority.** The  
22 commissioner of administration may delegate the performance of the functions under  
23 this chapter as they relate to the Alaska Airport Authority to the authority and set the  
24 criteria and guidelines that shall be followed.

25 \* **Sec. 38.** AS 37.15.415 is amended to read:

26 **Sec. 37.15.415. Continuing revenue bond debt service appropriation.** The  
27 amounts required annually to pay the principal, interest, and redemption premium on  
28 all issued and outstanding international airports revenue bonds of the state are  
29 appropriated each fiscal year from the international airports revenue fund to the **board**  
30 [STATE BOND COMMITTEE] to make all required payments of principal, interest,  
31 and redemption premium.

1 \* **Sec. 39.** AS 37.15.420(b) is amended to read:

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

6 \* **Sec. 40.** AS 37.15.420(c) is amended to read:

7 (c) By January 1 of each year, the **board** [COMMISSIONER OF  
8 TRANSPORTATION AND PUBLIC FACILITIES] shall submit to the legislature an  
9 annual spending plan that contains information regarding the planned expenditure of  
10 money from the construction fund during the next fiscal year and information on  
11 certain expenditures made during the previous fiscal year. The spending plan must  
12 include

13 (1) the total amount of money to be spent from the construction fund;

14 (2) a description of the work to be performed on airport facilities that  
15 will be financed with money from the construction fund;

16 (3) the amount from the construction fund that will be spent under  
17 contracts with the private sector and a description of the goods or services to be  
18 provided to the state under each of the contracts;

19 (4) the amounts that the state will spend from the construction fund for  
20 purposes other than contract payments and a description of each of those purposes,  
21 including financing costs, administrative and other overhead costs, and contingencies;

22 (5) the amounts spent during the previous fiscal year for cost overruns  
23 on projects financed in whole or part with money from the construction fund and the  
24 sources of money used for those cost overruns;

25 (6) identification of time delays that occurred during the previous  
26 fiscal year on projects financed in whole or part with money from the construction  
27 fund and amounts spent as a result of the delays.

28 \* **Sec. 41.** AS 37.15.430(b) is amended to read:

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

1 of the revenue fund.

2 \* **Sec. 42.** AS 37.15.430(c) is amended to read:

3 (c) For proceeds of a customer facility charge set by the **board under**  
 4 **AS 02.45.200** [COMMISSIONER OF TRANSPORTATION AND PUBLIC  
 5 FACILITIES UNDER AS 02.15.090] but required to be charged to customers by  
 6 occupants or users of a facility acquired, constructed, equipped, installed, or improved  
 7 with the proceeds of indebtedness incurred by a person other than the state to acquire,  
 8 construct, equip, install, or improve the facility for state ownership,

9 (1) the **board** [DEPARTMENT OF TRANSPORTATION AND  
 10 PUBLIC FACILITIES] shall by **rule** [REGULATION] or contract require that the  
 11 proceeds of the customer facility charge be remitted directly to a bond trustee  
 12 designated to receive such proceeds and to pay the principal of or interest on, and any  
 13 other cost of debt services on, the indebtedness; and

14 (2) such proceeds may not be considered a revenue of the state.

15 \* **Sec. 43.** AS 37.15.440 is amended to read:

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

29 \* **Sec. 44.** AS 37.15.450(a) is amended to read:

30 (a) The bonds may be sold at public or private sale in the manner, in the  
 31 amounts or series, and at the time or times that the **board** [COMMITTEE] determines.

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

6           \* **Sec. 45.** AS 37.15.450(b) is amended to read:

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

1 [COMMITTEE] may prescribe.

2 \* **Sec. 46.** 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. 47.** 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 **the bonds** [THEM] as provided in (a), (b), and (c) of this section, the  
14 decisions of the **board** [COMMITTEE] shall be those found to be reasonably  
15 necessary for the best interests of the state and its inhabitants, and those that will  
16 accomplish the most advantageous sale of the bonds, with due regard, however, to  
17 necessary or normal costs of maintenance and operation, renewals, and replacements  
18 of and repairs to the airports and to all improvements to them and facilities of them  
19 owned, used, operated, or leased in connection with them, the future growth and  
20 expansion of the airports and all of **the** [SUCH] facilities, and the possibility of  
21 additional revenue bond financing for airports purposes. Any such decisions of the  
22 **board** [COMMITTEE], as expressed in any bond resolution, are final and conclusive  
23 when any bonds have been issued **under** [PURSUANT TO] the bond resolution.

24 \* **Sec. 48.** AS 37.15.460 is amended to read:

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

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

3 \* **Sec. 49.** 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 in  
6 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 or  
11 resolutions, and shall also certify [TO THE COMMISSIONERS] the last date or dates  
12 upon which payments may be made.

13 \* **Sec. 50.** AS 37.15.500 is amended to read:

14 **Sec. 37.15.500. Airport charges.** As provided in **AS 02.45.200, the board**  
15 [AS 02.15.090(a), THE COMMISSIONER OF TRANSPORTATION AND PUBLIC  
16 FACILITIES] shall fix and collect the fees, charges, and rentals derived by the state  
17 from the ownership, lease, use, and operation of the airports and all of the facilities  
18 and improvements that will provide revenue sufficient to comply with all of the  
19 covenants of the bond resolution.

20 \* **Sec. 51.** AS 37.15.510 is amended to read:

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

27 \* **Sec. 52.** AS 37.15.520(a) is amended to read:

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

1 \* **Sec. 53.** AS 37.15.520(b) is amended to read:

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

8 \* **Sec. 54.** AS 37.15.550(3) is amended to read:

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

11 \* **Sec. 55.** AS 37.15.550 is amended by adding a new paragraph to read:

12 (10) "board" means the board of directors of the Alaska Airport  
13 Authority, or any other committee, body, department, or officer of the state that  
14 succeeds to the rights, powers, duties, and obligations of the board by Act of the  
15 legislature.

16 \* **Sec. 56.** AS 38.05.030(b) is amended to read:

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

24 \* **Sec. 57.** AS 38.05.030 is amended by adding a new subsection to read:

25 (h) Except for land that is required to be returned to the department under (b)  
26 of this section, the Alaska Airport Authority may dispose of real property (1) acquired  
27 by the authority under AS 02.45.120, or (2) acquired by the Department of  
28 Transportation and Public Facilities under AS 02.15.070 and transferred to the  
29 authority under provisions of the Act creating the authority. Land conveyed under this  
30 section to a municipality for less than fair market value shall be credited against the  
31 municipality's entitlement under AS 29.65.

1 \* **Sec. 58.** AS 39.35 is amended by adding a new section to read:

2 **Sec. 39.35.152. Alaska Airport Authority employees.** (a) An employee of  
3 the Alaska Airport Authority who was an employee of the state on the day before the  
4 employee was transferred to the authority under sec. 65 of this Act shall be included in  
5 the system.

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

9 \* **Sec. 59.** AS 39.50.200(b) is amended by adding a new paragraph to read:

10 (58) Alaska Airport Authority (AS 02.45.010).

11 \* **Sec. 60.** AS 39.52.960(2) is amended to read:

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

16 \* **Sec. 61.** AS 39.52.960(4) is amended to read:

17 (4) "board or commission" means a board, commission, authority, or  
18 board of directors of a public or quasi-public corporation, established by statute in the  
19 executive branch, including the Alaska Railroad **Corporation and the Alaska**  
20 **Airport Authority**, but excluding members of a negotiated regulation making  
21 committee under AS 44.62.710 - 44.62.800;

22 \* **Sec. 62.** AS 39.52.960(12) is amended to read:

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

28 \* **Sec. 63.** AS 44.42.020(a)(7) is amended to read:

29 (7) manage, operate, and maintain state transportation facilities and all  
30 docks, floats, breakwaters, and buildings, including all state highways, vessels,  
31 railroads, pipelines, **and** airports [,] and aviation facilities **other than airports and**



1 of this section, the Alaska Airport Authority shall operate under personnel rules adopted  
 2 under AS 39 until January 1, 2005, or until the authority adopts its own personnel rules under  
 3 AS 02.45.100(b), as added by sec. 2 of this Act, whichever occurs first.

4 \* **Sec. 66.** The uncodified law of the State of Alaska is amended by adding a new section to  
 5 read:

6 INTERIM MANAGEMENT OF THE AIRPORTS. (a) Notwithstanding other  
 7 provisions of this Act, until the board of directors of the Alaska Airport Authority convenes  
 8 its first meeting, the commissioner of transportation and public facilities shall manage the  
 9 state-owned and state-operated international airports at Anchorage and Fairbanks and the  
 10 state-owned and state-operated airport at Cold Bay under applicable laws that are in effect on  
 11 the day before the effective date of sec. 1 of this Act.

12 (b) Notwithstanding AS 02.45.060, as added by sec. 2 of this Act, the commissioner  
 13 of transportation and public facilities is the chair pro tempore of the board of directors of the  
 14 Alaska Airport Authority until the board elects a chair from among its members at its first  
 15 meeting.

16 (c) The board of directors of the Alaska Airport Authority shall convene its first  
 17 meeting after appointment of at least five members of the board by the governor.

18 \* **Sec. 67.** The uncodified law of the State of Alaska is amended by adding a new section to  
 19 read:

20 INITIAL APPOINTMENTS. Notwithstanding AS 02.45.020, as added by sec. 2 of  
 21 this Act, and AS 39.05.055, the governor shall appoint the initial members of the board of  
 22 directors of the Alaska Airport Authority to terms as follows:

- 23 (1) one member to a term of one year;
- 24 (2) two members to terms of two years;
- 25 (3) two members to terms of three years;
- 26 (4) two members to terms of four years.

27 \* **Sec. 68.** The uncodified law of the State of Alaska is amended by adding a new section to  
 28 read:

29 TRANSFER OF RESPONSIBILITY FOR INTERNATIONAL AIRPORTS  
 30 REVENUE BONDS. All rights, duties, powers, obligations, and authorities of the state bond  
 31 committee in regard to international airports revenue bonds under AS 37.15.410 - 37.15.550

1 are transferred to the Alaska Airport Authority.

2 \* **Sec. 69.** The uncodified law of the State of Alaska is amended by adding a new section to  
3 read:

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

10 \* **Sec. 70.** AS 02.15.091, 02.15.260(13); and AS 39.25.120(c)(11) are repealed.

11 \* **Sec. 71.** AS 37.15.550(5), 37.15.550(6), and 37.15.550(7) are repealed.

12 \* **Sec. 72.** AS 02.45.375 and 02.45.380, as added by sec. 2 of this Act, and secs. 63, 65, and  
13 70 of this Act take effect on the day on which the board of directors of the Alaska Airport  
14 Authority convenes its first meeting. The commissioner of transportation and public facilities  
15 shall inform the revisor of statutes and the lieutenant governor of the date on which the board  
16 of directors of the Alaska Airport Authority convenes its first meeting.

17 \* **Sec. 73.** AS 02.45.350, as added by sec. 2 of this Act, and secs. 38 - 55, 64, 68, and 71 of  
18 this Act take effect on January 1 of the calendar year following the calendar year in which the  
19 board of directors of the Alaska Airport Authority convenes its first meeting. The  
20 commissioner of transportation and public facilities shall inform the revisor of statutes and the  
21 lieutenant governor of the date on which the board of directors of the Alaska Airport  
22 Authority convenes its first meeting.

23 \* **Sec. 74.** Except as provided by secs. 72 and 73 of this Act, this Act takes effect July 1,  
24 2004.