

**CS FOR SENATE BILL NO. 395(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

**BY THE SENATE FINANCE COMMITTEE**

**Offered: 5/6/04**

**Referred: Today's Calendar**

**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 new subsections to read:

9 (b) Notwithstanding (a) of the section, municipal ordinances providing for  
10 planning, plating, and land use regulation adopted under AS 29.35.180 or other law  
11 apply to the land of the corporation to the extent permitted under federal law. Under  
12 49 U.S.C. 10501(b), municipal ordinances providing for planning, plating, and land  
13 use regulation adopted under AS 29.35.180 or other law do not apply to the practices,

1 routes, services, and rail facilities of the corporation and the construction, acquisition,  
 2 operation, abandonment, or discontinuance of spur, industrial, team, switching, or side  
 3 tracks or other rail facilities on land of the corporation unless the land is leased to  
 4 another person by the corporation and the corporation has not retained a right to use  
 5 the land during the term of the lease. For the purposes of this subsection, "rail  
 6 facilities" includes tracks, rail yards, repair shops, and maintenance buildings, freight  
 7 and passenger terminals, rail car loading and unloading structures, operation centers,  
 8 supply warehouses, communication structures, and other facilities directly related to  
 9 railroad operations, but does not include rock quarries or gravel pits.

10 (c) By January 10 of each year, the corporation shall provide notice to  
 11 municipalities of any new land use proposed for that year by the corporation within  
 12 municipal boundaries. The corporation shall provide amended notice if a proposed  
 13 land use is changed or an additional land use is proposed during the course of the year.  
 14 Except in the event of an emergency, an affected municipality shall have at least 30  
 15 days after its receipt of the notice to provide advisory comments to the corporation. In  
 16 the event of an emergency, the corporation shall provide notice to an affected  
 17 municipality promptly after the event.

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

19 **Article 6A. Specific Projects.**

20 **Sec. 42.40.550. Extension of railroad to Fort Greely.** The corporation may  
 21 acquire a transportation corridor between the existing railroad corridor and Fort  
 22 Greely, Alaska, and construct a rail line within the corridor to provide rail service to  
 23 the Fort Greely area and points between. The transportation corridor may be  
 24 designated for a use identified under AS 42.40.350(b) and other transportation and  
 25 utility uses. The corporation may also acquire land along the corridor for use as rail  
 26 land that can be developed for terminal, station, and maintenance facilities, switching  
 27 yards, and any other purposes associated with the railroad utility corridor. The  
 28 corporation may provide financing for the acquisition, construction, improvement,  
 29 maintenance, equipping, and operation of the rail line and related facilities between  
 30 the existing railroad corridor and Fort Greely, Alaska.

31 \* **Sec. 3.** AS 42.40.695 is amended to read:

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

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

7           LEGISLATIVE AUTHORIZATION AND APPROVAL. (a) The Alaska Railroad  
 8           Corporation is authorized to issue bonds under the power granted to it in AS 42.40.550, added  
 9           by sec. 2 of this Act, to finance the acquisition, construction, improvement, maintenance,  
 10          equipping, and operation of a rail line and related facilities from its existing railroad corridor  
 11          to Fort Greely, Alaska. The maximum principal amount of bonds that the Alaska Railroad  
 12          Corporation may issue under this section is \$500,000,000. The Alaska Railroad Corporation  
 13          may issue the bonds in a single issuance or in several issuances, without limitation as to  
 14          number of issuances or timing, and as the Alaska Railroad Corporation determines best  
 15          furthers the purpose of financing the rail line extension to Fort Greely and the related  
 16          facilities.

17          (b) Before issuing bonds to provide the financing described in this section, the Alaska  
 18          Railroad Corporation shall enter into a binding agreement with the United States government  
 19          that will provide sufficient revenue to

20                  (1) pay the principal of and interest on the bonds as they become due;

21                  (2) create and maintain the reserves for the bond payments that the  
 22          corporation considers necessary or desirable; and

23                  (3) pay all costs necessary to service or additionally secure the bonds,  
 24          including trustee's fees and bond insurance premiums, unless those costs are to be paid by a  
 25          party other than the corporation.

26          (c) This section constitutes the approval required by AS 42.40.285 for the issuance of  
 27          the bonds and rail line extension described in this section.

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

30          RAILROAD PLANNING, PLATTING, AND LAND USE REGULATION TASK  
 31          FORCE. (a) There is established in the legislative branch of state government the Railroad

1 Planning, Platting, and Land Use Regulation Task Force. The task force consists of the  
2 following members:

3 (1) one senator appointed by the president of the senate;

4 (2) one representative appointed by the speaker of the house of  
5 representatives;

6 (3) one person representing the Alaska Railroad Corporation jointly appointed  
7 by the president of the senate and the speaker of the house of representatives;

8 (4) one municipal official from each of the following municipalities appointed  
9 jointly by the president of the senate and the speaker of the house of representatives:

10 (A) Fairbanks North Star Borough;

11 (B) City of Fairbanks;

12 (C) City of Nenana;

13 (D) City of Houston;

14 (E) City of North Pole;

15 (F) City of Wasilla;

16 (G) City of Palmer;

17 (H) Municipality of Anchorage;

18 (I) Denali Borough;

19 (J) Kenai Peninsula Borough;

20 (K) Matanuska-Susitna Borough;

21 (L) City of Whittier;

22 (M) City of Seward.

23 (b) The members of the task force appointed under (a)(1) and (2) of this section shall  
24 serve as co-chairs of the task force. The task force shall meet as frequently as its members  
25 determine necessary and may meet during sessions or during the interim. The task force may  
26 meet and vote by teleconference.

27 (c) The members of the task force appointed under (a)(3) and (4) of this section are  
28 not eligible for compensation or entitled to per diem and travel expenses authorized for boards  
29 and commissions under AS 39.20.180.

30 (d) The task force shall consider and make recommendation to the legislature on  
31 whether and to what extent municipal planning, platting, and land use regulations should

1 apply to interests in land owed by the Alaska Railroad Corporation. The task force shall  
2 submit a written report of its findings and recommendations on or before the first day of the  
3 First Regular Session of the Twenty-Fourth Alaska State Legislature.

4 \* **Sec. 6.** Section 5 of this Act is repealed on the second day of the First Regular Session of  
5 the Twenty-Fourth Alaska State Legislature.

6 \* **Sec. 7.** AS 42.40.390(b) is repealed on July 1, 2005.

7 \* **Sec. 8.** This Act takes effect immediately under AS 01.10.070(c).