

Offered: 4/26/85
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

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CS FOR HOUSE BILL NO. 105 (Finance)

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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 providing part or all of the money to be used, with or without any grants or other money that [WHICH] may become available, the issuance and sale of revenue bonds of the state in the total principal sum of not to exceed \$86,525,000 [\$62,825,000] is authorized to acquire, equip, construct, and install the additions, improvements, extensions, and facilities authorized in AS 37.15.510. The principal of and interest on these bonds shall be paid out of and secured by the gross revenues derived by the state from the ownership, lease, use, and operation of the airports, and of all the facilities of them and out of any other revenues or money that [WHICH] the state legislature may provide exclusive of any state tax or license.

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* Sec. 2. The Alaska Industrial Development Authority is authorized to issue bonds or notes in a principal amount not to exceed \$175,000,000 to 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 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 by the Alaska Industrial
10 Development Authority for the project, Cominco, Ltd. will repay the
11 authority for those costs 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) the United States government makes available land in the
18 Cape Krusenstern National Monument that is included in the proposed land
19 exchange with NANA Regional Corporation to the corporation for construction
20 of a transportation system;

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

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

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

1 ensures a reasonable return on the state's investment in the project;

2 (6) contracts for the construction, operation, and maintenance
3 of the port and road are subject to AS 36;

4 (7) reasonable and equitable access to the port and road is
5 guaranteed to all users.

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

8 (1) report in writing to the legislative budget and audit com-
9 mittee that the conditions under sec. 3 of this Act have been met; and

10 (2) agree with the Department of Revenue in writing to deliver
11 all money generated by the DeLong Mountain transportation project to the
12 Department of Revenue for deposit in the general fund, other than money
13 necessary for payment of the principal and interest on bonds or notes
14 issued under sec. 2 of this Act and except as may otherwise be provided in
15 the bond or note covenants.

16 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).