

Offered: 5/30/83
Referred: Finance

Original sponsor: Resources Committee

1 IN THE HOUSE BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS
2 CS FOR HOUSE BILL NO. 377 (Loans)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act financing regional transportation facilities
7 by the Alaska Industrial Development Authority; and
8 providing for an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. FINDINGS. In addition to the findings in AS 44.88.010,
11 the legislature finds that:
12 (1) In most areas of the state, there is a lack of basic trans-
13 portation and port facilities adequate to permit the development of non-
14 renewable natural resource enterprises, including mining enterprises.
15 (2) The development of nonrenewable natural resource enter-
16 prises, including mining enterprises, is essential to the long-term eco-
17 nomic growth of the state and will directly and indirectly alleviate unem-
18 ployment in the state.
19 (3) The achievement of full employment and the establishment and
20 continuing development of nonrenewable natural resource enterprises in the
21 state will be accelerated by authorizing the creation of instrumentalities
22 in the various areas of the state with powers to borrow money to provide
23 for the development of transportation and port facilities, as provided in
24 this chapter.
25 * Sec. 2. PURPOSE. In addition to the purposes specified in AS 44.88.-
26 070, the purpose of the authority is to promote the development of trans-
27 portation facilities by providing financing for transportation facilities
28 or by owning and operating transportation facilities.
29 * Sec. 3. POWERS. In addition to the powers conferred on the authority

1 under AS 44.88.080 and under other law, the authority has the power to

2 (1) acquire, rent, hold, use, and dispose of real and personal
3 property necessary, useful, or convenient for its purposes;

4 (2) grant, by franchise, lease or otherwise, the use of any
5 project, facilities or property owned or controlled by it to any person for
6 the consideration and period of time and upon the other terms and condi-
7 tions it may fix and agree upon;

8 (3) lease or agree with others to use a project for the rentals
9 and upon the terms and conditions the authority may consider advisable;

10 (4) charge and collect rents, rates, fees, or other charges for
11 its services and facilities;

12 (5) issue bonds not to exceed \$500,000,000 in accordance with
13 sec. 4(b) of this Act and AS 44.88.090(b) - (f) to pay the cost of
14 transportation facilities and to secure payment of the bonds by any means
15 provided in AS 44.88; and

16 (6) establish insurance funds, reserve funds, or other funds and
17 accounts with money provided by the sale of bonds or collateral provided by
18 participating businesses, as the authority determines to be appropriate to
19 further the purposes described in this Act.

20 * Sec. 4. REGIONAL TRANSPORTATION FACILITY DEVELOPMENT FUND. (a)
21 There is established in the authority the regional transportation facility
22 development fund. The fund consists of money or assets appropriated or
23 transferred to the authority for transportation facilities and other money
24 or assets deposited in the fund by the authority. The fund may be used to
25 finance or develop a transportation facility or to secure bonds issued to
26 finance transportation facilities.

27 (b) If a transportation facility is financed or developed through use
28 of the assets of the regional transportation facility development fund, the
29 authority may not pledge or use other assets of the authority to assist in

1 the financing or development of the transportation facility. With respect
2 to assets of the authority, bonds issued to finance transportation facil-
3 ities may not exceed \$500,000,000 and shall constitute limited obligations
4 of the authority, secured only by assets in the regional transportation
5 facility development fund. If a transportation facility is also a quali-
6 fied "project," as defined in AS 44.88.220(5), the limitation described in
7 this section does not impair or restrict in any manner the authority's
8 ability to finance the project under the programs established in AS 44.88.

9 * Sec. 5. REGIONAL DEVELOPMENT ADVISORY COUNCIL. (a) A Regional
10 Development Advisory Council may be established in each of the six economic
11 regions recognized by the Bureau of Labor Statistics, United States Depart-
12 ment of Labor, for the purpose of

13 (1) conducting hearings on and approving or rejecting proposed
14 transportation facilities, unless proposed to be located wholly within the
15 boundaries of a municipality; and

16 (2) advising the authority in the development, maintenance, and
17 operation of transportation facilities.

18 (b) A Regional Development Advisory Council shall be organized in a
19 region only after the authority has received a proposal for the development
20 of a transportation facility within the region.

21 (c) A Regional Development Advisory Council consists of five members
22 registered to vote in the region. The governor shall appoint the members
23 to reflect the economic and geographic diversity of the region. Council
24 members serve three-year terms at the pleasure of the governor, except that
25 the initial members may be appointed for less than three years so that the
26 term of at least one of the members expires each year. The governor shall
27 appoint a chairperson who shall call meetings as required and preside over
28 the deliberations of the council. A majority of the council constitutes a
29 quorum for transacting the affairs of the council.

1 (d) Members of a Regional Development Advisory Council receive no
2 compensation for their services on the council, but are entitled to per
3 diem and travel expenses authorized by law for state boards and commissions
4 under AS 39.20.180.

5 * Sec. 6. APPROVAL AND FINDINGS REGARDING TRANSPORTATION FACILITIES.

6 (a) Before entering into an agreement with respect to the financing or
7 development of a proposed transportation facility the authority shall
8 obtain the approval of each Regional Development Advisory Council in which
9 the proposed transportation facility is to be located, unless the proposed
10 transportation facility is to be located wholly within the boundaries of a
11 municipality, in which case the authority shall obtain the approval of the
12 municipality. Approval under this subsection shall be evidenced by a
13 certified copy of a resolution of the council or governing body of the
14 municipality.

15 (b) Before issuing bonds to provide financing for a transportation
16 facility the authority shall

17 (1) obtain approval under (a) of this section;

18 (2) find, on the basis of all information reasonably available
19 to it, that

20 (A) the transportation facility and its development under
21 this chapter will be economically advantageous to the state and the
22 general public welfare and will contribute to the economic growth of
23 the state;

24 (B) the transportation facility applicant is financially
25 responsible;

26 (C) the transportation facility is financially feasible and
27 able to produce revenue adequate to repay the bonds with which it is
28 financed;

29 (D) provision to meet increased demand on public facilities

1 that might result from the transportation facility is reasonably
2 assured;

3 (E) the transportation facility will provide or retain
4 employment reasonably related to the amount of the financing by the
5 authority considering the amount of investment per employee for
6 comparable facilities and other relevant factors; and

7 (F) the scope of the transportation facility is sufficient
8 to provide a reasonable expectation of a benefit to the economy of the
9 state; and

10 (3) submit the findings required under (2) of this section to
11 the Department of Transportation and Public Facilities for its review and
12 comment.

13 * Sec. 7. HEARING TO CONSIDER PROPOSED TRANSPORTATION FACILITY. Before
14 considering a resolution regarding the approval or rejection of the devel-
15 opment or financing of a proposed transportation facility, a Regional
16 Development Advisory Council shall conduct a public hearing in at least
17 three different locations within the region or, if applicable under sec.
18 6(a) of this Act, the governing body of a municipality shall conduct a
19 hearing.

20 * Sec. 8. APPOINTMENT OF TWO AUTHORITY MEMBERS TO REPRESENT COUNCIL OR
21 GOVERNING BODY. (a) If the development or financing of the proposed
22 transportation facility is approved, the Regional Development Advisory
23 Council may designate two of its members, or the governing body of a
24 municipality, as the case may be, may designate two persons who are
25 registered to vote in the municipality, to serve as voting members of the
26 authority in connection with subsequent action by the authority that ex-
27 clusively concerns the transportation facility. If the transportation
28 facility is located in the jurisdiction of more than one council, the
29 authority may, by resolution, prescribe the manner in which local

1 representation is provided.

2 (b) The two members designated under (a) of this section are subject
3 to the provisions of AS 44.88.180, except that they may vote on a decision
4 even though they may be shareholders of a Native corporation affected by
5 the decision. However, they may not vote on the decision if they are
6 officers or employees of the Native corporation.

7 * Sec. 9. DEVELOPMENT, MAINTENANCE, AND OPERATION OF TRANSPORTATION
8 FACILITIES. The authority must obtain approval of the Regional Development
9 Advisory Council or governing body of a municipality, as the case may be,
10 in which the transportation facility is located before the adoption or
11 execution of contracts, agreements, resolutions, or other matters that
12 directly concern the development, maintenance, and operation of the trans-
13 portation facility.

14 * Sec. 10. EQUAL USE AND ACCESS. If the authority owns, leases, or
15 otherwise operates or controls, or participates in the financing of a
16 transportation facility, the authority shall, to the maximum extent pos-
17 sible, provide for equal rights of access to and use of the facility by
18 members of the public and other persons or entities, and the access to and
19 use of the facility shall be upon terms and conditions which are fair and
20 reasonable. However, this section does not prevent the authority from
21 establishing fair and reasonable limitations on use of or access to a
22 facility to the extent the limitations are necessary in connection with the
23 nature of the facility or the demand for use of or access to the facility.
24 This section applies to the establishment of rates and rate structures as
25 well as all other factors, terms and conditions relating to the use of or
26 access to the facility, including without limitation the design and loca-
27 tion of the facility. The members of the authority shall make a written
28 finding concerning compliance of the facility with the provisions of this
29 section.

1 * Sec. 11. DEFINITIONS. In this Act, unless the context requires
2 otherwise,

3 (1) "authority" means the Alaska Industrial Development Author-
4 ity;

5 (2) "transportation facilities" or "facilities" means harbor,
6 port, shipping and transportation facilities of all kinds, including with-
7 out limitation harbors, channels, turning basins, anchorage areas, jetties,
8 breakwaters, waterways, canals, locks, tidal basins, wharves, docks, piers,
9 slips, bulkheads, public landings, warehouses, terminals, refrigerating and
10 cold storage plants, rolling stock, car ferries, tugs, boats, conveyors,
11 tunnels, bridges, highways, roads and railroads, and appliances of all
12 kinds for the handling, storage, inspection and transportation of freight
13 and natural resource products; it also includes without limitation all
14 property, rights, easements and franchises relating to a facility and
15 necessary or convenient for the acquisition, construction or operation of
16 the facility.

17 * Sec. 12. EFFECTIVE PERIOD. The powers described in this Act to
18 finance or develop a transportation facility expire on December 31, 1985.
19 Nothing in this section modifies the provisions of this Act with regard to
20 transportation facilities approved, financed, and developed under this Act
21 before December 31, 1985.

22 * Sec. 13. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).