

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; author-
7 izing appropriations; and providing for an
8 effective date."

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

10 ARTICLE I

11 GENERAL

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

14 Sec. 2. DEFINITIONS. When used in this Act unless clearly,
15 not applicable:

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

17 (2) "board" means the Alaska Ferry System Authority
18 Board;

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

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

1 appurtenant or relating to the enterprise or project.

2 (5) "person" means any natural person, association,
3 corporation, business trust, partnership, or public body;

4 (6) "federal government" or "federal agency" means the
5 government of the United States of America and includes the
6 President, other officers, departments, corporations, authorities,
7 agencies, or any instrumentality of the United States of America;

8 (7) "bonds" means evidences of indebtedness or obliga-
9 tion issued by the authority;

10 (8) "charges" includes fees, fares, rates, and rentals;

11 (9) "revenues" means all charges or any specified
12 portion thereof received for and all other income and receipts
13 derived by the authority from the operation of a specific enter-
14 prise or project or arising therefrom and includes revenue deposit-
15 ed in any fund to secure the bonds or to provide for the payment of
16 them or the interest on them;

17 (10) the singular includes the plural.

18 Sec. 3. ALASKA FERRY SYSTEM AUTHORITY. The Alaska Ferry
19 System Authority is authorized to be established as a public body
20 corporate and politic.

21 Sec. 4. ALASKA FERRY SYSTEM AUTHORITY BOARD. a. The Alaska
22 Ferry System Authority Board is authorized to be established as
23 the governing body of the authority.

24 b. The board consists of three members who are appointed by
25 and serve at the pleasure of the governor and confirmed by the
26 legislature meeting in joint session. The members shall be resi-
27 dents of Alaska qualified by administrative and business experience.
28 No member may be associated with any public service corporation
29 which provides a service for profit similar to any of the services

1 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 expira-
5 tion 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 governor shall make appointments to
11 the board, the board shall meet and organize by electing from its
12 members a chairman, a vice-chairman, and a secretary. At the first
13 regular meeting of every year the board shall elect new officers.
14 One member of the first board shall serve for one year, one member
15 shall serve for two years, and one member shall serve for three
16 years. At the time of the appointments, the governor shall
17 designate which members have been appointed for which terms. The
18 commissioner of the Department of Revenue or his designee from
19 within the Department of Revenue shall be the treasurer of the
20 authority without voting rights or additional compensation. The
21 treasurer may attend all meetings and shall perform all duties
22 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 members
25 of state boards for time spent in the service of the authority.

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

1 oath and bond shall be filed with the commissioner of the Depart-
2 ment of Revenue.

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

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

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

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

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

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

6 ARTICLE II

7 POWERS AND DUTIES OF THE AUTHORITY

8 Sec. 8. a. The authority is authorized to construct, acquire,
9 and operate and maintain an enterprise to provide public trans-
10 portation by means of a ferry or a ferry system.

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

16 c. No project may be undertaken by the authority, bonds
17 issued for it, or plans and specifications presented for bids
18 unless the project has been approved by the governor or his
19 designee.

20 d. The authority has no power to levy any taxes or to pledge
21 the credit or the taxing power of the state or its political sub-
22 divisions, and no debt or obligation of the authority may be
23 considered a debt or obligation of the state, its political sub-
24 divisions, or other public agencies than the authority.

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

27 (1) fix, alter, charge, and collect fees, fares, rates,
28 rentals, and other charges for the use of its facilities, or its
29 services, or those of its projects at reasonable rates, determined

1 by the authority for the purpose of providing for the payment of
2 the expenses of the authority, the construction, acquisition, and
3 operation of its facilities and properties, the payment of the
4 principal of and interest on its obligations, and to fulfill the
5 terms and provisions of any agreement made with the purchasers or
6 holders of any such obligations.

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

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

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

21 (5) exercise the power of eminent domain to the extent
22 authorized to the state of Alaska and by the same procedures.

23 (6) do all acts and things necessary or convenient
24 to carry out the powers granted to it by this Act or any other
25 act.

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

29 (8) acquire, by assignment from the state, contracts

1 which are not completed and which involve any of the undertakings
2 which the authority is authorized to perform by this act.

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

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

17 c. The bonds shall bear the facsimile signature of the
18 chairman of the board, the facsimile of the corporate seal, and
19 the manual signature of the treasurer. Coupon bonds shall have
20 interest coupons attached to them bearing the facsimile signature
21 of the treasurer. Bonds bearing the signature of officers in
22 office on the date of signing are valid, notwithstanding that
23 before delivery the persons signing have ceased to be officers.

24 d. Pending the preparation of the definitive bonds, interim
25 receipts or temporary bonds may be issued to the purchaser of
26 bonds and may contain such terms and conditions as the authority
27 may determine.

28 e. The authority may sell the bonds at a price below par
29 value.

1 f. A resolution authorizing bonds may contain provisions
2 which shall be part of the contract with the holders of the bonds
3 as to the following:

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

7 (2) the construction, acquisition, or operation of
8 any project and the duties of the authority with reference to
9 them;

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

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

13 (5) the rate of fares, rentals, and other charges for
14 use of the facilities of or for the services rendered by the
15 authority, including limitations upon the power of the authority
16 to modify any leases or other agreements pursuant to which any
17 fares, rentals, or other charges are payable;

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

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

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

23 (9) any other or additional agreements with the holders
24 of the bonds.

25 g. The authority may enter into any agreements with any bank
26 or trust company or other person in the United States having power
27 to enter into the same, including the federal government, as
28 security for its bonds; and may assign and pledge all or any
29 portion of the revenues of the authority thereunder. The indenture

1 agreement may contain such provisions as may be customary in such
2 instruments or as the authority may authorize, including, but not
3 limited to, provisions in regard to the following:

4 (1) the construction, acquisition, or operation, of
5 any project and the duties of the authority with reference to
6 them;

7 (2) the application of funds and the safeguarding of
8 funds on hand or on deposit;

9 (3) the rights and remedies of the trustees and the
10 holders of the bonds, which may include restrictions upon the
11 individual right of action of the bondholders;

12 (4) the terms and provisions of the bonds or the
13 resolutions authorizing the issuance of the bonds;

14 h. Bonds of the authority are legal investments for state
15 and local retirement systems.

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

18 Sec. 10. REMEDIES OF BONDHOLDERS. a. In the event that the
19 authority defaults in the payment of principal of or interest on
20 any bonds for a period of at least 30 days, or in the event that
21 the authority fails or refuses to comply with the provisions of
22 this act or defaults in any agreement made with holders of its
23 bonds, the holders of 25 percent in aggregate principal amount
24 of the bonds then outstanding may, subject to any limitations of
25 the indenture or agreement or in addition to any remedies of the
26 indenture or agreement, appoint a trustee to represent the bond-
27 holders. The trustee and any trustee under any indenture or
28 other agreement may, and upon written request of the holders of
29 25 percent - or whatever percent is specified by the indenture

1 or other agreement - in principal amount of the bonds outstanding
2 shall, in his own name perform the following:

3 (1) by suit, action, or proceeding enforce all rights
4 of the bondholders, including the right to require the authority
5 to impose and collect charges from the operation of the project
6 the revenues of which have been pledged, which charges shall be
7 adequate to carry out any agreement as to or pledge of the
8 revenues of the authority, and to require the authority to carry
9 out any other agreements with or for the benefit of the bond-
10 holders, and to perform its and their duties under this act;

11 (2) bring suit upon the bonds;

12 (3) by action require the authority to account as if it
13 were the trustee of an express trust for the bondholders;

14 (4) by action enjoin any acts or things which may be
15 unlawful or in violation of the rights of the bondholders;

16 (5) by notice in writing to the authority, declare all
17 bonds due and payable, and if all defaults shall be made good,
18 then with the consent of the holders of 25 percent - or whatever
19 percent is specified by the indenture or other agreement - of
20 the principal amount of the bonds then outstanding, to annul such
21 declaration and its consequences.

22 b. Any trustee, whether appointed under this act or under
23 an indenture or other agreement and whether or not all bonds have
24 been declared due and payable, shall be entitled as a matter of
25 right to the appointment of a receiver, who may, to the same
26 extent that the authority itself could do so, enter and take
27 possession of the facilities of the authority, or any parts of
28 them, the revenues from which are applicable to the payment of
29 the bonds so in default, and operate and maintain the same, and

1 collect and receive all revenues thereafter arising from them in
2 the same manner as the authority might do, and shall deposit all
3 such moneys in a separate account, and apply the same in such
4 manner as the court shall direct. In any action or proceeding by
5 the trustees, the fees, counsel fees, and expenses of the trustee
6 and of the receiver, if any, and all costs and disbursements
7 allowed by the court, shall be a first charge on any revenues and
8 receipts derived from the facilities of the authority, the
9 revenues or receipts from which are applicable to the payment of
10 the bonds so in default. The trustee shall, in addition to the
11 foregoing, have and possess all of the powers necessary or
12 appropriate for the exercise of any functions specifically set
13 forth in this act or incident to the general representation of the
14 bondholders in the enforcement and protection of their rights.

15 c. In addition to all other rights and all other remedies,
16 any holder of bonds of the authority has the right by action or
17 proceeding to enforce his rights against the authority, including
18 the right to require the authority to impose and collect charges
19 adequate to carry out any agreement as to or pledge of such
20 charges or revenues, and to require the authority to carry out any
21 of its covenants and agreements with the bondholders, and to per-
22 form its and their duties under this act; provided, however, that
23 nothing in this act shall authorize any receiver appointed pur-
24 suant to this act, for the purpose of operating and maintaining
25 any facilities of the authority, to sell, assign, mortgage, or
26 otherwise dispose of any of the assets of whatever kind and
27 character belonging to the authority. It is the intention of this
28 act to limit the powers of the receiver to the operation and main-
29 tenance of the facilities of the authority as the court may direct,

1 and no holder of bonds of the authority, nor any trustee, shall
2 ever have the right in action or proceedings to compel a receiver,
3 nor shall any receiver ever be authorized, or any court be empower-
4 ed to direct the receiver to sell, assign, mortgage, or otherwise
5 dispose of any assets of whatever kind or character belonging to
6 the authority.

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

27 Sec. 12. GRANT OF LANDS TO THE AUTHORITY. The state may
28 grant, assign, and convey to the authority, with or without con-
29 sideration, any lands, easements or rights in lands, together with

1 any improvements, buildings, or structures thereon needed or
2 convenient for the purposes of the authority, or to lease to the
3 authority for a term, not exceeding 99 years, at a nominal or
4 such other rental as may be determined, any or all such lands,
5 easements or rights in lands, together with any improvements,
6 buildings, or structures thereon.

7 Sec. 13. LEASES FROM THE AUTHORITY. The state may enter
8 into contracts with the authority to lease as lessee from the
9 authority any or all of the projects undertaken by the authority
10 for a term, with respect to each project constructed, not exceed-
11 ing 30 years, at such rental or rentals as may be determined by
12 the authority, and upon the completion of the projects, the state
13 may lease as lessee any or all of the projects completed by the
14 authority for a term, with respect to each project leased, not
15 exceeding 30 years, at such rental or rentals as may be determined
16 by the authority. The state may lease as lessee any equipment and
17 furnishings from the authority required for the use and occupancy
18 of any project.

19 Sec. 14. ACQUISITION OF LANDS. The state may acquire title
20 to any additional lands or interest in lands which may be
21 required for the purposes of the authority, and payment for such
22 lands shall be made by the state. The power of the state to
23 acquire lands does not limit or restrict the power of the
24 authority itself to acquire lands or interests in lands in the
25 name of the authority.

26 Sec. 15. COMPETITION IN AWARD OF CONTRACTS. If any project
27 is constructed pursuant to a contract and the estimated cost of
28 the work exceeds \$2,500.00, the contract shall be awarded to the
29 lowest responsible bidder after such advertisement for bids as is
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1 deemed necessary by the board. The authority may make rules and
2 regulations for the submission of bids and the construction of any
3 project. No contract shall be entered into for construction of
4 any project or for the purchase of materials, unless the contract-
5 or shall give an undertaking with a sufficient surety or sureties
6 approved by the authority, and in an amount fixed by the
7 authority, for the faithful performance of the contract; and
8 such contract shall be accompanied by an additional bond for the
9 protection of those who furnish labor and material, for such
10 amount and subject to the terms and conditions established by the
11 authority. All construction contracts shall provide, among other
12 things, that the person entering into such contract with the
13 authority shall pay for all materials furnished and services
14 rendered for the performance of the contract, and that any person
15 furnishing such materials or rendering such services may maintain
16 an action to recover for the same against the obligor in the
17 undertaking as though such person was named therein, provided the
18 action is brought within one year after the time the cause of
19 action accrued. Nothing in this section shall be construed to
20 limit the power of the authority to construct any project directly
21 by the officers, agents, and employees of the authority or by
22 agreement with the federal or state governments. Nothing in this
23 act prevents the authority from entering into contracts which are
24 subject to the rules of the federal government, if the authority
25 deems it advisable to do so, but the governor's approval must be
26 obtained before the authority may undertake a project.

27 Sec. 16. USE OF PROJECTS. The use of the facilities of the
28 authority and the operation of its business shall be subject to
29 the rules and regulations from time to time adopted by the
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1 authority; provided, however, that the authority may not do any-
2 thing which will impair the security of the holders of the obli-
3 gations of the authority or violate any agreements with them or
4 for their benefit.

5 Sec. 17. LIMITATION OF POWERS. The state pledges to and
6 agrees with any person acquiring the bonds to be issued by the
7 authority for the construction of any project or part thereof,
8 that the state will not limit or alter the rights vested in the
9 authority until all bonds at any time issued, together with the
10 interest thereon, are fully met and discharged. The state further
11 pledges and agrees with the federal government that in the event
12 that any federal agency constructs or contributes any funds for
13 the construction of any project the state will not alter or limit
14 the rights and powers of the authority in any manner which would
15 be inconsistent with the continued maintenance and operation of
16 the project or the improvement thereof, or which would be incon-
17 sistent with the due performance of any agreements between the
18 authority and the federal government, and the authority shall
19 continue to have and may exercise all powers granted by this act
20 so long as the same shall be necessary or desirable for carrying
21 out the purposes of this act.

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

8 Sec. 19. REFUNDING BONDS. a. The authority may provide
9 for the issuance, sale, or exchange of refunding bonds to redeem
10 or retire bonds issued by it upon the terms, at the times, and in
11 the manner which it deems advisable.

12 b. All provisions of this act applicable to the issuance
13 of bonds are applicable to funding or refunding bonds and to their
14 issuance, sale, or exchange.

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

18 (1) all bonds to be funded or refunded by them;
19 (2) all expenses incident to the calling, retiring,
20 or paying of the outstanding bonds and the issuance of the fund-
21 ing or refunding bonds, including the difference in amount between
22 the par value of the funding or refunding bonds and any amount
23 less than that for which the funding or refunding bonds may be
24 sold;

25 (3) interest upon the funding or refunding bonds from
26 the date of sale to the date of payment of the bonds to be funded
27 or refunded out of the proceeds of the sale or the date upon
28 which the bonds to be funded or refunded will be paid pursuant to
29 the call or agreement with the holders of such bonds;

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

4 Sec. 20. APPROPRIATION. Moneys necessary for the initial
5 operation of the authority may be appropriated in the general
6 appropriations act or in such other acts as may be necessary.

7 Sec. 21. STATEMENT OF PURPOSE; ALTERNATIVE POWERS OF GOVERNOR.

8 a. The legislature recognizes that at the time of passage of this
9 Act there is pending in the Congress of the United States legisla-
10 tion to determine the amount and nature of federal assistance, if
11 any, to be granted for establishment of a ferry system in Alaska.
12 It is therefore found and determined that discretion should be
13 granted to the Governor to determine the necessity and proper time
14 for establishment of the Alaska Ferry System Authority as provided
15 for in this Act, or whether, in the alternative, responsibility for
16 a ferry system should be fixed in the existing Department of Public
17 Works.

18 b. The Governor, upon determining the availability of federal
19 aid for operation of an Alaska ferry system or that no such aid
20 will be available before August 1, 1960, may by executive order,
21 basing his decision on the terms or conditions of federal grants
22 available, if any, and on the feasibility, efficiency and economy
23 of operation, and necessity for executive control, either

24 (1) activate all provisions of this Act by appointment
25 of the Alaska Ferry System Authority Board pursuant to Sec. 5 a.
26 of this Act, or

27 (2) authorize the Department of Public Works to proceed
28 with establishment of a ferry system. In the event the Governor
29 shall determine so to establish a ferry system, the Department of

1 Public Works, upon determination that it is feasible and desirable
2 so to do, may issue revenue bonds in the name of the State of
3 Alaska pursuant to the terms of Sections 9, 10, and 19 of this
4 Act, and may otherwise exercise the powers relating to the issu-
5 ance of revenue bonds provided for in this Act for the sole purpose
6 of establishing, operating, and maintaining a ferry system. The
7 Governor, in his executive order, may make such provisions as he
8 may determine necessary to provide for special accounting or other
9 procedures required for the establishment, maintenance and opera-
10 tion of a ferry system.

11 Sec. 22. SEVERABILITY CLAUSE. If a part of this act is
12 invalid, all valid parts that are severable from the invalid part
13 remain in effect. If a part of this act is invalid in one or
14 more of its applications, the part remains in effect in all valid
15 applications that are severable from the invalid applications.

16 Sec. 23. EFFECTIVE DATE. This act takes effect on the day
17 after its passage and approval or on the day it becomes law with-
18 out such approval.

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