

HOUSE BILL NO. 400

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 3/14/22

Referred: Transportation, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act providing that the Alaska Railroad Corporation is subject to the Executive**
2 **Budget Act; providing that expenditures of the Alaska Railroad Corporation are subject**
3 **to appropriation; and providing for an effective date."**

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

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

7 PURPOSE. The purpose of this Act is to direct the Alaska Railroad Corporation to be
8 responsible for the management of the financial and legal obligations of the Alaska Railroad,
9 subject to AS 37.07 (Executive Budget Act), and to be responsible for the operating, capital,
10 and debt service expenditures of the corporation in accordance with appropriations made by
11 the legislature.

12 *** Sec. 2.** AS 37.07.120(1) is amended to read:

13 (1) "agency" means a department, officer, institution, board,
14 commission, bureau, division, or other administrative unit forming the state

government and includes the Alaska Railroad Corporation, the Alaska Pioneers' Home, the Alaska Veterans' Home, and the University of Alaska, but does not include the legislature or the judiciary;

* **Sec. 3.** AS 40.25.115(i) is amended to read:

(i) A public agency other than a municipality [OR THE ALASKA RAILROAD CORPORATION] shall separately account for the fees received by the agency under this section and deposited in the general fund. The annual estimated balance in the account may be used by the legislature to make appropriations to the agency to carry out the activities of the agency.

* **Sec. 4.** AS 42.40.540 is amended to read:

Sec. 42.40.540. Appropriations. The corporation shall [MAY] request, in accordance with AS 37.07, appropriations [THE CONCURRENCE OF THE GOVERNOR, A DIRECT APPROPRIATION OR GRANT] from the legislature to carry [ASSIST IN CARRYING] out the provisions of this chapter.

* **Sec. 5.** AS 42.40 is amended by adding a new section to article 6 to read:

Sec. 42.40.545. Compliance with Executive Budget Act. (a) The operating budget of the corporation and a subsidiary of the corporation are subject to AS 37.07 (Executive Budget Act).

(b) To further ensure effective budgetary decision making by the legislature, the corporation shall

(1) annually review the corporation's assets to determine whether assets of the corporation exceed an amount required to fulfill the purposes of the corporation as defined in this chapter; in making its review, the board shall determine whether, and to what extent, assets in excess of the amount required to fulfill the purposes of the corporation during the next fiscal year are available without

(A) breaching an agreement entered into by the corporation;

(B) materially impairing the operations or financial integrity of the corporation; or

(C) materially affecting the ability of the corporation to fulfill the purposes of the corporation as defined in this chapter;

(2) specifically identify in the corporation's assets the amounts that the

1 board believes are necessary to meet the requirements of (1)(C) of this subsection; and
2 (3) present to the legislature by January 10 of each year a complete
3 accounting of all assets of the corporation and a report of the review and determination
4 made under (1) and (2) of this subsection; the accounting shall be audited by an
5 independent outside auditor.

6 * **Sec. 6.** AS 42.40.100(4) and 42.40.920(b)(6) are repealed.

7 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 PREPARATION AND SUBMISSION OF FIRST ANNUAL BUDGET OF THE
10 ALASKA RAILROAD CORPORATION UNDER AS 37.07. The Alaska Railroad
11 Corporation shall prepare its first agency program and financial plan under AS 37.07 for
12 consideration by the governor in the development of the governor's recommended operating
13 and capital improvements programs and financial plans that are submitted to the legislature at
14 the next regular session of the legislature that convenes following the effective date of this
15 Act.

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