

CS FOR SENATE BILL NO. 395(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered: 5/1/04

Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to application of municipal ordinances providing for planning,**
2 **plating, and land use regulation to interests in land owned by the Alaska Railroad**
3 **Corporation; authorizing the Alaska Railroad Corporation to extend its rail line to Fort**
4 **Greely, Alaska; authorizing the Alaska Railroad Corporation to issue bonds to finance**
5 **the cost of the extension and necessary facilities and equipment; and providing for an**
6 **effective date."**

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

8 * **Section 1.** AS 42.40.390 is amended by adding a new subsection to read:

9 (b) Municipal ordinances providing for planning, platting, and land use
10 regulation adopted under AS 29.35.180 or other law do not apply to the land of the
11 corporation unless the land is leased to another person by the corporation and the
12 corporation has not retained a right to use the land during the term of the lease.

13 * **Sec. 2.** AS 42.40 is amended by adding a new section to read:

1 **Article 6A. Specific Projects.**

2 **Sec. 42.40.550. Extension of railroad to Fort Greely.** The corporation may
 3 acquire a transportation corridor between the existing railroad corridor and Fort
 4 Greely, Alaska, and construct a rail line within the corridor to provide rail service to
 5 the Fort Greely area and points between. The transportation corridor may be
 6 designated for a use identified under AS 42.40.350(b) and other transportation and
 7 utility uses. The corporation may also acquire land along the corridor for use as rail
 8 land that can be developed for terminal, station, and maintenance facilities, switching
 9 yards, and any other purposes associated with the railroad utility corridor. The
 10 corporation may provide financing for the acquisition, construction, improvement,
 11 maintenance, equipping, and operation of the rail line and related facilities between
 12 the existing railroad corridor and Fort Greely, Alaska.

13 * **Sec. 3.** AS 42.40.695 is amended to read:

14 **Sec. 42.40.695. Public purpose of bonds.** Bonds of the corporation issued to
 15 finance facilities described in AS 42.40.250(31) **and bonds of the corporation issued**
 16 **to finance facilities described in AS 42.40.550** are issued by a public corporation and
 17 an instrumentality of the state for an essential public and governmental purpose.

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

20 LEGISLATIVE AUTHORIZATION AND APPROVAL. (a) The Alaska Railroad
 21 Corporation is authorized to issue bonds under the power granted to it in AS 42.40.550, added
 22 by sec. 2 of this Act, to finance the acquisition, construction, improvement, maintenance,
 23 equipping, and operation of a rail line and related facilities from its existing railroad corridor
 24 to Fort Greely, Alaska. The maximum principal amount of bonds that the Alaska Railroad
 25 Corporation may issue under this section is \$500,000,000. The Alaska Railroad Corporation
 26 may issue the bonds in a single issuance or in several issuances, without limitation as to
 27 number of issuances or timing, and as the Alaska Railroad Corporation determines best
 28 furthers the purpose of financing the rail line extension to Fort Greely and the related
 29 facilities.

30 (b) Before issuing bonds to provide the financing described in this section, the Alaska
 31 Railroad Corporation shall enter into an agreement with the United States government that

1 will, in the judgment of the corporation, provide sufficient consideration to
2 (1) pay the principal of and interest on the bonds as they become due;
3 (2) create and maintain the reserves for the bond payments that the
4 corporation considers necessary or desirable; and
5 (3) pay all costs necessary to service or additionally secure the bonds,
6 including trustee's fees and bond insurance premiums, unless those costs are to be paid by a
7 party other than the corporation.
8 (c) This section constitutes the approval required by AS 42.40.285 for the issuance of
9 the bonds and rail line extension described in this section.
10 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).