

Offered: 4/19/85
Referred: Finance

Original sponsor: Rules/Governor

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

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CS FOR HOUSE BILL NO. 105 (Loans)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to the authorization of bonds or notes, establishing conditions under which the bonds or notes for the DeLong Mountain transportation project may be issued; and providing for an effective date."

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

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* Section 1. AS 37.15.410 is amended to read:

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Sec. 37.15.410. BOND AUTHORIZATION. For the purpose of provid-

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ing part or all of the money to be used, with or without any grants or

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other money that [WHICH] may become available, the issuance and sale

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of revenue bonds of the state in the total principal sum of not to

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exceed \$86,525,000 [\$62,825,000] is authorized to acquire, equip,

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construct, and install the additions, improvements, extensions, and

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facilities authorized in AS 37.15.510. The principal of and interest

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on these bonds shall be paid out of and secured by the gross revenues

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derived by the state from the ownership, lease, use, and operation of

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the airports, and of all the facilities of them and out of any other

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revenues or money that [WHICH] the state legislature may provide

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exclusive of any state tax or license.

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* Sec. 2. The Alaska Industrial Development Authority is authorized to

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issue bonds or notes in a principal amount not to exceed \$175,000,000 to

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provide financing for the DeLong Mountain transportation project.

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* Sec. 3. Before bonds or notes authorized under sec. 2 of this Act may

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be issued the Alaska Industrial Development Authority shall comply with

1 AS 44.88.173 and shall incorporate into the final finance plan for the
2 DeLong Mountain transportation project the following terms and conditions:

3 (1) Cominco, Ltd. is required to agree in writing that

4 (A) Cominco, Ltd. will pay for all or a portion of the
5 operation and maintenance of facilities constructed as part of the
6 project based on the use Cominco Alaska makes of the facilities com-
7 pared to the use made by others;

8 (B) if Cominco Alaska ceases to develop the Red Dog Mine
9 after costs or debts have been incurred for the project, Cominco, Ltd.
10 will repay the Alaska Industrial Development Authority for those costs
11 and debts;

12 (C) toll fees paid by Cominco Alaska for the use of facil-
13 ities constructed as part of the project to the Alaska Industrial
14 Development Authority may be periodically adjusted if the price of
15 zinc rises above a level that yields a return on investment commen-
16 surate with risk;

17 (2) land in the Cape Krusenstern National Monument is conveyed
18 to NANA Regional Corporation by the United States Department of the In-
19 terior;

20 (3) NANA Regional Corporation is required to agree in writing to
21 make available to the Alaska Industrial Development Authority, at no more
22 than fair market value, land needed for the port and road constructed as
23 part of the project and land needed for future expansion of the road and
24 port;

25 (4) tax exempt financing for the project is used to the maximum
26 extent possible;

27 (5) a toll schedule, that may be periodically adjusted, is
28 established for use of facilities constructed as part of the project that

29 (A) ensures a reasonable return on the state's investment

1 in the project; and

2 (B) guarantees equitable access to the facilities by all
3 users.

4 * Sec. 4. Before bonds or notes authorized under sec. 2 of this Act may
5 be issued the Alaska Industrial Development Authority shall

6 (1) report in writing to the legislative budget and audit
7 committee that the conditions under sec. 3 of this Act have been met; and

8 (2) agree with the Department of Revenue in writing to deliver
9 all money generated by the DeLong Mountain transportation project, other
10 than money necessary for payment of the principal and interest on bonds or
11 notes issued under sec. 2 of this Act, to the Department of Revenue for
12 deposit in the general fund.

13 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
14 10.070(c).