

1 IN THE SENATE

BY SENATOR RYAN

2 SENATE BILL NO.152

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a ferry system authority "  
7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 ARTICLE I

9 GENERAL

10 Section 1. SHORT TITLE. This Act may be cited as the "Ferry  
11 System Authority Act."

12 Sec. 2. DEFINITIONS. When used in this Act unless clearly  
13 not applicable:

14 (1) "authority" means the Alaska Ferry System Authority;

15 (2) "board" means the Alaska Ferry System Authority  
16 Board;

17 (3) "construction" or "to construct" means building,  
18 improvement, maintenance, equipment, enlargement, alteration,  
19 extension, repair, and furnishing, or their verb forms;

20 (4) "project" or "enterprise" means facilities for or  
21 useful in providing public transportation by means of a ferry or  
22 ferry system, and includes the franchises or licenses to operate a  
23 ferry or ferry system, all boats and vessels, all land and inter-  
24 est in land, all slips, wharves, piers, landing places, approaches  
25 and all facilities and equipment used in the maintenance and  
26 operation of a ferry or ferry system, and all buildings, struc-  
27 tures, improvements, equipment, ditches, canals, and facilities  
28 whatsoever appurtenant or relating to the enterprise or project.

29 (5) "person" means any natural person, association,

- 1 corporation, business trust, partnership, or public body;
- 2 (6) "federal government" or "federal agency" means the  
3 government of the United States of America and includes the  
4 President, other officers, departments, corporations, authorities,  
5 agencies, or any instrumentality of the United States of America;
- 6 (7) "bonds" means evidences of indebtedness or obliga-  
7 tion issued by the authority;
- 8 (8) "charges" includes fees, fares, rates, and rentals;
- 9 (9) "revenues" means all charges or any specified  
10 portion thereof received for and all other income and receipts  
11 derived by the authority from the operation of a specific enter-  
12 prise or project or arising therefrom and includes revenue deposit-  
13 ed in any fund to secure the bonds or to provide for the payment of  
14 them or the interest on them;
- 15 (10) the singular includes the plural.

16 Sec. 3. ALASKA FERRY SYSTEM AUTHORITY. The Alaska Ferry  
17 System Authority is established as a public body corporate and  
18 politic.

19 Sec. 4. ALASKA FERRY SYSTEM AUTHORITY BOARD. a. The  
20 Alaska Ferry System Authority Board is established as the govern-  
21 ing body of the authority.

22 b. The board consists of three members who are appointed by  
23 and serve at the pleasure of the governor and confirmed by the  
24 legislature meeting in joint session. The members shall be resi-  
25 dents of Alaska qualified by administrative and business  
26 experience. No member may be associated with any public service  
27 corporation which provides a service for profit similar to any of  
28 the services of the authority, nor may any member of the board  
29 have any interest in any business that may be favorably or unfavor-

1 ably affected by the operation of the authority.

2 c. The term of office of each member is three years. The  
3 term of one member shall expire on February 1 of each year. Any  
4 member appointed to fill a vacancy occurring other than by ex-  
5 piration of a term shall serve only for the unexpired term of the  
6 member he succeeds. Members appointed are qualified to act and  
7 receive compensation between the time of their appointment and the  
8 time of confirmation or rejection by the legislature.

9 Sec. 5. BOARD--ORGANIZATION, COMPENSATION, OATH, AND BOND.

10 a. Within 10 days after the effective date of this Act, the  
11 governor shall make all appointments to the board and the board  
12 shall meet and organize by electing from its members a chairman,  
13 a vice-chairman, and a secretary. At the first regular meeting  
14 of every year the board shall elect new officers. One member of  
15 the first board shall serve for one year, one member shall serve  
16 for two years, and one member shall serve for three years. At  
17 the time of the appointments, the governor shall designate which  
18 members have been appointed for which terms. The commissioner of  
19 the Department of Revenue shall be the treasurer of the authority  
20 without voting rights or additional compensation. The treasurer  
21 shall attend meetings when requested to do so and shall perform  
22 all duties imposed upon him as treasurer of the authority.

23 b. Members of the board receive no salary but shall receive  
24 the same per diem and travel expenses as are authorized for  
25 members of state boards for time spent in the service of the  
26 authority.

27 c. Members of the board shall take the oath required of  
28 all public officers, and shall execute an official bond to the  
29 state in the amount of \$5,000.00 with satisfactory sureties to

1 be approved by the commissioner of the Department of Revenue. The  
2 oath and bond shall be filed with the commissioner of the Depart-  
3 ment of Revenue.

4 Sec. 6. MEETINGS OF THE BOARD. a. All meetings of the  
5 board shall be public. All members of the board shall attend all  
6 meetings unless excused from attendance for a justifiable reason;  
7 two members shall constitute a quorum for the organization and  
8 transaction of business, unless the by-laws require a larger  
9 number.

10 b. The board shall keep minutes of its meetings and may  
11 publish so much thereof as it considers of public interest and  
12 benefit.

13 Sec. 7. POWERS AND DUTIES OF THE BOARD. a. The board shall  
14 manage the properties and business of the authority and may pre-  
15 scribe, amend, and repeal by-laws, rules, and regulations govern-  
16 ing the manner in which the business of the authority may be  
17 conducted. Regulations of the board which come under the meaning  
18 of "regulation" as defined by the Administrative Procedure Act may  
19 be promulgated and used only in accordance with that Act.

20 b. The board shall employ a person as the executive director  
21 of the authority, which person shall be professionally trained  
22 and professionally qualified and experienced in the performance of  
23 his duties. The selection of the executive director is subject to  
24 the approval of the governor. The executive director may not have  
25 any interest in a business that may favorably or unfavorably be  
26 affected by the operation of the authority.

27 c. The board shall fix and determine the number of officers,  
28 agents, and employees of the authority and their respective  
29 compensation and duties, and may delegate to the executive director

1 such powers and duties as it may deem proper.

2 d. On or before December 1 of each year, the board shall  
3 submit to the governor a report containing a full and complete  
4 account of its business for the preceding year, together with  
5 other information, suggestions, and recommendations deemed of  
6 public value.

7 ARTICLE II

8 POWERS AND DUTIES OF THE AUTHORITY

9 Sec. 8. a. The authority is authorized to construct, acquire,  
10 and operate and maintain an enterprise to provide public trans-  
11 portation by means of a ferry or a ferry system. The authority  
12 may not compete with other carriers except to the extent that it  
13 transports persons, pets, motor vehicles, and ~~the~~ personal effects  
14 and household goods within or upon the motor vehicles. The  
15 authority may not transport pets, motor vehicles, or personal  
16 effects or household goods within or upon the motor vehicles  
17 which are intended for sale or other transfer.

18 b. The authority may sue and be sued in its official cor-  
19 porate name, make contracts, acquire through gift, grant, purchase,  
20 lease, condemnation or otherwise, and hold, use, handle, enjoy,  
21 lease, sell, pledge, or otherwise dispose of any and all real and  
22 personal property.

23 c. No project may be undertaken by the authority, bonds  
24 issued for it, or plans and specifications presented for bids  
25 unless the project has been approved by the governor or his  
26 designee.

27 d. The authority has no power to levy any taxes or to pledge  
28 the credit or the taxing power of the state or its political sub-  
29 divisions, and no debt or obligation of the authority may be

1 considered a debt or obligation of the state, of its political  
2 subdivisions, or other public agencies.

3 e. In addition, the authority has, but is not limited to,  
4 the power to do the following:

5 (1) fix, alter, charge, and collect fees, fares, rates,  
6 rentals, and other charges for the use of its facilities, or its  
7 services, or those of its projects at reasonable rates, determined  
8 by the authority for the purpose of providing for the payment of  
9 the expenses of the authority, the construction, acquisition, and  
10 operation of its facilities and properties, the payment of the  
11 principal of and interest on its obligations, and to fulfill the  
12 terms and provisions of any agreement made with the purchasers or  
13 holders of any such obligations.

14 (2) borrow money, make and issue negotiable notes,  
15 bonds, and other evidences of indebtedness or obligations of  
16 the authority; secure the payment of its bonds, or any part of  
17 them, by pledge of or establishment of a lien upon all or any  
18 portion of its revenues and make such agreements with the pur-  
19 chasers or holders of its bonds or with others in connection with  
20 its bonds, whether issued or to be issued, as the authority may  
21 deem advisable; and in general to provide for the security for  
22 its bonds and the rights of the holders of them.

23 (3) make contracts and execute all instruments  
24 necessary or convenient for the carrying on of its business.

25 (4) borrow money and accept grants of real and personal  
26 property from and enter into contracts, leases, or other trans-  
27 actions with the federal government.

28 (5) exercise the power of eminent domain.

29 (6) do all acts and things necessary or convenient

1 to carry out the powers granted to it by this Act or any other  
2 act.

3 (7) enter into agreements with the state, any of its  
4 political subdivisions or other public agencies for the under-  
5 taking of any project.

6 (8) acquire, by assignment from the state, contracts  
7 which are not completed and which involve any of the undertakings  
8 which the authority is authorized to perform by this act.

9 Sec. 9. REVENUE BOND ISSUE. a. The authority may, by  
10 resolution of the board, issue such revenue bonds as it deems  
11 necessary.

12 b. The bonds shall be of such series, bear such date,  
13 mature at such time not exceeding 30 years from their respective  
14 date, bear interest at such rate not exceeding six per cent per  
15 annum, payable semi-annually, be in such denominations, be in  
16 such form, either coupon or fully registered without coupons,  
17 carry such registration exchangeability and inter-changeability  
18 privileges, be payable in such medium of payment and at such  
19 place, be subject to such terms of redemption at such prices  
20 not exceeding 105 per cent of the principal, and be entitled to  
21 such priorities in the revenues, rentals, or receipts of the  
22 authority as the resolution may provide.

23 c. The bonds shall bear the facsimile signature of the  
24 chairman of the board, the facsimile of the corporate seal, and  
25 the manual signature of the treasurer. Coupon bonds shall have  
26 interest coupons attached to them bearing the facsimile signature  
27 of the treasurer. Bonds bearing the signature of officers in  
28 office on the date of signing are valid, notwithstanding that  
29 before delivery the persons signing have ceased to be officers.

1 d. The bonds shall be sold to the highest responsible  
2 bidder after public notice in such manner as the authority may  
3 prescribe. The notice shall contain a general description of  
4 the bonds, the manner, place, and time of the sale, or the time  
5 limit for the receipt of bids, the name of the officers to whom  
6 bids or proposals shall be delivered, and a statement of the  
7 terms and conditions of the sale. If no bids are received or the  
8 authority determines that the bids are not satisfactory as to the  
9 price or the responsibility of the bidder, the authority may  
10 reject all bids received, if any, and either re-advertise or sell  
11 the bonds at a private sale. Pending the preparation of the  
12 definitive bonds, interim receipts or temporary bonds may be  
13 issued to the purchaser of bonds and may contain such terms and  
14 conditions as the authority may determine.

15 e. The authority may sell the bonds at a price below par  
16 value.

17 f. A resolution authorizing bonds may contain provisions  
18 which shall be part of the contract with the holders of the bonds  
19 as to the following:

20 (1) pledging the revenues of the authority for such  
21 obligations, or restricting the pledge to any portion of its  
22 revenues from all or any projects or properties;

23 (2) the construction, acquisition, or operation of  
24 any project and the duties of the authority with reference to  
25 them;

26 (3) the terms and provisions of the bonds;

27 (4) limitations on the purposes to which the proceeds  
28 of the bonds may be applied;

29 (5) the rate of fares, rentals, and other charges for

1 use of the facilities of or for the services rendered by the  
2 authority, including limitations upon the power of the authority  
3 to modify any leases or other agreements pursuant to which any  
4 fares, rentals, or other charges are payable;

5 (6) the setting aside of reserves or sinking funds  
6 and the regulation and disposition of them;

7 (7) limitations on the issuance of additional bonds;

8 (8) the terms and provisions securing the bonds or  
9 under which the bonds may be issued;

10 (9) any other or additional agreements with the holders  
11 of the bonds.

12 g. The authority may enter into any agreements with any bank  
13 or trust company or other person in the United States having power  
14 to enter into the same, including the federal government, as  
15 security for its bonds; and may assign and pledge all or any  
16 portion of the revenues of the authority thereunder. The indenture  
17 agreement may contain such provisions as may be customary in such  
18 instruments or as the authority may authorize, including, but not  
19 limited to, provisions in regard to the following:

20 (1) the construction, acquisition, or operation, of  
21 any project and the duties of the authority with reference to  
22 them;

23 (2) the application of funds and the safeguarding of  
24 funds on hand or on deposit;

25 (3) the rights and remedies of the trustees and the  
26 holders of the bonds, which may include restrictions upon the  
27 individual right of action of the bondholders;

28 (4) the terms and provisions of the bonds or the  
29 resolutions authorizing the issuance of the bonds;

1 (5) unless the authority provides otherwise in the  
2 resolution, the principal, interest, and sums for other security  
3 funds shall be paid from the revenues prior to paying the main-  
4 tenance and operation costs of any project.

5 h. Bonds of the authority are legal investments for state  
6 and local retirement systems.

7 i. The bonds have all the qualities of negotiable instrum-  
8 ents as set forth in the laws of the state.

9 Sec. 10. REMEDIES OF BONDHOLDERS. a. In the event that the  
10 authority defaults in the payment of principal of or interest on  
11 any bonds for a period of at least 30 days, or in the event that  
12 the authority fails or refuses to comply with the provisions of  
13 this act or defaults in any agreement made with holders of its  
14 bonds, the holders of 25 per cent in aggregate principal amount  
15 of the bonds then outstanding may, subject to any limitations of  
16 the indenture or agreement or in addition to any remedies of the  
17 indenture or agreement, appoint a trustee to represent the bond-  
18 holders. The trustee and any trustee under any indenture or  
19 other agreement may, and upon written request of the holders of  
20 25 per cent - or whatever per cent is specified by the indenture  
21 or other agreement - in principal amount of the bonds outstanding  
22 shall, in his own name perform the following:

23 (1) by suit, action, or proceeding enforce all rights  
24 of the bondholders, including the right to require the authority  
25 to impose and collect charges from the operation of the project  
26 the revenues of which have been pledged, which charges shall be  
27 adequate to carry out any agreement as to or pledge of the  
28 revenues of the authority, and to require the authority to carry  
29 out any other agreements with or for the benefit of the bond-

1 holders, and to perform its and their duties under this act;  
2 (2) bring suit upon the bonds;  
3 (3) by action require the authority to account as if it  
4 were the trustee of an express trust for the bondholders;  
5 (4) by action enjoin any acts or things which may be  
6 unlawful or in violation of the rights of the bondholders;  
7 (5) by notice in writing to the authority, declare all  
8 bonds due and payable, and if all defaults shall be made good,  
9 then with the consent of the holders of 25 per cent - or whatever  
10 per cent is specified by the indenture or other agreement - of  
11 the principal amount of the bonds then outstanding, to annul such  
12 declaration and its consequences.

13 b. Any trustee, whether appointed under this act or under  
14 an indenture or other agreement and whether or not all bonds have  
15 been declared due and payable, shall be entitled as a matter of  
16 right to the appointment of a receiver, who may, to the same  
17 extent that the authority itself could do so, enter and take  
18 possession of the facilities of the authority, or any parts of  
19 them, the revenues from which are applicable to the payment of  
20 the bonds so in default, and operate and maintain the same, and  
21 collect and receive all revenues thereafter arising from them in  
22 the same manner as the authority might do, and shall deposit all  
23 such moneys in a separate account, and apply the same in such  
24 manner as the court shall direct. In any action or proceeding by  
25 the trustees, the fees, counsel fees, and expenses of the trustee  
26 and of the receiver, if any, and all costs and disbursements  
27 allowed by the court, shall be a first charge on any revenues and  
28 receipts derived from the facilities of the authority, the  
29 revenues or receipts from which are applicable to the payment of

1 the bonds so in default. The trustee shall, in addition to the  
2 foregoing, have and possess all of the powers necessary or  
3 appropriate for the exercise of any functions specifically set  
4 forth in this act or incident to the general representation of the  
5 bondholders in the enforcement and protection of their rights.

6 c. In addition to all other rights and all other remedies,  
7 any holder of bonds of the authority has the right by action or  
8 proceeding to enforce his rights against the authority, including  
9 the right to require the authority to impose and collect charges  
10 adequate to carry out any agreement as to or pledge of such  
11 charges or revenues, and to require the authority to carry out any  
12 of its covenants and agreements with the bondholders, and to per-  
13 form its and their duties under this act; provided, however, that  
14 nothing in this act shall authorize any receiver appointed pur-  
15 suant to this act, for the purpose of operating and maintaining  
16 any facilities of the authority, to sell, assign, mortgage, or  
17 otherwise dispose of any of the assets of whatever kind and  
18 character belonging to the authority. It is the intention of this  
19 act to limit the powers of the receiver to the operation and main-  
20 tenance of the facilities of the authority as the court may direct,  
21 and no holder of bonds of the authority, nor any trustee, shall  
22 ever have the right in action or proceedings to compel a receiver,  
23 nor shall any receiver ever be authorized, or any court be empower-  
24 ed to direct the receiver to sell, assign, mortgage, or otherwise  
25 dispose of any assets of whatever kind or character belonging to  
26 the authority.

27 Sec. 11. MONEYS OF THE AUTHORITY. All moneys of the  
28 authority, from whatever source derived, shall be paid to the  
29 treasurer of the authority. The moneys shall be deposited in the

1 first instance by the treasurer in one or more banks or trust  
2 companies, in one or more special accounts, and each of such  
3 special accounts shall be continuously secured by a pledge of  
4 direct obligations of the federal government or of the state,  
5 having an aggregate market value, exclusive of accrued interest,  
6 at all times at least equal to the balance on deposit in such  
7 account. Such securities shall either be deposited with the  
8 treasurer or be held by a trustee or agent satisfactory to the  
9 authority. The moneys in the accounts shall be paid out on the  
10 warrant or other order of the treasurer of the authority or of  
11 such other person as the authority may authorize to execute such  
12 warrants or orders. The Department of Revenue and the Legislative  
13 Audit Committee are authorized from time to time to examine the  
14 accounts and books of the authority, including its receipts, dis-  
15 bursements, contracts, leases, sinking funds, investments, and  
16 any other matters relating to its finances, operations, and  
17 affairs.

18       Sec. 12. GRANT OF LANDS TO THE AUTHORITY. The state may  
19 grant, assign, and convey to the authority, with or without con-  
20 sideration, any lands, easements or rights in lands, together with  
21 any improvements, buildings, or structures thereon needed or  
22 convenient for the purposes of the authority, or to lease to the  
23 authority for a term, not exceeding 99 years, at a nominal or  
24 such other rental as may be determined, any or all such lands,  
25 easements or rights in lands, together with any improvements,  
26 buildings, or structures thereon.

27       Sec. 13. LEASES FROM THE AUTHORITY. The state may enter  
28 into contracts with the authority to lease as lessee from the  
29 authority any or all of the projects undertaken by the authority

1 for a term, with respect to each project constructed, not exceed-  
2 ing 30 years, at such rental or rentals as may be determined by  
3 the authority, and upon the completion of the projects, the state  
4 may lease as lessee any or all of the projects completed by the  
5 authority for a term, with respect to each project leased, not  
6 exceeding 30 years, at such rental or rentals as may be determined  
7 by the authority. The state may lease as lessee any equipment and  
8 furnishings from the authority required for the use and occupancy  
9 of any project.

10 Sec. 14. ACQUISITION OF LANDS. The state may acquire title  
11 to any additional lands or interest in lands which may be  
12 required for the purposes of the authority, and payment for such  
13 lands shall be made by the state. The power of the state to  
14 acquire lands does not limit or restrict the power of the  
15 authority itself to acquire lands or interests in lands in the  
16 name of the authority.

17 Sec. 15. COMPETITION IN AWARD OF CONTRACTS. If any project  
18 is constructed pursuant to a contract and the estimated cost of  
19 the work exceeds \$2,500.00, the contract shall be awarded to the  
20 lowest responsible bidder after such advertisement for bids as is  
21 deemed necessary by the board. The authority may make rules and  
22 regulations for the submission of bids and the construction of any  
23 project. No contract shall be entered into for construction of  
24 any project or for the purchase of materials, unless the contract-  
25 or shall give an undertaking with a sufficient surety or sureties  
26 approved by the authority, and in an amount fixed by the  
27 authority, for the faithful performance of the contract; and  
28 such contract shall be accompanied by an additional bond for the  
29 protection of those who furnish labor and material, for such

1 amount and subject to the terms and conditions established by the  
2 authority. All construction contracts shall provide, among other  
3 things, that the person entering into such contract with the  
4 authority shall pay for all materials furnished and services  
5 rendered for the performance of the contract, and that any person  
6 furnishing such materials or rendering such services may maintain  
7 an action to recover for the same against the obligor in the  
8 undertaking as though such person was named therein, provided the  
9 action is brought within one year after the time the cause of  
10 action accrued. Nothing in this section shall be construed to  
11 limit the power of the authority to construct any project directly  
12 by the officers, agents, and employees of the authority or by  
13 agreement with the federal or state governments. Nothing in this  
14 act prevents the authority from entering into contracts which are  
15 subject to the rules of the federal government, if the authority  
16 deems it advisable to do so, but the governor's approval must be  
17 obtained before the authority may undertake a project.

18       Sec. 16. USE OF PROJECTS. The use of the facilities of the  
19 authority and the operation of its business shall be subject to  
20 the rules and regulations from time to time adopted by the  
21 authority; provided, however, that the authority may not do any-  
22 thing which will impair the security of the holders of the obli-  
23 gations of the authority or violate any agreements with them or  
24 for their benefit.

25       Sec. 17. LIMITATION OF POWERS. The state pledges to and  
26 agrees with any person acquiring the bonds to be issued by the  
27 authority for the construction of any project or part thereof,  
28 that the state will not limit or alter the rights vested in the  
29 authority until all bonds at any time issued, together with the

1 interest thereon, are fully met and discharged. The state further  
2 pledges and agrees with the federal government that in the event  
3 that any federal agency constructs or contributes any funds for  
4 the construction of any project the state will not alter or limit  
5 the rights and powers of the authority in any manner which would  
6 be inconsistent with the continued maintenance and operation of  
7 the project or the improvement thereof, or which would be incon-  
8 sistent with the due performance of any agreements between the  
9 authority and the federal government, and the authority shall  
10 continue to have and may exercise all powers granted by this act  
11 so long as the same shall be necessary or desirable for carrying  
12 out the purposes of this act.

13       Sec. 18. EXEMPTION FROM TAXATION. The effectuation of the  
14 authorized purpose of the authority shall be in all respects for  
15 the benefit of the people of the state for the increase of their  
16 commerce and prosperity and for the improvement of their living  
17 conditions, and since the authority will be performing essential  
18 governmental functions in effectuating its purposes, the authority  
19 is not required to pay any taxes or assessments upon any property  
20 acquired or used by it for such purposes, and the bonds issued by  
21 the authority, their transfer, and the income therefrom - includ-  
22 ing any profits made on their sale - shall at all times be free  
23 from taxation in this state except from inheritance and estate  
24 taxation. The provisions of this section do not prevent the  
25 authority from entering into agreements with the state's political  
26 subdivisions to make payments in lieu of taxes when it is in the  
27 interest of the public to do so.

28       Sec. 19. REFUNDING BONDS. a. The authority may provide  
29 for the issuance, sale, or exchange of refunding bonds to redeem

1 or retire bonds issued by it upon the terms, at the times, and in  
2 the manner which it deems advisable.

3 b. All provisions of this act applicable to the issuance  
4 of bonds are applicable to funding or refunding bonds and to their  
5 issuance, sale, or exchange.

6 c. Funding or refunding bonds may be issued in a principal  
7 amount sufficient to provide funds for the payment of all of the  
8 following:

9 (1) all bonds to be funded or refunded by them;  
10 (2) all expenses incident to the calling, retiring,  
11 or paying of the outstanding bonds and the issuance of the fund-  
12 ing or refunding bonds, including the difference in amount between  
13 the par value of the funding or refunding bonds and any amount  
14 less than that for which the funding or refunding bonds may be  
15 sold;

16 (3) interest upon the funding or refunding bonds from  
17 the date of sale to the date of payment of the bonds to be funded  
18 or refunded out of the proceeds of the sale or the date upon  
19 which the bonds to be funded or refunded will be paid pursuant to  
20 the call or agreement with the holders of such bonds;

21 (4) any premium necessary in the calling or retiring  
22 of the outstanding bonds and the interest accruing on them to  
23 the date of the call or retirement.

24 Sec. 20. APPROPRIATION. Moneys necessary for the initial  
25 operation of the authority or for unusual expenses as may arise  
26 from time to time may be appropriated in the general appropria-  
27 tions act or in such other acts as may be necessary.

28 Sec. 21. SEVERABILITY CLAUSE. If a part of this act is  
29 invalid, all valid parts that are severable from the invalid part

1 remain in effect. If a part of this act is invalid in one or  
2 more of its applications, the part remains in effect in all valid  
3 applications that are severable from the invalid applications.

4 Sec. 22. EFFECTIVE DATE. This act takes effect on the day  
5 after its passage and approval or on the day it becomes law  
6 without such approval.

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