

Introduced: 3/18/65
Referred: Resources
and Finance

BY THE RULES COMMITTEE
BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 242

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the establishment of the
7 Yukon Valley Authority and the construction
8 of Rampart Dam; and providing for an effective
9 date."

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

11 * Section 1. PURPOSE. Realizing the importance of developing
12 inexpensive power in Alaska in order to unlock its vast reserves
13 of natural resources and help meet the growing needs of its popu-
14 lation, the legislature establishes the Yukon Valley Authority and
15 vests it with the necessary powers for promoting, financing and
16 undertaking the construction and operation of a dam at Rampart
17 Canyon on the Yukon River through the issuance of an estimated
18 \$1,500,000,000 in revenue bonds.

19 * Sec. 2. AS 44 is amended by adding a new chapter to read:

20 CHAPTER 60. YUKON VALLEY AUTHORITY

21 ARTICLE 1. CREATION AND ORGANIZATION

22 Sec. 44.60.010. YUKON VALLEY AUTHORITY. The Yukon
23 Valley Authority is a public corporate body which has a legal
24 existence independent of, and separate from, the state.

25 Sec. 44.60.020. GOVERNING BODY. The Yukon Valley
26 Authority Commission is the governing body of the authority.

27 Sec. 44.60.030. APPOINTMENT AND COMPOSITION OF COMMIS-
28 SION. (a) The commission consists of nine members appointed
29 by and serving at the pleasure of the governor and confirmed

1 by the legislature meeting in joint session.

2 (b) The commissioner of the Department of Revenue shall
3 be the treasurer of the authority without voting rights or
4 additional compensation. He shall attend meetings when
5 requested and shall perform the duties delegated him as
6 treasurer of the authority.

7 (c) An appointed member may act and receive compensation
8 from his appointment until his confirmation or rejection by
9 the legislature.

10 Sec. 44.60.040. TERM OF OFFICE. The term of office for
11 an appointed member of the commission is six years. Terms
12 shall be staggered so that the terms of three members expire
13 on February 1 of each even-numbered year. A member appointed
14 to fill a vacancy occurring other than by expiration of a
15 term serves for the unexpired term of the member he succeeds.

16 Sec. 44.60.050. OFFICERS. At the first regular meeting
17 of every even-numbered year, the commission shall elect from
18 its members a chairman, vice chairman and a secretary.

19 Sec. 44.60.060. COMPENSATION. Members of the commission
20 receive no salary but shall be entitled to the same per diem
21 and travel expenses authorized by law for other commissions
22 for time spent in the service of the authority.

23 Sec. 44.60.070. LEGAL ADVISER. The attorney general is
24 the legal counsel for the authority. He shall advise the
25 authority in legal matters and represent it in suits.

26 Sec. 44.60.080. PUBLIC MEETINGS. Meetings of the com-
27 mission are public.

28 Sec. 44.60.090. QUORUM AND NOTICE OF MEETINGS. Five
29 members other than the treasurer constitute a quorum for the

1 transaction of business unless the bylaws require a larger
2 number. Notice of a meeting must be given to each member.

3 Sec. 44.60.100. MINUTES OF MEETINGS. The commission
4 shall keep minutes of each meeting and send a certified copy
5 to the governor.

6 Sec. 44.60.110. EXECUTIVE DIRECTOR. The commission may
7 employ an executive director to manage the authority and may
8 delegate to him any of its powers and duties. The executive
9 director must be professionally trained and experienced in
10 the performance of his duties.

11 Sec. 44.60.120. EMPLOYEES. The commission may fix and
12 determine the number of officers, agents and employees of
13 the authority and their respective compensation and duties.

14 Sec. 44.60.130. ANNUAL REPORT. On or before December 1
15 of each year, the commission shall submit to the governor and
16 the legislature a comprehensive report of the authority's
17 operations for the year, including fiscal transactions,
18 financial condition and future plans, together with other
19 information, suggestions and recommendations considered to be
20 of public value.

21 ARTICLE 2. POWERS AND DUTIES OF THE AUTHORITY

22 Sec. 44.60.150. FUNCTION. The authority is established
23 in order to promote, finance, construct, maintain and manage
24 a hydroelectric dam at Rampart Canyon on the Yukon River and
25 the related power, navigational, conservation and recreation-
26 al facilities at both the dam site and in the reservoir area.

27 Sec. 44.60.160. POWERS. (a) The authority may

28 (1) sue and be sued;

29 (2) adopt a seal;

- 1 (3) have perpetual existence;
- 2 (4) adopt bylaws and regulations governing the
- 3 business of the authority;
- 4 (5) appoint trustees for bond holders;
- 5 (6) make contracts and execute instruments neces-
- 6 sary or convenient in the exercise of its powers and duties;
- 7 (7) acquire by purchase, lease, bequest, devise,
- 8 gift, the satisfaction of debts or the foreclosure of
- 9 mortgages, and hold, maintain, use, operate and convey real
- 10 or personal property;
- 11 (8) borrow money, issue secured and unsecured
- 12 evidence of indebtedness for the purpose of carrying out the
- 13 provisions of this chapter, fund, refund, pay or discharge
- 14 outstanding obligations and enter into agreements and con-
- 15 tracts concerning these obligations;
- 16 (9) secure the payment of its obligations by
- 17 pledge, mortgage or other lien on its contracts, revenues or
- 18 property, except that it may not incur secondary liability by
- 19 guarantee or endorsement of the obligations of another cor-
- 20 poration or legal entity, except endorsement of checks, bank
- 21 drafts or other commercial paper in the ordinary course of
- 22 business;
- 23 (10) accept grants on loans from and contract with
- 24 the federal or a foreign government, the state or its politi-
- 25 cal subdivisions, and to that end comply with the provisions
- 26 of federal, foreign, state or local programs when necessary;
- 27 (11) lease, alienate and dispose of property;
- 28 (12) establish and collect reasonable charges for
- 29 the use of its facilities or services;

1 (13) exercise the power of eminent domain;

2 (14) insure any real or personal property or oper-
3 ation of the authority against any risk or hazard;

4 (15) invest in those properties or securities in
5 which banks or trust companies may legally invest funds held
6 in reserves or sinking funds or funds not required for
7 immediate disbursement;

8 (16) redeem a bond by purchasing it at its redemp-
9 tion price plus accrued interest;

10 (17) do what is necessary to carry out the powers
11 granted by this chapter or other acts of the legislature or
12 the laws or regulations of the federal government.

13 (b) The authority does not have the power to levy taxes
14 or to pledge the credit or the taxing power of the state or
15 its political subdivisions.

16 ARTICLE 3. FINANCIAL PROVISIONS

17 Sec. 44.60.180. NATURE OF AUTHORITY OBLIGATIONS. Except
18 as otherwise expressly provided by the authority, every issue
19 of its bonds is a general obligation of the authority payable
20 out of its revenues subject only to existing agreements with
21 the holders of particular bonds pledging particular revenues.

22 Sec. 44.60.190. NEGOTIABILITY OF OBLIGATIONS. Bonds of
23 the authority are negotiable instruments regardless of their
24 form and character.

25 Sec. 44.60.200. AUTHORIZATION AND CONTENTS OF ISSUANCE.
26 Bonds of the authority shall be authorized by resolution of
27 the commission. The resolution shall prescribe the date of
28 issuance and maturity, interest rate, denomination, form, con-
29 version privilege, rank or priority, execution, terms of

1 redemption, medium and place of payment.

2 Sec. 44.60.210. ADDITIONAL PROVISIONS OF RESOLUTION
3 AUTHORIZING OBLIGATIONS. The resolution authorizing issuance
4 of bonds may contain provisions which shall be a part of the
5 contract with the holders relating to

6 (1) the pledge of all or part of the revenues or
7 assets of the authority to secure payment of the bonds or of
8 any issue of them, subject to existing agreements with
9 present holders;

10 (2) limitations on the use and disposition of the
11 funds received;

12 (3) the setting aside of reserves or sinking funds
13 and the regulation and disposition of them;

14 (4) limitations on the issuance of additional
15 bonds or the refunding of outstanding bonds;

16 (5) the procedure, if any, by which the terms of
17 a contract with bondholders may be amended or abrogated, the
18 amount of bonds the holders of which must consent and the
19 manner in which the consent may be given;

20 (6) the rights and remedies of the trustees and
21 the holders of the bonds, which may include restrictions upon
22 the individual right of action of the bondholders;

23 (7) the replacement of lost, destroyed or mutilated
24 bonds;

25 (8) any other matter which affects the security or
26 protects the bonds.

27 Sec. 44.60.220. RECORDING. A pledge made by the
28 authority is valid and binding from the time when the pledge
29 is made, and the money or property pledged and received by

1 the authority is immediately subject to the lien of the
2 pledge without any physical delivery or further act. The
3 lien of a pledge is valid and binding as against all parties
4 having claims of any kind in tort, contract, or otherwise
5 against the authority, whether or not the parties have notice
6 of the pledge. The resolution or any other instrument by
7 which a pledge is created need not be recorded.

8 Sec. 44.60.230. NONLIABILITY OF AUTHORITY MEMBERS. The
9 members of the authority and persons executing the bonds are
10 not liable personally on the bonds or subject to personal
11 liability or accountability by reason of their issuance.

12 Sec. 44.60.240. NONLIABILITY OF THE STATE. The state
13 is not liable for the debts of the authority.

14 Sec. 44.60.250. RIGHTS OF OBLIGATION HOLDERS. Subject
15 to contractual limitations or restrictions under secs. 180 -
16 240 of this chapter a holder of bonds of the authority, in
17 addition to other remedies, may by appropriate action require
18 the authority to carry out its covenants and agreements made
19 with or for the holder's benefit.

20 Sec. 44.60.260. APPOINTMENT OF TRUSTEE UPON DEFAULT OF
21 AUTHORITY. The holders of 25 per cent of the aggregate
22 principal amount of the bonds of an outstanding issue may
23 appoint a trustee to represent the holders, if (1) the
24 authority defaults in the payment of principal or interest on
25 the issue after it becomes due, either at maturity or upon
26 call for redemption, and the default continues for a period of
27 30 days, or (2) the authority fails or refuses to comply with
28 this chapter or defaults in an agreement made with or for the
29 benefit of the holders of the issue.

1 Sec. 44.60.270. AUTHORITY OF TRUSTEE. A trustee
2 appointed under sec. 260 of this chapter may, and upon written
3 request of the holders of 25 per cent of the principal amount
4 of the bonds then outstanding shall, in his own name

5 (1) by appropriate action, enforce the rights of
6 the holders of the bonds, including the right to require the
7 authority to impose and collect charges from any project of
8 which the revenues have been pledged;

9 (2) bring suit upon the bonds;

10 (3) enjoin acts or things which may be unlawful or
11 in violation of the rights of the holders of the bonds;

12 (4) require the authority to account as if it were
13 the trustee of an express trust for the holders of the bonds;

14 (5) declare all bonds due and payable and, if the
15 defaults are made good, then with the consent of the holders
16 of 25 per cent of the principal amount of the bonds, annul
17 the declaration and its consequences.

18 Sec. 44.60.280. ADDITIONAL POWERS OF TRUSTEE. The
19 trustee has all the powers necessary or appropriate for the
20 exercise of any functions specifically set out in this chapter
21 or incident to the general representation of the holders of
22 the bonds in the enforcement and protection of their rights.

23 Sec. 44.60.290. STATE POLICY. The state pledges to
24 and agrees with the holders of any bonds issued under this
25 chapter that the state will not dissolve the authority and
26 will not revoke, limit, or alter the rights and powers vest-
27 ed by this chapter in the authority to fulfill the terms of
28 an agreement made with the holders of them, or in any way
29 impair the rights and remedies of the holders until the bonds

1 together with interest on them and all costs and expenses
2 directed by a court to be paid in connection with an action
3 or proceeding by or on behalf of the holders are fully met and
4 discharged. The state pledges to and agrees with any federal
5 agency providing funds or other assistance to the operations
6 of the authority that the state will not limit or alter the
7 rights and powers vested in the authority by this chapter in
8 a manner which would be inconsistent with the due performance
9 of an agreement between the authority and the federal agency.

10 Sec. 44.60.300. EXEMPTION FROM TAXES AND ASSESSMENTS.

11 (a) The property of the authority is public property used
12 for essential public and governmental purposes and the
13 property and the revenues of the authority are exempt from
14 all taxes and special assessments of the state or a political
15 subdivision of the state. However, instead of taxes, the
16 authority may make payments to the state or a political sub-
17 division of the state for improvements, services and
18 facilities furnished by it for the benefit of the authority.

19 (b) A bond issued by the authority, its transfer and
20 its income are exempt from taxes and assessments of the state
21 or a political subdivision of the state.

22 Sec. 44.60.310. OBLIGATIONS OF AUTHORITY AS LEGAL IN-
23 VESTMENTS. Notwithstanding the provisions of any other law,
24 bonds of the authority are legal investments for all depart-
25 ments, boards and commissions of the state and its political
26 subdivisions, all banks, savings banks, trust companies,
27 savings and loan associations, investment companies and other
28 persons carrying on a banking business, all insurance com-
29 panies, insurance associations and other persons carrying on

1 an insurance business and all guardians, committees, trustees
2 and other fiduciaries.

3 ARTICLE 4. GENERAL PROVISIONS

4 Sec. 44.60.330. DEFINITIONS. In this chapter

5 (1) "authority" means the Yukon Valley Authority;

6 (2) "commission" means the Yukon Valley Authority
7 Commission;

8 (3) "bonds" means the bonds, notes and debentures
9 issued by the authority;

10 (4) "charges" includes fees, tolls, rates and
11 rentals;

12 (5) "revenues" means all charges and other income
13 derived by the authority from the operation of a facility
14 under this chapter.

15 * Sec. 3. Within 30 days after the effective date of this Act,
16 the governor shall make all appointments to the commission and the
17 commission shall meet and organize by electing from its members a
18 chairman, vice chairman and a secretary. Three members of the
19 first commission shall serve for approximately two years, three
20 shall serve for four years and three shall serve for six years.
21 At the time of the appointments the governor shall designate which
22 members have been appointed for which terms.

23 * Sec. 4. This Act takes effect on the day after its passage
24 and approval or on the day it becomes law without such approval.
25
26
27
28
29