

1 IN THE HOUSE

BY FRITZ

2 HOUSE BILL NO. 25

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH 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 toll bridge across
8 Turnagain and to the issuance and sale of not to exceed
9 \$58,000,000 of negotiable revenue bonds of the state to
10 provide money to pay part or all of the cost of it;
11 creating a Turnagain Toll Bridge Construction Fund and
12 making an appropriation from it; creating a Turnagain
13 Toll Bridge Revenue Fund; creating a Turnagain Toll
14 Bridge Revenue Bond Redemption Fund; relating to the
15 payment and refunding of the bonds and the enforcement
16 of the covenants of them; and providing for an effective
17 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 toll bridge across Turnagain Arm at a point determined to be most
21 feasible according to the design of the feasibility study for this project
22 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 \$58,000,000 is authorized to acquire, equip, construct
27 and install the toll bridge authorized in sec. 1 of this Act. The principal
28 of and interest on these bonds shall be paid out of and secured by the
29 gross revenues derived by the state from the ownership, lease, use and operation of

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

4 * Sec. 3. (a) There is a special fund of the state known as the
5 "Turnagain Toll Bridge Construction Fund" into which shall be paid the
6 proceeds of the sale of the bonds (except for any accrued interest paid on
7 them, which shall be paid into the bond redemption fund) and any grants or
8 other money which is legally provided for the same purposes for which the
9 bonds are authorized. The money in the construction fund shall be used to
10 pay the costs of acquiring, equipping, constructing and installing the toll
11 bridge and all costs incidental to it, including costs of the authorization,
12 issuance and sale of the bonds. For the purpose of carrying out the
13 provisions of this Act there is appropriated from the construction fund the
14 sum of \$58,000,000 together with the amounts of any grants or other money
15 paid into the fund for the same purposes.

16 (b) The bond resolution may provide for the investment of money in
17 the construction fund in the manner that the committee may determine. The
18 interest earned upon, or any profits derived from the sale of, this
19 investment shall be deposited in and become a part of the construction fund.

20 * Sec. 4. (a) There is another special fund of the state to be known
21 as the "Turnagain Toll Bridge Revenue Fund", which shall be completely
22 segregated and set apart from all other funds of the state, which is a
23 trust fund for the uses and purposes provided, in this Act and into which
24 shall be paid all revenues, fees, charges and rentals derived by the state
25 from the ownership, lease, use and operation of the toll bridge and all of
26 the facilities and improvements of it and facilities and improvements used
27 in connection with it. These revenues, charges, fees and rentals shall not
28 include the proceeds of any state tax or license. The money in the revenue
29 fund shall only be pledged or used for the purpose of paying or securing

1 the payment of the principal of and interest on the bonds and principal of
2 and interest on any other revenue bonds issued by authorization of the
3 legislature to provide funds to acquire, equip, construct and install the
4 toll bridge and to be payable out of the revenue fund, the purpose of paying
5 the normal and necessary costs of maintaining and operating the bridge and
6 all of the improvements and facilities of it, the purpose of paying the
7 costs of renewals, replacements and extraordinary repairs to the toll bridge
8 and all of the improvements and facilities of it, the purpose of redeeming
9 ahead of their fixed maturities any and all revenue bonds issued for the
10 toll bridge purposes, the purpose of providing funds to acquire, construct
11 and install necessary additions and improvements to and extensions of and
12 facilities for the toll bridge and all of its facilities, and the purpose
13 of providing funds to pay any and all other normal and necessary costs
14 relating to the ownership, use and operation of the toll bridge.

15 (b) The investment of money in the revenue fund may be made in the
16 manner which the committee may determine. The interest earned upon, or any
17 profits derived from the sale of, this investment shall be deposited in and
18 become a part of the revenue fund.

19 * Sec. 5. There is another special fund of the state to be known as the
20 "Turnagain Toll Bridge Revenue Bond Redemption Fund", which is a trust fund
21 for paying and securing the payment of the principal of an interest on the
22 bonds and which shall be at all times completely segregated and set apart
23 from all other funds of the state. The committee, on behalf of the state,
24 shall obligate and bind the state to set aside and pay into the bond
25 redemption fund any parts of, or all of, or a fixed proportion of, or a
26 fixed amount of the money in the revenue fund sufficient to pay the
27 principal of and interest on the bonds as the payments become due and, if it
28 considers necessary, to set aside and maintain reserves for this purpose.
29 The bond redemption fund shall be drawn upon for the purpose of paying

1 the principal of and interest on the bonds, and the bonds shall not
2 constitute a general obligation of the state.

3 * Sec. 6. (a) The bonds shall be sold in the amounts or series and at
4 the time or times as determined by the committee. The bonds, or each series
5 thereof, shall be sold at a price so that the effective interest rate over
6 the life thereof shall not exceed eight per cent per annum. Interest shall be
7 payable annually or semiannually, and no interest coupon shall evidence
8 interest at a rate greater than eight per cent.

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

1 improvement of the toll bridge as found necessary by the committee which
2 covenants may include a provision requiring the setting aside and main-
3 taining of certain reserves to secure the payment of principal and
4 interest. The committee may provide that any additional bonds hereafter
5 authorized by the legislature to be payable out of the same source or sources
6 as the bonds authorized by this Act may later be issued on a parity with the
7 bonds authorized by this Act upon compliance with any conditions which the
8 committee may prescribe.

9 (c) If found reasonably necessary, the committee may select a trustee
10 or trustees for the owners and holders of the bonds or any series of them
11 and/or for the safeguarding and disbursement of the money in the construction
12 fund, and shall fix the rights, duties, powers and obligations of the
13 trustee or trustees.

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

24 * Sec. 7. (a) The committee is authorized and directed to adopt the
25 bond resolution or resolutions and prepare all other documents and pro-
26 ceedings necessary for the issuance, sale and delivery of the bonds or any
27 part or series of them. The resolution or resolutions shall fix the
28 principal amount, denomination, date, maturities, place or places of payment,
29 rights of redemption if any, terms, form, conditions and covenants of the

1 bonds or each series of them, and their date and manner of sale, and shall
2 provide whether the notice of sale is to be published elsewhere in addition
3 to the publication required by sec. 6 of this Act.

4 (b) The owner and holder of any bonds, or the trustee for the owners
5 and holders of the bonds or any series of them, may by appropriate pro-
6 ceedings in the courts of record of the state, require and compel the
7 transfer, setting aside and payment of money and the enforcement of all
8 of the terms, conditions and covenants as required and provided in this
9 Act and in the bond resolution or resolutions.

10 * Sec. 8. The committee shall, on or before December 31 of each year
11 commencing with the year in which the bonds are issued, certify to the
12 commissioners of revenue and highways the amounts required in the next
13 ensuing calendar year by the bond resolution or resolutions to be paid out
14 of the revenue fund into the bond redemption fund and to be paid into and
15 maintained in any reserve fund or account or any other fund or account
16 created by the bond resolution or resolutions, and shall also certify to the
17 commissioners the last date or dates upon which payments may be made.

18 * Sec. 9. The bonds and the coupons attached thereto are fully negotiable
19 instruments under the laws of the state.

20 * Sec. 10. The commissioner of highways shall fix and collect the fees,
21 charges and rentals derived by the state from the ownership, lease, use and
22 operation of the toll bridge and all of the facilities and improve-
23 ments of it and used in connection with it as will provide revenues suffi-
24 cient to comply with all of the covenants of the bond resolution or
25 resolutions, and revenue sufficient to pay all of the operating costs of the
26 toll bridge. The commissioner of highways is also charged with the duty
27 of insuring that all other covenants of the bond resolution or resolutions
28 are complied with.

29 * Sec. 11. (a) The bonds or any part of them may be refunded at or prior

1 to their maturity by the issuance of refunding revenue bonds of the state if
2 in the opinion of the committee refunding is advantageous to and in the
3 best interests of the state and its inhabitants.

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

27 (c) The effective rate of interest over the life of refunding revenue
28 bonds shall not exceed eight per cent per annum, and the costs of refunding
29 and the amount of any premium which might be paid to effect the redemption of

1 the outstanding bonds being refunded shall not be considered in determining
2 the effective rate of interest.

3 (d) Refunding revenue bonds and coupons are fully negotiable instru-
4 ments under the laws of the state.

5 (e) The issuance of refunding revenue bonds need not be authorized
6 by the qualified voters of the state or by an act of the legislature, and
7 the committee is authorized and directed to adopt the resolution or
8 resolutions and prepare all other documents and proceedings necessary for
9 the issuance, exchange or sale, and delivery of these bonds.

10 (f) The committee shall create a special bond redemption fund of the
11 state which shall be a trust fund for paying and securing the payment of
12 the principal of and interest on refunding revenue bonds, which fund shall
13 be at all times completely segregated and set apart from all other funds
14 of the state. The committee, on behalf of the state, shall obligate and
15 bind the state to set aside and pay into this bond redemption fund any part
16 or parts of, or all of, or a fixed proportion of, or a fixed amount of the
17 money in the revenue fund sufficient to pay the principal of and interest
18 on these refunding revenue bonds as they become due and, if considered
19 necessary, the committee may set aside and maintain reserves for payment
20 of principal and interest on the refunding revenue bonds. The bond redemption
21 fund shall be drawn upon solely for the purpose of paying the principal of
22 and interest on the refunding revenue bonds.

23 (g) The provisions of this Act relating to the maturities, payments,
24 terms, conditions, covenants, issuance and sale of the bonds shall be appli-
25 cable to refunding revenue bonds except as may be otherwise specifically
26 provided in this section.

27 * Sec. 12. This Act shall be liberally construed in order to carry out
28 the purposes for which it was adopted, and all existing laws in conflict
29 with any of the provisions of this Act are superseded insofar as necessary

1 to accomplish the purposes of and carry out the provisions of this Act.

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

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

4 (2) "bridge" means a toll bridge across Turnagain Arm at a
5 point determined by the Department of Highways to be most feasible;

6 (3) "bonds" means the Turnagain Toll Bridge revenue bonds
7 authorized by this Act;

8 (4) "revenue fund" means the Turnagain Toll Bridge revenue fund
9 created by this Act;

10 (5) "construction fund" means the Turnagain Toll Bridge Con-
11 struction Fund created by this Act;

12 (6) "committee" means the State Bond Committee created by AS 37.-
13 15.110, or any other committee, body, department or officer of the state
14 which or who shall succeed to the rights, powers, duties and obligations of
15 the State Bond Committee by lawful act of the legislature;

16 (7) "bond redemption fund" means the Turnagain Toll Bridge Revenue
17 Bond Redemption Fund created by this Act and any accounts which are hereafter
18 created in the fund;

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

22 (9) "commissioner of revenue" means the principal executive
23 officer of the Department of Revenue of the state as provided in AS 44.25.010
24 or his successor.

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