

Introduced: 3/4/87
Referred: State Affairs, Labor & Commerce,
Judiciary & Finance

5-0752A

1 IN THE SENATE BY UEHLING

2 SENATE BILL NO. 160

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to land owned by the Alaska Railroad
7 Corporation."

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

9 * Section 1. AS 42.40.100 is amended to read:

10 Sec. 42.40.100. MANAGEMENT BY THE BOARD. The board is respons-
11 ible for the management of the corporation but shall delegate certain
12 powers and duties to the chief executive officer in accordance with
13 AS 42.40.120. In managing the corporation the board shall

14 (1) be responsible for the management of the financial and
15 legal obligations of the Alaska Railroad;

16 (2) operate the Alaska Railroad as a common carrier subject
17 to the jurisdiction of the United States Interstate Commerce Commis-
18 sion consistent with 45 U.S.C. 1207;

19 (3) generally manage the corporation on a self-sustaining
20 basis;

21 (4) apply to the legislature for an appropriation with the
22 concurrence of the governor to be used to provide a particular service
23 that is not otherwise self-sustaining if a subsidy is required to
24 maintain that service;

25 (5) provide for safe, efficient, and economical transporta-
26 tion to meet the overall needs of the state;

27 (6) raise needed capital by issuing bonds of the corpo-
28 ration upon approval by the legislature while ensuring that borrowing
29 by the corporation does not directly or indirectly endanger the

1 state's own borrowing capacity;

2 (7) review all state and other land disposal proposals to
3 aid in planning for future development or expansion of transportation
4 services;

5 (8) ensure that the procurement procedures of the corpo-
6 ration meet accepted railroad industry standards;

7 (9) ensure that the accounting procedures of the corpo-
8 ration meet generally accepted accounting principles consistent with
9 industry standards for comparable railroads;

10 (10) manage rail land in the best interest of the people of
11 the state; in determining the best interest of the people of the state
12 the corporation shall consider the economic development and revenue
13 generating potential of the land, land use plans of municipalities
14 where rail land exists, compatibility of uses of rail land with adja-
15 cent land uses, and public comment received on proposed land manage-
16 ment actions.

17 * Sec. 2. AS 42.40.120(b) is amended to read:

18 (b) The [WITHIN 60 DAYS AFTER ITS FIRST MEETING, THE] board
19 shall delegate the following activities of the corporation to the
20 chief executive officer or other executive officers designated by the
21 board:

22 (1) leasing [SUBJECT TO AS 42.40.285 AND 42.40.350(b) AND
23 (d)], granting easements in, issuing permits for the use of, or con-
24 veying other interests in railroad land for a term not exceeding one
25 year [PROPERTY THAT DO NOT CONSTITUTE A TRANSFER OF THE CORPORATION'S
26 ENTIRE INTEREST IN LAND];

27 (2) establishing specific rates, tariffs, divisions, and
28 contract rate agreements;

29 (3) making routine changes in service levels;

1 (4) establishing procurement and accounting procedures for
2 the corporation; and

3 (5) performing procurement activities.

4 * Sec. 3. AS 42.40.120(c) is amended to read:

5 (c) Notwithstanding (a) and (b) of this section, specific board
6 approval is required for the following:

7 (1) issuing bonds upon approval by the legislature;

8 (2) mortgaging or pledging corporation assets;

9 (3) donating property or other assets belonging to the
10 corporation;

11 (4) acting as a surety or guarantor;

12 (5) adopting a long-range capital improvement and program
13 plan;

14 (6) adopting annual reports;

15 (7) effecting general, comprehensive increases and de-
16 creases in rates;

17 (8) expanding or reducing services in a major way;

18 (9) expanding the main or branch rail lines including spur,
19 industrial, team, switching or side tracks, other than performing
20 routine track alignment as necessary to maintain existing service
21 levels;

22 (10) selecting independent auditors and accountants;

23 (11) entering into collective bargaining agreements;

24 (12) adopting annual budgets;

25 (13) beginning a capital project with an estimated com-
26 pletion cost of more than \$500,000 or an estimated completion time of
27 more than one year;

28 (14) exchanging, donating, selling, or otherwise conveying
29 its entire interest in land subject to approval by the legislature;

1 (15) leasing, granting easements in or permits for, or
2 authorizing use of railroad land for a term exceeding one year;

3 (16) exercising the power of eminent domain.

4 * Sec. 4. AS 42.40.170(b) is amended to read:

5 (b) Only the following subjects may be discussed in an execu-
6 tive session:

7 (1) matters, the immediate knowledge of which would clearly
8 have an adverse effect upon the finances of the corporation;

9 (2) unless the person has requested to have the subjects
10 discussed in public, subjects that tend to prejudice the reputation
11 and character of a person;

12 (3) matters that, by law or municipal charter or ordinance,
13 are permitted to be kept confidential from public disclosure;

14 (4) matters pertaining to personnel;

15 (5) matters pertaining to the corporation's legal position;

16 (6) land acquisition [OR DISPOSAL]; and

17 (7) proprietary or other information of a type treated as
18 confidential under the standards and practices of the United States
19 Interstate Commerce Commission, including practices that protect
20 information associated with specific shippers, divisions, and contract
21 rate agreements.

22 * Sec. 5. AS 42.40.260 is amended by adding a new subsection to read:

23 (c) The annual report shall inventory land, interests in land,
24 and natural resources on land held by the corporation and shall de-
25 scribe future development plans and known resource development
26 potential for the land, interests in land, and natural resources. The
27 annual report shall also provide information on pending proposals for
28 the lease or other disposal of land, interests in
29 land, or natural resources on land held by the corporation during the

1 next year.

2 * Sec. 6. AS 42.40.285 is amended to read:

3 Sec. 42.40.285. LEGISLATIVE APPROVAL REQUIRED. Unless the
4 legislature approves the action by law, the corporation may not

5 (1) exchange, donate, sell, or otherwise convey its entire
6 interest in land;

7 (2) issue bonds;

8 (3) extend railroad lines; this paragraph does not apply to
9 a spur, industrial, team, switching or side track;

10 (4) lease land for a period in excess of 35 years [UNLESS
11 THE CORPORATION RESERVES THE RIGHT TO TERMINATE THE LEASE IF THE LAND
12 IS NEEDED FOR RAILROAD PURPOSES].

13 * Sec. 7. AS 42.40.350(c) is amended to read:

14 (c) The corporation may lease, subject to AS 42.40.285 and (d)
15 and (e) of this section, grant easements in or permits for, or other-
16 wise authorize use of portions of rail land. However, the corporation
17 may not convey its entire interest in rail land except as provided in
18 AS 42.40.285, 42.40.370(d), and 42.40.400.

19 * Sec. 8. AS 42.40.350(d) is amended to read:

20 (d) A lease or disposal of land [APPROVED BY THE LEGISLATURE
21 UNDER AS 42.40.285] by the corporation to a party other than the state
22 or a municipality shall be made at fair market value as determined by
23 a qualified appraiser or by competitive bid.

24 * Sec. 9. AS 42.40.350 is amended by adding a new subsection to read:

25 (e) The corporation shall hold a public hearing with adequate
26 public notice in a municipality affected by

27 (1) a lease of rail land for a term exceeding five years,
28 including options to renew;

29 (2) other transactions in rail land involving assets of the

- 1 corporation valued at, or total payments to the corporation of,
- 2 \$1,000,000 or more.