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1 IN THE HOUSE

2 HOUSE BILL NO. 341

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the acquisition, equipping, con-  
7 struction and installation of a floating toll bridge  
8 across Knik Arm and to the issuance and sale of not to  
9 exceed \$3,000,000 of negotiable revenue bonds of the  
10 state to provide money to pay part or all of the cost  
11 thereof; creating a Knik Arm Toll Bridge Construction  
12 Fund and making an appropriation therefrom; creating  
13 a Knik Arm Toll Bridge Revenue Fund; creating a Knik  
14 Arm Toll Bridge 1967 Revenue Bond Redemption Fund;  
15 relating to the payment and refunding of such bonds  
16 and the enforcement of the covenants thereof; and  
17 providing for an effective date."

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

19 \* Section 1. The state is authorized to acquire, equip, construct and  
20 install a floating toll bridge across Knik Arm at a point determined to be  
21 most feasible according to the design of the feasibility study for this  
22 project prepared by the Department of Highways.

23 \* Sec. 2. For the purpose of providing part or all of the money to be  
24 used, with or without any grants or other money which may become available,  
25 the issuance and sale of revenue bonds of the state in the total principal  
26 sum of not to exceed \$3,000,000 is authorized to acquire, equip, construct  
27 and install the floating toll bridge authorized in sec. 1 of this Act. The  
28 principal of and interest on such bonds shall be paid out of and secured by  
29 the gross revenues derived by the state from the ownership, lease, use and

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1 operation of the floating toll bridge and of all the facilities thereof, and  
2 out of any other revenues or money which the state legislature may later  
3 provide exclusive of any state tax or license.

4 \* Sec. 3. (a) There is hereby created a special fund of the state to be  
5 known as the "Knik Arm Toll Bridge 1967 Construction Fund" into which shall  
6 be paid the proceeds of the sale of the bonds, except for any accrued inter-  
7 est paid thereon which shall be paid into the bond redemption fund, and any  
8 grants or other money which are legally provided for the same purposes for  
9 which the bonds are authorized. The money in the construction fund shall be  
10 used for the sole purpose of paying all of the costs of acquiring, equipping,  
11 constructing and installing the floating toll bridge and all costs incidental  
12 thereto, including costs of the authorization, issuance and sale of the bonds.  
13 For the purpose of carrying out the provisions of this Act there is hereby  
14 appropriated from the construction fund the sum of \$3,000,000 together with  
15 the amounts of any such grants or other money paid into such fund for the  
16 same purposes.

17 (b) Money in the construction fund may be invested in direct obliga-  
18 tions of the United States of America maturing at least 30 days prior to the  
19 date on which such money will be needed to pay construction or incidental  
20 costs. The interest earned upon, or any profits derived from the sale of,  
21 such investments shall be deposited in and become a part of the construction  
22 fund.

23 \* Sec. 4. (a) There is hereby created another special fund of the state  
24 to be known as the "Knik Arm Toll Bridge Revenue Fund", which shall be com-  
25 pletely segregated and set apart from all other funds of the state, shall  
26 be a trust fund for the uses and purposes herein provided, and into which  
27 shall be paid all revenues, fees, charges and rentals derived by the state  
28 from the ownership, lease, use and operation of the floating toll bridge and  
29 all of the facilities and improvements thereof and facilities and improvements

1 used in connection therewith. Such revenues, charges, fees and rentals shall  
2 not include the proceeds of any state tax or license. The money in the  
3 revenue fund shall only be pledged or used for the purpose of paying or  
4 securing the payment of the principal of and interest on the bonds and of  
5 and on any other revenue bonds issued by authorization of the legislature to  
6 provide funds to acquire, equip, construct and install the floating toll  
7 bridge and to be payable out of the revenue fund, the purpose of paying the  
8 normal and necessary costs of maintaining and operating the bridge and all  
9 of the improvements and facilities thereof, the purpose of paying the costs  
10 of renewals, replacements and extraordinary repairs to the floating toll  
11 bridge and all of the improvements and facilities thereof, the purpose of  
12 redeeming ahead of their fixed maturities any and all revenue bonds issued  
13 for the floating toll bridge purposes, the purpose of providing funds to  
14 acquire, construct and install necessary additions and improvements to and  
15 extensions of and facilities for the floating toll bridge and all of its  
16 facilities, and the purpose of providing funds to pay any and all other  
17 normal and necessary costs relating to the ownership, use and operation of  
18 the floating toll bridge.

19 (b) Money in the revenue fund may be invested in direct obligations of  
20 the United States of America maturing at least 30 days prior to the date  
21 on which money must be expended or transferred therefrom. The interest  
22 earned upon, or any profits derived from the sale of, such investments shall  
23 be deposited in and become a part of the revenue fund.

24 \* Sec. 5. There is hereby created another special fund of the state to  
25 be known as the "Knik Arm Toll Bridge 1967 Revenue Bond Redemption Fund",  
26 which shall be a trust fund for paying and securing the payment of the prin-  
27 cipal of an interest on the bonds and which shall be at all times completely  
28 segregated and set apart from all other funds of the state. The State Bond  
29 Committee, on behalf of the state, shall obligate and bind the state to set

1 set aside and pay into the Bond Redemption Fund any part or parts of, or all  
2 of, or a fixed proportion of, or a fixed amount of the money in the revenue  
3 fund sufficient to pay the principal of and interest on the bonds as the same  
4 shall become due and, if it deems necessary, to set aside and maintain re-  
5 serves therefor. The bond redemption fund shall be drawn upon for the purpose  
6 of paying the principal of and interest on the bonds, and the bonds shall not  
7 constitute a general obligation of the state.

8 \* Sec. 6. (a) The bonds shall be sold in such amounts or series and at  
9 such time or times as determined by the committee. The bonds, or each series  
10 thereof, shall be sold at such price so that the effective interest rate over  
11 the life thereof shall not exceed six per cent per annum. Interest shall be  
12 payable annually or semiannually, and no interest coupon shall evidence  
13 interest at a rate greater than six per cent.

14 (b) The bonds shall mature at such time or times as fixed by the com-  
15 mittee; shall be sold at public sale, and notice of the sale shall be pub-  
16 lished at least once a week for two consecutive weeks in newspapers of general  
17 circulation in each of the four judicial districts of the state and the first  
18 of each publication shall be at least 20 days prior to the sale date; may be  
19 subject to redemption prior to their fixed maturities as determined by the  
20 committee and with such premium or premiums as fixed by the committee; may  
21 be in denominations determined by the committee; may be issued in coupon  
22 form and made payable to bearer, or may be registrable as to principal or  
23 principal and interest, or may be made payable to the purchaser or purchasers  
24 thereof, all under such regulations and conditions as the committee shall  
25 provide; shall be payable both principal and interest at such place or places  
26 as may be determined by the committee; shall be signed on behalf of the state  
27 by the governor and shall be attested by the secretary of state, one of which  
28 signatures may be a facsimile signature; shall have the seal of the state  
29 impressed, printed or lithographed thereon, and each of the interest coupons

1 attached thereto shall be signed by the facsimile signatures of said offi-  
2 cials; shall be issued under and subject to such terms, conditions and  
3 covenants providing for the payment of the principal thereof and interest  
4 thereon and such other terms, conditions, covenants and protective features  
5 safeguarding such payment and relating to the maintenance, operation and  
6 improvement of the floating toll bridge as found necessary by the committee  
7 which covenants may include a provision requiring the setting aside and main-  
8 taining of certain reserves to secure the payment of such principal and  
9 interest. The committee may provide that any additional bonds hereafter  
10 authorized by the legislature to be payable out of the same source or sources  
11 as the bonds authorized by this Act may later be issued on a parity with the  
12 bonds authorized by this Act upon compliance with any conditions which the  
13 committee may prescribe.

14 (c) If found reasonably necessary, the committee may select a trustee  
15 or trustees for the owners and holders of the bonds or any series thereof  
16 and/or for the safeguarding and disbursement of the money in the construction  
17 fund, and shall fix the rights, duties, powers and obligations of such  
18 trustee or trustees.

19 (d) In its determination of all of the matters and questions relating  
20 to the issuance and sale of the bonds and the fixing of the maturities,  
21 terms, conditions and covenants thereof as above provided, the decisions of  
22 the committee shall be those found to be reasonably necessary for the best  
23 interests of the state and its inhabitants, and those which will accomplish  
24 the most advantageous sale of the bonds, with due regard, however, to neces-  
25 sary or normal costs of maintenance and operation, renewals and replacements  
26 of and repairs to the floating toll bridge and to all improvements to and  
27 facilities thereof owned, used, operated or leased in connection therewith,  
28 the future growth and expansion of the floating toll bridge.

29 \* Sec. 7. (a) The State Bond Committee is authorized and directed to

1 adopt the resolution or resolutions (herein called the "bond resolution or  
2 resolutions") and prepare all other documents and proceedings necessary for  
3 the issuance, sale and delivery of the bonds or any part or series thereof.  
4 The resolution or resolutions shall fix the principal amount, denomination,  
5 date, maturities, place or places of payment, rights of redemption if any,  
6 terms, form, conditions and covenants of the bonds or each series thereof, and  
7 their date and manner of sale, and shall provide whether the notice of sale  
8 is to be published elsewhere in addition to the publication required by sec. 5  
9 of this Act.

10 (b) The owner and holder of any bonds, or the trustee for the owners  
11 and holders of the bonds or any series thereof, may by mandamus or other  
12 appropriate proceedings in the courts of record of the state, require and  
13 compel the transfer, setting aside and payment of money and the enforcement  
14 of all of the terms, conditions and covenants as required and provided in  
15 this Act and in the bond resolution or resolutions.

16 \* Sec. 8. The State Bond Committee shall, on or before December 31 of  
17 each year commencing with the year in which the bonds are issued, certify  
18 to the commissioners of revenue and highways the amounts required in the  
19 next ensuing calendar year by the bond resolution or resolutions to be paid  
20 out of the revenue fund into the bond redemption fund and to be paid into  
21 and maintained in any reserve fund or account or any other fund or account  
22 created by the bond resolution or resolutions, and shall also certify to the  
23 commissioners the last date or dates upon which payments may be made.

24 \* Sec. 9. The bonds and the coupons attached thereto are fully negotiable  
25 instruments under the laws of the state.

26 \* Sec. 10. The commissioner of highways shall fix and collect such fees,  
27 charges and rentals derived by the state from the ownership, lease, use and  
28 operation of the floating toll bridge and all of the facilities and improve-  
29 ments thereof and used in connection therewith as will provide revenues

1 sufficient to comply with all of the covenants of the bond resolution or  
2 resolutions, and revenue sufficient to pay all of the operating costs of the  
3 floating toll bridge. The commissioner of highways is also charged with  
4 the duty of insuring that all other covenants of the bond resolution or  
5 resolutions are complied with.

6 \* Sec. 11. (a) The bonds or any part of them may be refunded at or prior  
7 to their maturity by the issuance of refunding revenue bonds of the state if  
8 in the opinion of the State Bond Committee refunding is advantageous to and  
9 in the best interests of the state and its inhabitants.

10 (b) The principal of and interest on such refunding revenue bonds shall  
11 be payable from the same source or sources of money as pledged for the pay-  
12 ment of the principal of and interest on the bonds or from such other source  
13 or sources as may legally be provided, or from both. Refunding bonds shall  
14 not constitute a general obligation of the state, nor shall the proceeds of  
15 any state tax or license be pledged to their payment. Any money set aside  
16 as reserves to secure the payment of the principal of and interest on the  
17 bonds being refunded may be used either to pay the principal of, premium if  
18 any, and interest on such bonds or may be retained by the state as reserves  
19 to secure the payment of the principal of and interest on such refunding  
20 revenue bonds to be issued. Such refunding revenue bonds may be sold at  
21 public or private sale, and the proceeds of sale, exclusive of accrued  
22 interest, shall be applied in payment of the bonds being refunded, or such  
23 refunding revenue bonds may be exchanged for an in payment and discharge of  
24 a like or greater amount of the bonds being refunded. The principal amount  
25 of the refunding revenue bonds may exceed the principal amount of the bonds  
26 being refunded to the extent necessary to pay all costs incidental to the  
27 refunding and any premium required to redeem and retire the bonds being  
28 refunded and/or to fund interest due or about to become due on the bonds.  
29 The holder or holders of any bonds being refunded need not pay accrued

1 interest on the refunding bonds to be delivered in exchange therefor if and  
2 to the extent that interest is due or accrued and unpaid on the outstanding  
3 bonds being refunded.

4 (c) The effective rate of interest over the life of refunding revenue  
5 bonds shall not exceed six per cent per annum, and the costs of such refunding  
6 and the amount of any premium which might be paid to effect the redemption of  
7 the outstanding bonds being refunded shall not be considered in determining  
8 such effective rate of interest.

9 (d) Refunding revenue bonds and coupons are fully negotiable instruments  
10 under the laws of the state.

11 (e) The issuance of refunding revenue bonds need not be authorized by  
12 the qualified voters of the state or by an act of the legislature, and the  
13 State Bond Committee is authorized and directed to adopt the resolution or  
14 resolutions and prepare all other documents and proceedings necessary for  
15 the issuance, exchange or sale, and delivery of such bonds.

16 (f) The State Bond Committee shall create a special bond redemption  
17 fund of the state which shall be a trust fund for paying and securing the  
18 payment of the principal of and interest on refunding revenue bonds, which  
19 fund shall be at all times completely segregated and set apart from all  
20 other funds of the state. The State Bond Committee, on behalf of the state,  
21 shall obligate and bind the state to set aside and pay into such bond redemp-  
22 tion fund any part or parts of, or all of, or a fixed proportion of, or a  
23 fixed amount of the money in the revenue fund sufficient to pay the principal  
24 of and interest on such refunding revenue bonds as they become due and, if  
25 deemed necessary, the committee may set aside and maintain reserves for pay-  
26 ment of principal and interest on the refunding revenue bonds. The bond  
27 redemption fund shall be drawn upon solely for the purpose of paying the  
28 principal of and interest on the refunding revenue bonds.

29 (g) The provisions of this Act relating to the maturities, payments,

1 terms, conditions, covenants, issuance and sale of the bonds shall be appli-  
2 cable to refunding revenue bonds except as may be otherwise specifically  
3 provided in this section.

4 \* Sec. 12. This Act shall be liberally construed in order to carry out  
5 the purposes for which it was adopted, and all existing laws in conflict with  
6 any of the provisions of this Act are hereby superseded insofar as necessary  
7 to accomplish the purposes of and carry out the provisions of this Act.

8 \* Sec. 13. As used in this Act, unless the context otherwise requires:

9 (1) "state" means the State of Alaska;

10 (2) "bridge" means a floating toll bridge across Knik Arm at a  
11 point determined by the Department of Highways to be most feasible;

12 (3) "bonds" means the Knik Arm Toll Bridge revenue bonds author-  
13 ized by this Act;

14 (4) "revenue fund" means the Knik Arm Toll Bridge revenue fund  
15 created by this Act;

16 (5) "construction fund" means the Knik Arm Toll Bridge 1967 Con-  
17 struction Fund created by this Act;

18 (6) "committee" means the State Bond Committee created by AS 37.-  
19 15.110, or any other committee, body, department or officer of the state  
20 which or who shall succeed to the rights, powers, duties and obligations of  
21 the State Bond Committee by lawful act of the legislature;

22 (7) "bond redemption fund" means the Knik Arm Toll Bridge Revenue  
23 Bond Redemption Fund created by this Act and any accounts which are hereafter  
24 created in said fund;

25 (8) "commissioner of highways" means the principal executive  
26 officer of the Department of Highways of the state as provided in AS 44.44.010  
27 or his successor;

28 (9) "commissioner of revenue" means the principal executive officer  
29 of the Department of Revenue of the state as provided in AS 44.25.010 or

1 his successor.

2 \* Sec. 14. This Act takes effect on the day after its passage and approval  
3 or on the day it becomes law without approval.

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