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BY RAY, MELAND, POLAND
AND ZIEGLER

1 IN THE SENATE

2 SENATE BILL NO. 371

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Marine Highway Authority."

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

8 * Section 1. AS 19 is amended by adding a new chapter to read:

9 CHAPTER 70. ALASKA MARINE HIGHWAY AUTHORITY.

10 ARTICLE 1. CREATION AND ORGANIZATION.

11 Sec. 19.70.010. ALASKA MARINE HIGHWAY AUTHORITY. There is created
12 the Alaska Marine Highway Authority. The authority is a public corpora-
13 tion of the state. The corporation is an instrumentality of the state
14 within the Department of Transportation and Public Facilities but has a
15 legal existence independent of and separate from the state and has
16 continuing succession until its existence is terminated by law. The
17 authority's existence may not be terminated as long as it has bonds,
18 notes or other obligations outstanding.

19 Sec. 19.70.020. MEMBERSHIP AND VACANCIES. The authority consists
20 of five directors: The commissioner of transportation and public
21 facilities, who shall be a director ex officio with voting privileges;
22 three directors appointed by the governor from communities in the state
23 served by the marine highway system; and one director appointed by the
24 governor from a community in the state not served by the marine highway
25 system. The appointment of each director other than the commissioner
26 of transportation and public facilities is subject to confirmation by
27 the legislature. The directors appointed by the governor serve at his
28 pleasure for four-year terms. They must be residents of the state and
29 qualified voters at the time of appointment and shall comply with the

1 requirements of AS 39.50 (conflict of interest). The directors first
2 appointed shall have terms of one, two, three and four years respec-
3 tively. Each director shall hold office for the term of his appointment
4 and until his successor has been appointed and qualified. A director is
5 qualified for reappointment. A vacancy in a directorship occurring
6 other than by expiration of term shall be filled in the same manner as
7 the original appointment but only for the unexpired term. Each director
8 before entering upon his duties shall take and subscribe to an oath to
9 perform the duties of his office faithfully, impartially and justly to
0 the best of his ability. A record of the oath shall be filed with the
1 Office of the Governor. The directors of the authority serve without
2 compensation, but are entitled to travel and per diem expenses as pro-
3 vided in AS 39.20.180.

14 Sec. 19.70.030. OFFICERS AND QUORUM. The directors shall elect
15 one of their number as chairman. The directors shall elect a secretary
16 and a treasurer who need not be directors, and the same person may be
17 elected to serve both as secretary and treasurer. The powers of the
18 authority are vested in the directors, and three directors of the
19 authority constitute a quorum. Action may be taken and motions and
20 resolutions adopted by the authority at any meeting by the affirmative
21 vote of at least three directors. A vacancy in the directorship of the
22 authority does not impair the right of a quorum to exercise all the
23 powers and perform all the duties of the authority.

24 Sec. 19.70.040. STAFF. The authority shall employ an executive
25 secretary who serves at the pleasure of the authority as its chief
26 administrative officer. The executive secretary may with the approval
27 of the authority select and employ additional staff as necessary. Em-
28 ployees of the authority other than legal counsel and the executive
29 secretary are in the classified service under AS 39.25. In addition to

1 its staff of regular employees, the authority may contract for and en-
2 gage the services of the bond counsel, consultants and professional,
3 technical and financial advisors the authority considers necessary for
4 the purpose of developing information, conducting hearings, studies,
5 investigations or other proceedings, or otherwise exercising its powers.

6 ARTICLE 2. POWERS AND DUTIES.

7 Sec. 19.70.050. POWERS OF AUTHORITY. In addition to other powers
8 granted in this chapter, the authority may

- 9 (1) sue and be sued;
- 10 (2) adopt and alter an official seal;
- 11 (3) make and enforce bylaws and regulations for the conduct
12 of its business and for the use of its services and facilities;
- 13 (4) maintain offices at any place in the state and at places
14 out of the state which are served by the marine highway system;
- 15 (5) acquire, hold, use and dispose of its income, revenues,
16 funds and money;
- 17 (6) acquire, hold, use, lease, rent, construct and dispose of
18 real and personal property for its purposes;
- 19 (7) exercise the power of eminent domain according to the
20 provisions of this chapter and the procedures set out in AS 09.55.240 -
21 09.55.460;
- 22 (8) borrow money as provided in this chapter and issue its
23 obligations as evidence of such borrowing;
- 24 (9) operate, maintain, improve and extend a system of ferries
25 connecting with the public streets and highways of the state and in-
26 cluding such boats, vessels, wharves, docks, approaches, landings and
27 appurtenances as the authority determines to be necessary or desirable
28 for safe and efficient operation of the ferry system so as to best serve
29 the public;

1 (10) do all acts and things necessary, convenient or desirable
2 to carry out the powers expressly granted or necessarily implied in this
3 chapter.

4 Sec. 19.70.050. "ALASKA MARINE HIGHWAY SYSTEM": NAME AUTHORIZED.
5 The authority is authorized to operate its ferry system under the name
6 "Alaska marine highway system".

7 Sec. 19.70.060. COMPREHENSIVE LONG-RANGE PLAN. The authority,
8 with the cooperation of the Department of Transportation and Public
9 Facilities, shall prepare a comprehensive long-range plan for the
10 development and improvement of the marine highway system. The plan
11 shall be revised and updated at least every five years.

12 ARTICLE 3. FINANCIAL PROVISIONS.

13 Sec. 19.70.070. REVENUE BONDS AUTHORIZED. (a) For the purpose of
14 paying the cost of part or all of any capital improvement to the marine
15 highway system, the authority may borrow money and may issue bonds,
16 including but not limited to bonds on which the principal and interest
17 are payable (1) exclusively from the income and receipts or other money
18 derived from the capital improvement financed with the proceeds from the
19 bonds; (2) exclusively from the income and receipts or other money
20 derived from designated capital improvements whether or not they are
21 financed in whole or in part with the proceeds of the bonds; (3) from
22 its income and receipts or other assets generally, or a designated part
23 or parts of them; or (4) from one or more revenue-producing contracts
24 including a contract providing for the security of the bonds made by the
25 authority with any person. The authority may issue bonds to pay, fund
26 or refund the principal of, or interest or redemption premiums on, bonds
27 issued by it, whether or not the bonds or interest to be funded or
28 refunded have become due.

29 (b) Bonds shall be authorized by resolution of the authority, and

1 shall be dated and shall mature as the resolution may provide, except
2 that no bond may mature more than 50 years from the date of its issue.
3 Bonds shall bear interest at the rates, be in the denominations, be in
4 the form, either coupon or registered, carry the registration privi-
5 leges, be executed in the manner, be payable in the medium of payment,
6 at the places, and be subject to the terms of redemption which the
7 resolution or a subsequent resolution may provide.

8 (c) All bonds, regardless of form or character, shall be nego-
9 tiable instruments for all the purposes of the Uniform Commercial Code.

10 (d) All bonds may be sold at public or private sale in the manner,
11 for the price or prices, and at the time or times which the authority
12 may determine.

13 Sec. 19.70.080. TRUST INDENTURES AND TRUST AGREEMENTS. (a) In
14 the discretion of the authority, an issue of bonds may be secured by a
15 trust indenture or trust agreement between the authority and a corporate
16 trustee (which may be a trust company, bank, or national banking asso-
17 ciation, with corporate trust powers, located inside or outside the
18 state) or by a secured loan agreement or other instrument or under a
19 resolution giving powers to a corporate trustee by means of which the
20 authority may

21 (1) make and enter into any and all the covenants and agree-
22 ments with the trustee or the holders of the bonds which the authority
23 may determine to be necessary or desirable, including, without limita-
24 tion, covenants, provisions, limitations and agreements as to the

25 (A) application, investment, deposit, use and disposi-
26 tion of the proceeds of bonds of the authority or of money or other
27 property of the authority in which it has an interest;

28 (B) fixing and collection of rentals, charges, fees or
29 other consideration for, and the other terms to be incorporated in,

1 contracts with respect to a capital improvement;

2 (C) assignment by the authority of its rights in con-
3 tracts with respect to a capital improvement or in a mortgage or
4 other security interest created with respect to a capital improve-
5 ment to a trustee for the benefit of the bondholders;

6 (D) terms and conditions upon which additional bonds of
7 the authority may be issued;

8 (E) vesting in a trustee of rights, powers, duties,
9 funds or property in trust for the benefit of bondholders, in-
10 cluding, without limitation, the right to enforce payment, per-
11 formance, and all other rights of the authority or of the bond-
12 holders, under a lease, power of contract, contract of sale,
13 mortgage, security agreement, or trust agreement with respect to a
14 capital improvement by mandamus or other proceeding or by taking
15 possession of by agent or otherwise and operating a capital im-
16 provement and collecting rents or other consideration and applying
17 these in accordance with the trust agreement;

18 (2) pledge, mortgage or assign money, leases, agreements,
19 property or other rights or assets of the authority either presently in
20 hand or to be received in the future, or both; and

21 (3) provide for any other matters of like or different
22 character which in any way affect the security or protection of the
23 bonds.

24 (b) Notwithstanding any other provisions of this chapter, the
25 trust agreement shall contain a covenant by the authority that it will
26 at all times maintain rates, fees, tariffs or charges sufficient to pay,
27 and that a contract entered into by the authority for the carriage of
28 passengers or self-propelled vehicles, or both, shall contain rates,
29 fees, tariffs or charges sufficient to pay, the costs of operation and

1 maintenance of the capital improvement, the principal of and interest on
2 bonds issued under the trust agreement as they severally become due and
3 payable, to provide for debt service coverage as considered necessary by
4 the authority for the marketing of its bonds and to provide for renewals,
5 replacements and improvements to the capital improvement, and to main-
6 tain reserves required by the terms of the trust agreement.

7 (c) For the purpose of securing any one or more issues of its
8 bonds, the authority may establish one or more special funds, called
9 "capital reserve funds", and shall pay into those capital reserve funds
10 the proceeds of the sale of its bonds and any other money which may be
11 made available to the authority for the purpose of those funds from any
12 other source. The funds shall be established only if the authority
13 determines that the establishment would enhance the marketability of the
14 bonds. All money held in a capital reserve fund, except as provided in
15 this section, shall be used as required, solely for (1) the payment of
16 the principal of and interest on bonds or of the sinking fund payments
17 with respect to those bonds, (2) the purchase or redemption of bonds, or
18 (3) the payment of a redemption premium required to be paid when those
19 bonds are redeemed before maturity; however, money in a fund may not be
20 withdrawn from it at any time in an amount which would reduce the amount
21 of the fund to less than the capital reserve requirement set out in (d)
22 of this section, except for the purpose of making, with respect to those
23 bonds, payment, when due, of principal, interest, redemption premiums
24 and the sinking fund payments for the payment of which other money of
25 the authority is not available. Income or interest earned by, or
26 increment to, a capital reserve fund, due to the investment of the fund
27 or any other amounts in it, may be transferred by the authority to other
28 funds or accounts of the authority to the extent that the transfer does
29 not reduce the amount of the capital reserve fund below the capital

1 reserve fund requirement.

2 (d) If the authority decides to issue bonds secured by a capital
3 reserve fund, the bonds may not be issued if the amount in the capital
4 reserve fund is less than such a per cent, not exceeding 10 per cent, of
5 the principal amount of all of those bonds secured by that capital
6 reserve fund then to be issued and then outstanding in accordance with
7 their terms, as may be established by resolution of the authority
8 (called the "capital reserve fund requirement"), unless the authority,
9 at the time of issuance of the obligations, deposits in the capital
10 reserve fund from the proceeds of the obligations to be issued or from
11 other sources, an amount which, together with the amount then in the
12 fund, will not be less than the capital reserve fund requirement.

13 (e) In computing the amount of a capital reserve fund for the
14 purpose of this section, securities in which all or a portion of the
15 funds are invested shall be valued by some reasonable method established
16 by the authority by resolution. Valuation on a particular date shall
17 include the amount of any interest earned or accrued to that date.

18 (f) The chairman of the authority shall annually, no later than
19 January 2, make and deliver to the governor and the legislature his
20 certificate stating the sum, if any, required to restore any capital
21 reserve fund to the capital reserve fund requirement. The legislature
22 may appropriate such a sum, and all sums appropriated during the then
23 current fiscal year by the legislature for the restoration shall be
24 deposited by the authority in the proper capital reserve fund. Nothing
25 in this section creates a debt or liability of the state.

26 (g) When the authority has created and established a capital
27 reserve fund, the commissioner of revenue may lend surplus money in the
28 general fund to the authority for deposit in a capital reserve fund in
29 an amount equal to the capital reserve fund requirement. The loans

1 shall be made on such terms and conditions as may be agreed upon by the
2 commissioner of revenue and the authority, including, without limita-
3 tion, terms and conditions providing that the loans need not be repaid
4 until the obligations of the authority secured and to be secured by the
5 capital reserve fund are no longer outstanding.

6 Sec. 19.70.090. VALIDITY OF PLEDGE. It is the intention of the
7 legislature that a pledge made in respect of bonds shall be valid and
8 binding from the time the pledge is made; that the money or property so
9 pledged and thereafter received by the authority shall immediately be
10 subject to the lien of the pledge without physical delivery or further
11 act; and that the lien of the pledge shall be valid and binding as
12 against all parties having claims of any kind in tort, contract or
13 otherwise against the authority irrespective of whether the parties have
14 notice. Neither the resolution, trust agreement nor any other instru-
15 ment by which a pledge is created need be recorded or filed under the
16 provisions of the Uniform Commercial Code to be valid, binding or
17 effective against the parties.

18 Sec. 19.70.100. NONLIABILITY ON BONDS. (a) Neither any of the
19 members of the authority nor a person executing the bonds on behalf of
20 the authority is liable personally on the bonds or is subject to per-
21 sonal liability or accountability by reason of the issuance of the
22 bonds.

23 (b) The bonds issued by the authority do not constitute an in-
24 debtedness or other liability of the state or of a political subdivision
25 of the state, except the authority, but shall be payable solely from the
26 income, receipts or other funds or property of the authority. The
27 authority may not pledge the faith or credit of the state or of a poli-
28 tical subdivision of the state, except the authority, to the payment of
29 a bond, and the issuance of a bond by the authority does not directly,

1 indirectly or contingently obligate the state or a political subdivision
2 of the state to apply money from, or levy or pledge any form of taxation
3 whatever to the payment of the bond.

4 Sec. 19.70.110. PLEDGE OF THE STATE. The state pledges to and
5 agrees with the holders of the bonds issued under this chapter and with
6 any federal agency which loans or contributes funds in respect to a
7 capital improvement, that the state will not limit or alter the rights
8 and powers vested in the authority by this chapter to fulfill the terms
9 of a contract made by the authority with the holders or federal agency,
10 or in any way impair the rights and remedies of the holders until the
11 bonds, together with the interest on them with interest on unpaid
12 installments of interest, and all costs and expenses in connection with
13 an action or proceeding by or on behalf of the holders, are fully met
14 and discharged. The authority is authorized to include this pledge and
15 agreement of the state, insofar as it refers to holders of bonds of the
16 authority, in a contract with the holders, and insofar as it relates to
17 a federal agency, in a contract with the federal agency.

18 Sec. 19.70.120. TAX EXEMPTION. All property of the authority is
19 public property devoted to an essential public and governmental function
20 and purpose and is exempt from all taxes of the state or a political
21 subdivision of the state. All bonds issued under this chapter are
22 issued by a body corporate and public of this state and for an essential
23 public and governmental purpose and the bonds and the interest and in-
24 come on and from the bonds and all income of the authority are exempt
25 from taxation except for transfer, inheritance and estate taxes.

26 Sec. 19.70.120. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The
27 bonds of the authority are securities in which all public officers and
28 bodies of the state and all municipalities and municipal subdivisions,
29 all insurance companies and associations and other persons carrying on

1 any insurance business, all banks, bankers, trust companies, savings
2 banks, savings associations, including savings and loan associations and
3 building and loan associations, investment companies and other persons
4 carrying on a banking business, all administrators, guardians, executors,
5 trustees and other fiduciaries, and all other persons whatsoever who are
6 now or may hereafter be authorized to invest in bonds or other obliga-
7 tions of the state, may properly and legally invest funds including
8 capital in their control or belonging to them. Notwithstanding any
9 other provisions of law, the bonds of the authority are also securities
10 which may be deposited with and may be received by all public officers
11 and bodies of this state and all municipalities and municipal subdivi-
12 sions for any purpose for which the deposit of bonds or other obliga-
13 tions of the state is now or may hereafter be authorized.

14 ARTICLE 4. ACQUISITION OF PROPERTY.

15 Sec. 19.70.130. ACQUISITION OF LAND, RIGHTS-OF-WAY, AND MATERIALS
16 BY PURCHASE OR EMINENT DOMAIN. The authority, as part of the cost of
17 constructing, maintaining or improving a ferry system, may purchase,
18 acquire, take over or condemn under the right and power of eminent
19 domain land in fee simple or easements which it considers necessary for
20 present public use, either temporary or permanent, or which it considers
21 necessary and reasonable for the public use. By the same means, the
22 authority may obtain material, including clay, gravel, sand, or rock, or
23 the land necessary to obtain the material, including access to it. The
24 authority may so acquire the land or materials notwithstanding the fact
25 that title to it is vested in the state or a department, agency, com-
26 mission or institution of the state.

27 Sec. 19.70.140. DECLARATION OF TAKING. A declaration of taking,
28 in the form of an order signed by a majority of the directorship of the
29 authority, declaring that the real property, or an interest in it, or

1 any easement is necessary for the public use of the authority, is suf-
2 ficient to vest title in the authority. However, a declaration of
3 taking is not effective until eminent domain proceedings have been in-
4 stituted in the proper court, and a copy of the declaration of taking is
5 filed in the office of the recorder located in the recording district
6 where the land is located. The authority may pay or have paid, from the
7 appropriate fund, into court the amount it considers represents a rea-
8 sonable valuation for the land, easement or materials taken.

9 Sec. 19.70.150. AUTHORITY TO CONDEMN OR ACQUIRE PUBLICLY OWNED
10 PROPERTY FOR THE PURPOSE OF EXCHANGE. When property, which is devoted
11 to or held for another public use for which the power of eminent domain
12 may be exercised, is taken for purposes set out in this chapter, the
13 authority may, with the consent of the person or agency in charge of the
14 other public use, condemn other real property to be exchanged for the
15 real property so taken. This section does not limit the authorization
16 of the authority to acquire, other than by condemnation, property for
17 those purposes in any other manner.

18 Sec. 19.70.160. AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE OF
19 EXCHANGE. When a majority of the directorship of the authority declares
20 that it is in the best public interest of the state to do so, the
21 authority may acquire by purchase or otherwise privately or publicly
22 owned land or an interest in it for the purpose of exchanging it for
23 privately or publicly owned land which the authority is authorized by
24 law to acquire.

25 Sec. 19.70.170. VACATING OF LAND OR RIGHTS IN LAND. The authority
26 may vacate land, or part of it, or rights in land acquired for use in
27 the marine highway system by executing and filing a deed in the approp-
28 riate recording district. Upon vacating, title reverts to the persons,
29 heirs, successors, or assigns in whom it was vested at the time of the

1 taking. The authority may transfer land considered no longer necessary
2 for use in the marine highway system to the Department of Natural
3 Resources for disposal. The proceeds of disposal by the Department of
4 Natural Resources shall be credited to the funds from which the purchase
5 was originally made.

6 ARTICLE 5. GENERAL PROVISIONS.

7 Sec. 19.70.180. PURPOSE. The purpose of this chapter is to estab-
8 lish an authority for the operation, management, and planning and
9 construction of facilities for the marine highway system that is inde-
10 pendent of the state government. The authority shall be the exclusive
11 state agency directly associated with the operation, management, plan-
12 ning and construction of facilities for the marine highway system.

13 Sec. 19.70.190. ANNUAL REPORT. Before March 1 of each year, the
14 authority shall submit to the governor and the legislature a compre-
15 hensive report describing the operations, income and expenditures for
16 the preceding calendar year.

17 Sec. 19.70.200. ANNUAL AUDIT. The authority shall have its
18 financial records audited annually by a certified public accountant.
19 The legislative auditor may prescribe the form and content of the
20 financial records of the authority and shall have access to these rec-
21 ords at any time.

22 Sec. 19.70.210. BUDGET AND APPROPRIATIONS. The authority shall
23 submit its annual budget to the legislature through the governor as
24 provided for state agencies by the Executive Budget Act (AS 37.07). It
25 may expend money directly appropriated by the legislature only as
26 authorized by the legislature.

27 Sec. 19.70.220. PUBLIC RECORDS; OPEN MEETINGS. The provisions of
28 AS 09.25.110 - 09.25.120 and AS 44.62.310 - 44.62.312 apply to the
29 authority. The authority shall publish a proposed agenda of its

1 meetings and afford the public an opportunity to be heard in accordance
2 with AS 44.62.312.

3 Sec. 19.70.230. DUTY STATION OR PORT CHANGE FOR EMPLOYEES OF THE
4 MARINE HIGHWAY SYSTEM. No employee of the marine highway system may be
5 relieved at a duty station or port which is outside the state. Appro-
6 priate state duty stations or ports for relief changes shall be desig-
7 nated by the authority.

8 Sec. 19.70.240. DEFINITIONS. In this chapter, unless the context
9 requires otherwise,

10 (1) "authority" means the Alaska Marine Highway Authority
11 established by this chapter;

12 (2) "bonds" means bonds, notes, or other obligations of the
13 authority issued under this chapter;

14 (3) "capital improvement" means a project for the construc-
15 tion, rehabilitation, rebuilding, enlarging or improving of all or any
16 part of the marine highway system, including, without limitation, boats,
17 vessels, wharves, docks, approaches, landings, offices, and appurte-
18 nances as determined by the authority to be necessary or desirable for
19 efficient operation of the marine highway system and to best serve the
20 public;

21 (4) "ferry" means a vessel used in the common carriage of
22 passengers and self-propelled vehicles in intrastate commerce.

23 Sec. 19.70.250. SHORT TITLE. This chapter may be cited as the
24 Alaska Marine Highway Authority Act.

25 * Sec. 2. AS 19.60.010 is amended to read:

26 Sec. 19.60.010. ACQUISITION AND MAINTENANCE OF FERRY TERMINAL
27 FACILITIES. The authority [DEPARTMENT] shall construct, purchase or
28 lease ferry terminal facilities at locations it selects for the loading
29 and unloading of passengers and vehicles under their own power, on and

1 off ferries. The authority [DEPARTMENT] shall repair and maintain these
2 facilities.

3 * Sec. 3. AS 19.60.020 is amended to read:

4 Sec. 19.60.020. CONNECTION OF FACILITIES TO HIGHWAYS. The Depart-
5 ment of Transportation and Public Facilities shall [DEPARTMENT MAY]
6 connect ferry terminal facilities with local highway systems.

7 * Sec. 4. AS 19.60.030 is amended to read:

8 Sec. 19.60.030. REGULATIONS. The authority [DEPARTMENT] may adopt
9 [RULES AND] regulations governing the use of ferry terminal facilities
10 by the public which it considers necessary and proper in the public
11 interest.

12 * Sec. 5. AS 19.60.040 is amended to read:

13 Sec. 19.60.040. PRIVATE ENTERPRISE NOT AFFECTED. Any person may
14 construct a ferry terminal facility upon obtaining the approval of the
15 authority [DEPARTMENT] as to its location. A ferry terminal facility
16 constructed by a person other than the authority [DEPARTMENT] is subject
17 to reasonable [RULES AND] regulations governing its use which the
18 authority [DEPARTMENT] considers necessary and proper in the public
19 interest.

20 * Sec. 6. AS 19.60.050 is amended to read:

21 Sec. 19.60.050. APPROVAL OF AUTHORITY [DEPARTMENT] REQUIRED FOR
22 CONSTRUCTION. A ferry terminal facility shall not be constructed with-
23 out the approval of the authority [DEPARTMENT].

24 * Sec. 7. AS 19.60.070(1) is amended to read:

25 (1) "authority" ["DEPARTMENT"] means the Alaska Marine High-
26 way Authority [DEPARTMENT OF PUBLIC WORKS];

27 * Sec. 8. AS 35.27.020 is amended by adding a new subsection to read:

28 (f) Fulfillment of the duties of the department under this chapter
29 are the sole responsibility of the Alaska Marine Highway Authority with

1 respect to the public buildings and facilities of the authority. The
2 requirements of this chapter are intended to apply fully to the author-
3 ity.

4 * Sec. 9. AS 35.27.030 is amended by adding a new paragraph to read:

5 (3) "authority" means the Alaska Marine Highway Authority.

6 * Sec. 10. AS 42.25.180 is amended to read:

7 Sec. 42.25.180. STATE-OPERATED FERRIES. Nothing in this chapter
8 prevents a [THE] state agency from operating ferries or ferry systems
9 inside or outside the state.

10 * Sec. 11. AS 44.42.020(a)(1) is amended to read:

11 (1) plan, design, construct and maintain all state modes of
12 transportation and transportation facilities, communication facilities,
13 and all docks, floats, breakwaters, buildings and similar facilities,
14 except that the department has no planning, design, construction or
15 maintenance responsibilities for transportation modes or facilities
16 under the jurisdiction of the Alaska Marine Highway Authority;

17 * Sec. 12. AS 44.42.020(a)(7) is amended to read:

18 (7) manage, operate, and maintain state transportation faci-
19 lities, communication facilities, and all docks, floats, breakwaters and
20 buildings, including all state highways, vessels, railroads, pipelines,
21 airports, and aviation facilities, except that the department has no
22 management, operational, or maintenance responsibilities for transpor-
23 tation facilities, vessels, or equipment under the jurisdiction of the
24 Alaska Marine Highway Authority;

25 * Sec. 13. AS 19.65 is repealed.