

CS FOR HOUSE BILL NO. 122(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered: 3/18/24

Referred: Finance

Sponsor(s): REPRESENTATIVES TOMASZEWSKI, McCabe, D.Johnson, C.Johnson, Cronk, Wright, Allard, Carpenter, Stapp, Stutes, Rauscher

A BILL

FOR AN ACT ENTITLED

1 **"An Act authorizing the Alaska Railroad Corporation to issue revenue bonds to finance**
2 **the replacement of the Alaska Railroad Corporation's passenger dock and related**
3 **terminal facility in Seward, Alaska; authorizing the Alaska Railroad Corporation to**
4 **issue revenue bonds to finance the completion of the Port MacKenzie Rail Extension in**
5 **Point MacKenzie, Alaska; authorizing the Alaska Industrial Development and Export**
6 **Authority to issue bonds to finance infrastructure that supports development of critical**
7 **mineral and rare earth element projects; and providing for an effective date."**

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

9 * **Section 1.** The uncodified law of the State of Alaska enacted in sec. 4(a), ch. 30, SLA
10 2022, is amended to read:

11 (a) The Alaska Railroad Corporation is authorized to issue revenue bonds
12 under AS 42.40.250 to finance the replacement of the Alaska Railroad Corporation's
13 passenger dock and related terminal facility in Seward, Alaska, and associated costs,

1 including, without limitation, reserves for debt service and capitalized interest, if
 2 necessary or appropriate, and costs of issuance. **The replacement dock and terminal**
 3 **facility must accommodate Alaska marine highway system vessels with side**
 4 **loading doors.** The maximum principal amount of bonds that the Alaska Railroad
 5 Corporation may issue under this section is **\$135,000,000** [\$60,000,000]. The Alaska
 6 Railroad Corporation may issue the bonds in a single issuance or in several issuances,
 7 without limitation as to number of issuances or timing, and as the Alaska Railroad
 8 Corporation determines best furthers the purpose of financing the replacement of the
 9 Alaska Railroad Corporation's passenger dock and related terminal facility in Seward,
 10 Alaska, and associated costs. The bonds shall be repaid from dock revenue or other
 11 funds available to the Alaska Railroad Corporation. The general credit of the Alaska
 12 Railroad Corporation and the state may not be pledged for the repayment of the bonds.

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

15 LEGISLATIVE AUTHORIZATION AND APPROVAL. (a) The Alaska Railroad
 16 Corporation is authorized to issue revenue bonds under AS 42.40.250 to finance the
 17 completion of the Port MacKenzie Rail Extension in Point MacKenzie, Alaska, and
 18 associated costs, including, without limitation, reserves for debt service and capitalized
 19 interest, if necessary or appropriate, and costs of issuance. The maximum principal amount of
 20 bonds that the Alaska Railroad Corporation may issue under this section is \$58,000,000. The
 21 Alaska Railroad Corporation may issue the bonds in a single issuance or in several issuances,
 22 without limitation as to number of issuances or timing, and as the Alaska Railroad
 23 Corporation determines best furthers the purpose of financing the extension of the Alaska
 24 Railroad Corporation's rail from Point MacKenzie, Alaska, to Houston, Alaska, and
 25 associated costs. The bonds shall be repaid from revenue or other funds available to the
 26 Alaska Railroad Corporation. The general credit of the Alaska Railroad Corporation and the
 27 state may not be pledged for the repayment of the bonds.

28 (b) The authorization under (a) of this section extends to bonds issued to refund the
 29 bonds authorized in this Act. The principal amount of the bonds authorized in this Act may be
 30 increased in an issue of refunding bonds in an amount equal to the costs of refunding.

31 (c) This section constitutes the approval required by AS 42.40.285 for the issuance of

1 the bonds described in this section.

2 (d) The bonds authorized to be issued under this section are issued by a public
3 corporation and an instrumentality of the state for an essential public and governmental
4 purpose.

5 (e) In this section, "bonds" means bonds, bond anticipation notes, notes, refunding
6 bonds, or other obligations.

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

9 LEGISLATIVE APPROVAL: STATEWIDE CRITICAL MINERAL AND RARE
10 EARTH ELEMENT INFRASTRUCTURE PROJECTS. (a) The Alaska Industrial
11 Development and Export Authority may issue bonds to finance infrastructure and construction
12 costs of infrastructure that support the development of critical mineral and rare earth element
13 projects located in the state. The critical mineral and rare earth element project infrastructure
14 shall be owned and operated by the authority or financed under AS 44.88.172, 44.88.650 -
15 44.88.690, or 44.88.800 - 44.88.840. The principal amount of the bonds provided by the
16 authority for critical mineral and rare earth element projects may not exceed \$300,000,000
17 and may include the costs of issuing bonds considered reasonable and appropriate by the
18 authority. The bonds shall be repaid from revenues of the authority.

19 (b) The Alaska Industrial Development and Export Authority may issue the bonds
20 under this section in a single issuance or in several issuances, without limitation as to the
21 number of issuances or timing, and as the authority determines best furthers the purpose of
22 financing infrastructure that supports the development of critical mineral and rare earth
23 element projects in the state.

24 (c) The bonds authorized by this section may not be considered in calculating the
25 authority's bonding limitation for a 12-month period under AS 44.88.095(a).

26 (d) This section constitutes legislative approval required by AS 44.88.095(g).

27 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).