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IN THE HOUSE

BY JUDICIARY COMMITTEE

CS FOR HOUSE BILL NO. 165

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIRST LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act authorizing the Commissioner of Public Works to make grants, loans, and provide subsidies to private non-profit corporations which have as their major purpose the providing of a public service through the construction, maintenance, and operation of ferries as an integral part of the Alaska Highway System; and providing for an effective date."

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

Section 1. The Commissioner of Public Works is hereby authorized to make grants, loans, and to grant subsidies to private and non-profit corporations, duly organized and registered in the state, which have as their major purpose the providing of a public service through the construction, acquisition, maintenance and operation of a ferry or ferries as an integral part of the Alaska highway system; provided, that a private and non-profit corporation to be eligible for grants, loans, and/or subsidies under the terms of this Act, shall have a board of directors consisting of not more than fifteen members with one member chosen from each of at least five of the incorporated municipalities of Alaska to be served by the ferry or ferries operated by the corporation and that each of the board members from the various cities shall be named to the board of directors by the city council of the city

1 in which he is resident.

2 Sec. 2. The articles of incorporation of the corporation
3 shall contain the following specific provision for disbursement
4 of any monies that may accrue to the company:

5 Monies shall be used for the following purposes only: the
6 construction, acquisition, maintenance and operation of a ferry
7 or ferries as an integral part of the Alaska highway system;
8 continued operation of the ferry service; extensions and expansion
9 of service; establishment of bond and other necessary reserves;
10 repayment of loans, grants, and subsidies; payments to the state
11 or its political subdivisions for taxes.

12 Sec. 3. The articles of incorporation shall further provide
13 that in the event of any default in repayments required to be
14 made by the corporation to the state or in the event that the
15 Commissioner determines that the corporation's financial position
16 is such as to jeopardize repayment of sums due the state, the
17 Commissioner shall be empowered to replace any or all of the
18 members of the board of directors of the corporation with persons
19 to be designated by him; such replacements to serve until such
20 date as the funds due the state have been paid in full or such
21 earlier date as shall be determined by the Commissioner.

22 Sec. 4. The Commissioner shall make the following require-
23 ments as a condition of making any such grant, loan or subsidy to
24 the corporation:

25 (1) Full and complete books of account be kept by the
26 corporation and be made available for inspection to such person
27 or persons as shall be designated by the Commissioner at all
28 reasonable times.

29 (2) Regular and detailed reports containing such

1 financial data and supporting vouchers as shall be specified by
2 the Commissioner be furnished monthly to the Commissioner.

3 (3) Loans, grants or subsidies shall be used only for
4 the purpose specified in this Act, and shall be expended for no
5 purpose other than those specified by the Commissioner.

6 (4) At all times during the life of the corporation
7 and at all times that it engages in ferry operations under permit
8 or franchise from the state it shall be maintained as a non-profit
9 corporation and its rates and practices be regulated by the state;
10 the corporation shall not be dissolved or its principal assets
11 sold or transferred, except in its ordinary course of business,
12 without permission of the state and upon terms prescribed by the
13 state; private investors, if any, shall not upon dissolution be
14 deprived of their investments in said ferries if the assets of
15 the corporation permit.

16 (5) Such other and additional requirements as are
17 advisable to assure that all grants, loans or subsidies are
18 expended only for the uses specified in this Act, and that adequate
19 value is received for all such funds so expended.

20 Sec. 5. This Act shall take effect on the day after its
21 passage and approval or on the day it becomes law without such
22 approval.

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