

HOUSE BILL NO. 46

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES MOYER, Koponen

Introduced: 1/21/91

Referred: International Trade and Tourism, Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act creating the Alaska Spaceport Authority; providing an exemption from municipal
2 sales and use taxes; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1. SHORT TITLE.** This Act may be known as the Alaska Spaceport Authority Act.

5 * **Sec. 2.** AS 02 is amended by adding a new chapter to read:

6 **CHAPTER 40. ALASKA SPACEPORT AUTHORITY.**

7 **ARTICLE 1. CREATION AND ORGANIZATION.**

8 **Sec. 02.40.010. CREATION OF AUTHORITY.** The Alaska Spaceport authority is
9 created as a public corporation of the state. The authority is a body corporate and politic
10 constituting a political subdivision within the Department of Commerce and Economic
11 Development but with a separate and independent legal existence.

12 **Sec. 02.40.020. BOARD OF DIRECTORS.** (a) The board of directors of the authority
13 consists of seven voting members and three ex officio nonvoting members.

14 (b) The voting members of the authority are

1 (1) one member, appointed by the governor, from the University of Alaska Board
2 of Regents;

3 (2) two members, appointed by the governor, who have an understanding of and
4 experience in the aerospace or commercial space industry or in finance or have significant other
5 relevant experience;

6 (3) one member, appointed by the governor, who is a faculty member of the
7 University of Alaska;

8 (4) two public members, appointed by the governor; and

9 (5) one public member appointed by majority vote of the other voting members.

10 (c) The ex officio nonvoting members of the authority shall include

11 (1) one member of the senate appointed by the president of the senate;

12 (2) one member of the house appointed by the speaker of the house; and

13 (3) the commissioner of commerce and economic development.

14 (d) The members of the authority described in (b)(1), (3), (4), and (5) of this section must
15 be residents of the state. The term of a member is four years. A voting member may be
16 removed for cause.

17 (e) Members of the authority described in (b)(2), (4), and (5) of this section receive \$100
18 compensation for each day spent on official business of the authority.

19 (f) All voting members of the authority are entitled to per diem and travel expenses under
20 AS 39.20.180.

21 Sec. 02.40.030. CHAIR AND VICE-CHAIR. The voting members of the authority shall
22 elect a chair and vice-chair from among themselves. The vice-chair presides over all meetings
23 in the absence of the chair and has other duties as the authority may direct.

24 Sec. 02.40.040. MEETINGS; STAFF; ATTORNEY GENERAL TO SERVE AS LEGAL
25 COUNSEL. (a) A majority of the voting members of the authority constitutes a quorum for the
26 transaction of business or the exercise of a power or function at a meeting of the authority. The
27 authority shall meet at least every three months. The authority may meet and transact business
28 by electronic media if (1) public notice of the time and locations where the meeting will be held
29 by electronic media has been given in the same manner as if the meeting were held in a single
30 location; (2) participants and members of the public in attendance can hear and have the same
31 right to participate in the meeting as if the meeting were conducted in person; and (3) copies of

1 pertinent reference materials, statutes, regulations, and audio-visual materials are reasonably
2 available to participants and the public. A meeting by electronic media as provided in this
3 subsection has the same legal effect as a meeting in person.

4 (b) The authority may appoint persons as staff it considers advisable, including an
5 executive director, and may employ professional advisors, technical experts, agents, and other
6 employees it considers advisable. The executive director and employees of the authority are in
7 the exempt service under AS 39.25.

8 (c) The attorney general is the legal counsel for the authority. The attorney general shall
9 advise the authority in legal matters and represent it in judicial proceedings.

10 (d) The authority shall keep minutes of each meeting and send a certified copy of the
11 minutes to the governor and to the Legislative Budget and Audit Committee.

12 Sec. 02.40.050. ALASKA SPACEPORT AUTHORITY REVOLVING FUND. The
13 Alaska Spaceport Authority revolving fund is established in the authority. The revolving fund
14 consists of appropriations made to the revolving fund by the legislature, and rents, fees, or other
15 money or assets transferred to the revolving fund by the authority. Amounts deposited in the
16 revolving fund may be pledged to the payment of bonds of the authority or expended for the
17 purposes of the authority under this chapter.

18 Sec. 02.40.060. SOVEREIGN IMMUNITY; INSURANCE COVERAGE; SAFETY
19 PROGRAM. (a) Notwithstanding any other provision of law, the authority retains the sovereign
20 immunity of the state and that immunity is waived only as provided in AS 09.50 and (d) of this
21 section.

22 (b) The authority may engage actuarial experts and shall develop probability models to
23 indicate the degree of potential harm to the public and private enterprise from the authority's
24 activities.

25 (c) The authority shall, to the extent available, secure insurance coverage within
26 reasonable limits for liability that may arise as a consequence of its activities and to insure its
27 buildings, structures, and other facilities against loss.

28 (d) To the extent the authority is able to obtain insurance coverage, the sovereign
29 immunity of the state is waived to the extent of the insurance coverage.

30 (e) The authority shall establish a safety program that includes

31 (1) the development and implementation of a loss prevention program consisting

1 of a comprehensive authority-wide safety program, including a statement by the board, of safety
2 policy and responsibility and regulations implementing it;

3 (2) provision for regular and periodic facility and equipment inspections;

4 (3) investigation of job-related accidents and other accidents occurring on the
5 premises of the authority or within areas of its jurisdiction;

6 (4) establishment of a program to promote increased safety awareness among
7 employees, agents, and subcontractors of the authority.

8 Sec. 02.40.070. EXCLUSIVE AUTHORITY. The authority has the exclusive power and
9 authority to regulate spaceports in the state.

10 Sec. 02.40.080. SPACEPORT TERRITORY. The Poker Flat Research Range constitutes
11 the territory and launch site for the authority. Additional territory may be added and other sites,
12 other than launch sites, may be developed and utilized if determined by the board to be
13 necessary. New launch sites may only be added after approval by the legislature.

14 Sec. 02.40.090. FEDERAL AIR SPACE NOTIFICATION. In coordination with the
15 Department of Transportation and Public Facilities, the authority shall develop and file the federal
16 air space notification required for priority air space use. To the extent that notification of priority
17 air space use has already been filed by the University of Alaska, that filing shall, if possible
18 under federal law, be transferred to the authority.

19 ARTICLE 2. PURPOSE, POWERS, AND DUTIES.

20 Sec. 02.40.150. PURPOSE OF THE AUTHORITY. The purpose of the authority is to
21 allow the state to take a lead role in the exploration and development of space and to provide a
22 unified direction

23 (1) for space-related economic growth thereby ensuring a stable and dynamic
24 economic climate by attracting and maintaining space-related businesses to locate within and
25 utilize the opportunities provided by the state;

26 (2) for space-related educational development by encouraging and assisting the
27 University of Alaska in developing space-related programs and courses of instruction and the
28 designation of the University of Alaska as a space-grant college under 42 U.S.C. 2486 (National
29 Space Grant College and Fellowship Program);

30 (3) to promote the continued utilization of the Poker Flat Research Range as a
31 launch site for launch vehicles;

1 (4) to recognize the importance and benefits of the continued utilization of Poker
2 Flat Research Range to the University of Alaska's subarctic and arctic research efforts;

3 (5) for promotion of space-related tourism activities at Poker Flat Research Range
4 and other space-related facilities or centers that may be utilized or established by the authority;
5 and

6 (6) for development of a state strategy for and to implement the acceleration of
7 space-related economic growth and educational development in the state by the use of innovative
8 development methods designed to stimulate space-related business and educational development
9 and improve the entrepreneurial atmosphere in the state.

10 Sec. 02.40.160. POWERS AND DUTIES OF THE AUTHORITY. (a) In furtherance
11 of its corporate purposes, the authority has the following powers in addition to its other powers:

12 (1) to sue and be sued;

13 (2) to adopt a seal;

14 (3) to have perpetual succession;

15 (4) to adopt, amend, and repeal bylaws and regulations;

16 (5) to make and execute contracts and other instruments;

17 (6) in its own name to acquire property, lease, rent, convey, or acquire by eminent
18 domain under AS 09.55.240 - 09.55.460, or otherwise, real and personal property; provided that
19 a project site or part of a project site may not be acquired by eminent domain until the authority
20 has secured, through negotiation, options for the purchase of at least 50 percent of the properties
21 included in the site; in an eminent domain proceeding, the court may, upon motion and after a
22 hearing, fix the time when and the terms upon which the parties in possession are required to
23 surrender possession to the authority;

24 (7) to issue bonds and otherwise to incur indebtedness, in accordance with
25 AS 02.40.250, in order to pay the cost of a project or projects or in order to provide money for
26 the authority's purposes under this chapter; the authority may also secure payment of the bonds
27 or other indebtedness as provided in this chapter;

28 (8) to accept gifts, grants, or loans from, and, enter into contracts or other
29 transactions regarding them, with a federal agency or an agency or instrumentality of the state,
30 a municipality, private organization, or other source;

31 (9) to enter into contracts or agreements with a federal agency, agency or

1 instrumentality of the state, municipality, or public or private individual or entity, with respect
2 to the exercise of its powers, and do all things necessary or convenient to carry out its corporate
3 purposes and exercise the powers granted in this chapter;

4 (10) to own, acquire, construct, develop, create, reconstruct, equip, operate,
5 maintain, extend, and improve launch sites, launch pads, landing areas, ranges, payload assembly
6 buildings, payload processing facilities, laboratories, space business incubators, facilities for the
7 construction of rockets and other launch vehicles, and other spaceport facilities and space-related
8 systems, including educational, cultural, touring and parking facilities, and space-related
9 initiatives;

10 (11) to undertake a program of advertising to the public and space-related
11 businesses promoting the spaceport projects of the authority and space-related businesses;

12 (12) to construct, improve, and operate by itself or in cooperation with the
13 Department of Transportation and Public Facilities transportation facilities appropriate to meet
14 the transportation requirements of a facility operated by the authority;

15 (13) to construct, improve, and operate water, sewage, and utility service to a
16 facility operated by the authority;

17 (14) to construct, provide, or improve public safety facilities for a facility operated
18 by the authority;

19 (15) to charge fees, rents, or other charges for the use of a facility or structure
20 developed or operated by the authority;

21 (16) to pledge rents, fees, charges, or other revenue from the use of its services
22 or facilities as security for bonds of the authority;

23 (17) to undertake to finance or develop a space-related project with any agency
24 or authority of the state or its political subdivisions;

25 (18) to apply to the federal government for a grant allowing the designation of
26 spaceport territory as a foreign trade zone under AS 45.77.010;

27 (19) to negotiate agreements for the recovery of a space vehicle, rocket, missile,
28 payload, booster, scientific experiments or other space-related material, debris, or parts with any
29 person or entity, including but not limited to adjacent landowners.

30 (b) The authority shall

31 (1) prepare an annual report of operations to include a balance sheet, an income

1 statement, a statement of changes in financial position, a reconciliation of changes in equity
2 accounts, a summary of significant accounting principles, an auditor's report, comments regarding
3 the year's business, and prospects from the next year; the report shall be provided by the third
4 day of each regular session of the legislature to the governor, the presiding officers of each house
5 of the legislature, and the Legislative Budget and Audit Committee;

6 (2) establish a personnel management system for hiring employees and setting
7 employee-benefit packages;

8 (3) establish procedures, rules, and rates governing per diem and travel expenses
9 of the employees of the authority in substantial conformity to statutes, procedures, rules, and rates
10 governing state employees.

11 Sec. 02.40.170. REGULATIONS. (a) The authority shall adopt regulations to carry out
12 the purposes of this chapter.

13 (b) Except for AS 44.62.310 and 44.62.312 regarding public meetings, the provisions of
14 AS 44.62 (Administrative Procedure Act) regarding the adoption of regulations do not apply to
15 the authority. The authority shall make available to members of the public copies of the
16 regulations adopted under this section. Within 45 days after adoption of a regulation under this
17 section, the chair of the authority shall submit the regulation adopted to the chair of the
18 Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460.

19 (c) The authority may adopt regulations by motion or by resolution or in another manner
20 permitted by its bylaws.

21 (d) Except as provided in (e) of this section, at least 15 days before the adoption,
22 amendment, or repeal of a regulation, the authority shall give public notice of the proposed action
23 by publishing the notice in at least three newspapers of general circulation in the state and by
24 mailing a copy of the notice to every person who has filed a request for notice of proposed
25 regulations with the authority. The public notice must include a statement of the time, place, and
26 nature of the proceedings for the adoption, amendment, or repeal of the regulation and must
27 include an informative summary of the subject of the proposed action. On the date and at the
28 time and place designated in the notice, the authority shall give each interested person or an
29 authorized representative of the person, or both, the opportunity to present statements, arguments,
30 or contentions orally or in writing and shall give members of the public an opportunity to present
31 oral statements, arguments, or contentions for a total period of at least one hour. The authority

1 shall consider all relevant matter presented to it before taking the proposed action on the
2 regulation. At a hearing under this subsection, the authority may continue or postpone the
3 hearing to a time and place determined by the authority and announced at the hearing before
4 taking the action to continue or postpone the hearing. A regulation adopted, amended, or
5 repealed by the authority may vary from the informative summary specified in this subsection
6 if the subject matter of the action taken on the regulation remains the same and if the original
7 notice of the proposed action was written so as to assure that members of the public are
8 reasonably notified of the subject matter of the proposed action in order for them to determine
9 whether their interests could be affected by the authority's proposed action on that subject.

10 (e) The adoption, amendment, or repeal of a regulation may be made as an emergency
11 regulation if, in the order of adoption, the authority states the facts constituting the emergency
12 and makes a finding that the adoption of the regulation is necessary for the immediate
13 preservation of the orderly operation of the authority's programs. The requirements of (d) of this
14 section do not apply to the initial adoption of an emergency regulation; however, upon adoption
15 of an emergency regulation under this subsection, the authority shall, within 10 days after that
16 adoption, publish notice of the adoption in accordance with the notice procedures specified in (d)
17 of this section. An emergency regulation adopted under this subsection may not remain in effect
18 for more than 120 days unless, before the expiration of that period, the authority adopts that
19 regulation as a permanent regulation in accordance with the procedures specified in (d) of this
20 section.

21 (f) A regulation adopted under this section takes effect immediately upon its adoption
22 by the authority or at another time specified by the authority in its order of adoption.

23 Sec. 02.40.180. EXERCISE BY AUTHORITY OF POWERS WITHIN
24 MUNICIPALITIES. The authority may exercise any of its powers in all portions of a spaceport
25 facility or territory lying within the boundaries of a municipality to the same extent and in the
26 same manner as in areas of the spaceport facility or territory not within the boundaries of a
27 municipality.

28 Sec. 02.40.190. TRADE SECRETS CONFIDENTIAL. The authority shall maintain the
29 confidentiality of a trade secret, or other proprietary technical information, supplied by a public
30 or private person for purposes related to this chapter unless the owner of the trade secret
31 authorizes its release or a court orders its release. Information covered by this section is not a

1 public record for purposes of AS 09.25.110 - 09.25.140. The authority shall adopt regulations
2 implementing this section.

3 Sec. 02.40.200. APPROVAL OF PROJECTS BY LEGISLATURE. Notwithstanding any
4 other provision of this chapter, a proposed building project shall be submitted by the authority
5 to the legislature for review at a regular session of the legislature. If the proposed project is
6 submitted before the 75th day of a regular session, the authority may proceed with the proposed
7 project if it is not disapproved by law at that session. If the proposed project is submitted after
8 the 75th day of a regular session or in the interim between regular sessions, the authority may
9 proceed with the project if it is not disapproved by law at the next regular session. A proposed
10 project is considered submitted under this section upon written notification of the proposed
11 project to the presiding officers of each house of the legislature and the Legislative Budget and
12 Audit Committee.

13 ARTICLE 3. FINANCIAL MATTERS.

14 Sec. 02.40.250. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS. The
15 authority may issue bonds and notes from time to time in its discretion for any of its corporate
16 purposes and may issue refunding bonds for the purpose of paying or retiring bonds previously
17 issued by it.

18 Sec. 02.40.260. SECURITY FOR BONDS. The authority may issue bonds including but
19 not limited to bonds on which the principal and interest are payable (1) exclusively from the
20 income and revenue of the space-related project financed with the proceeds of the bonds, (2)
21 exclusively from the income and revenue of designated space-related projects whether or not they
22 are financed in whole or in part with the proceeds of the bonds, (3) from its revenue generally,
23 or (4) exclusively from rents, fees, charges, or other revenue collected or received by the
24 authority. Bonds may be additionally secured by a pledge of a grant or contribution from the
25 federal government or from another source, or by a pledge of income or revenue of the authority,
26 or by a mortgage of a space-related project or other property of the authority.

27 Sec. 02.40.270. LIMITATION OF LIABILITY ON BONDS. The members of the
28 authority and a person executing the bonds are not liable personally on the bonds by reason of
29 their issuance. The bonds of the authority are not a debt of the state or a political or municipal
30 corporation or other subdivision of the state, including the University of Alaska, and each bond
31 must so state on its face. Neither the state nor a political or municipal corporation or other

1 subdivision of the state, including the University of Alaska, other than the authority is liable on
2 the bonds, nor are the bonds payable out of funds or properties other than those of the authority.
3 The authority may not pledge the faith of the people of the state for a loan or obligation. Bonds
4 of the authority are not a debt, indebtedness, or the borrowing of money within the meaning of
5 a limitation or restriction on the issuance of bonds contained in the constitution or laws of the
6 state.

7 Sec. 02.40.280. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes
8 of the authority are authorized by adoption of a resolution prescribing the date of issuance and
9 maturity, interest rate, denomination, form, conversion privilege, rank or priority, execution, terms
10 of redemption, medium, and place of payment. Bonds and notes may be sold in the manner,
11 on the terms, and at the price the authority determines. Each bond and note is negotiable. The
12 signature of a member or an officer upon a bond or note or coupon is not invalidated by that
13 person's ceasing to hold office before the delivery of the bond or note. The recitation of a bond
14 or note that it has been issued in the financing of a space-related project or purpose under this
15 chapter is conclusive as to the issuance of the bond or note and the character of the project in
16 a challenge of the validity of the bond or note or the security for it.

17 Sec. 02.40.290. BONDS EXEMPT FROM TAXES. Bonds and other obligations of the
18 authority are issued for an essential public and governmental purpose and are public
19 instrumentalities and, together with interest on them and income from them, are exempt from
20 taxes.

21 Sec. 02.40.300. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private
22 sale of bonds or bond anticipation notes to an underwriter, the corporation shall retain a financial
23 advisor who is independent from the underwriter. The financial advisor may not bid on the
24 bonds or notes if offered at public sale or negotiate for their purchase if sold at private sale.

25 Sec. 02.40.310. ADDITIONAL POWERS TO SECURE BONDS OR OBLIGATIONS
26 UNDER LEASES. In connection with the issuance of bonds or the incurring of obligations
27 under leases and in order to secure the payment of bonds or lease obligations, the authority, in
28 addition to its other powers, may

29 (1) pledge all or a part of its gross or net rents, fees, or revenues to which its
30 right exists or may exist;

31 (2) mortgage all or a part of its real or personal property, owned or later acquired;



1 (3) covenant against pledging all or a part of its rents, fees, and revenue, or
2 against mortgaging all or a part of its real or personal property, to which its right or title exists
3 or may come into existence or against permitting or suffering any lien on the revenues or
4 property;

5 (4) covenant with respect to limitations on its right to sell, lease, or otherwise
6 dispose of a space-related project or a part of a space-related project;

7 (5) covenant as to what other, or additional debts or obligations may be incurred
8 by it;

9 (6) covenant as to the bonds to be issued and as to the issuance of the bonds in
10 escrow or otherwise, and as to the use and disposition of the proceeds of bonds;

11 (7) provide for the replacement of lost, destroyed, or mutilated bonds;

12 (8) covenant against extending the time for the payment of its bonds or interest
13 on the bonds;

14 (9) redeem the bonds, and covenant for their redemption and to provide the terms
15 and conditions of redemption;

16 (10) covenant as to the rents and fees to be charged in the operation of a space-
17 related project, the amount to be raised each year or other period of time by rents, fees, and other
18 revenue, and as to the use and disposition of this revenue;

19 (11) create or authorize the creation of special funds for money held for
20 construction or operating costs, debt service, reserves, or other purposes, and covenant as to the
21 use and disposition of this money;

22 (12) prescribe the procedure by which the terms of a contract with bondholders
23 may be amended or abrogated, the amount of bonds the holders of which must consent thereto
24 and the manner in which the consent may be given;

25 (13) covenant as to the rights, liabilities, powers, and duties arising upon the
26 breach by it of a covenant, condition, or obligation, and covenant and prescribe as to events of
27 default and terms and conditions upon which any or all of its bonds or obligations shall become
28 or may be declared due before maturity, and covenant as to the terms and conditions upon which
29 this declaration and its consequences may be waived;

30 (14) vest in a trustee or trustees or the holders of bonds or a specified proportion
31 of them, the right to enforce the payment of the bonds or covenants securing or relating to the

1 bonds;

2 (15) vest in one or more trustees the right, in the event of a default by the
3 authority, to take possession of a space-related project or a part of the project, and so long as the
4 authority continues in default to retain possession and to use, operate, and manage the project,
5 and to collect the rent and revenue from the project, and to dispose of the money according to
6 the agreement between the authority and the trustees;

7 (16) provide for the powers and duties of the trustees, and limit the liability of
8 the trustees; and

9 (17) provide the terms and conditions upon which the trustee or trustees or the
10 holders of bonds, or portions of bonds, may enforce a covenant or right securing or relating to
11 the bonds.

12 Sec. 02.40.320. RIGHT OF OBLIGEE OF AUTHORITY TO BRING INJUNCTION.
13 An obligee of the authority may, in addition to all other rights that may be conferred and subject
14 only to contractual restriction binding upon the obligee, seek an injunction or an action in nature
15 of an action for mandamus against the members, the authority, its officers, agents, or employees.

16 Sec. 02.40.330. POWER OF AUTHORITY TO CONFER UPON OBLIGEE RIGHT TO
17 BRING ACTION OR PROCEEDING. The authority may by resolution, trust indenture,
18 mortgage, lease, or other contract confer upon an obligee holding or representing a specified
19 amount in bonds, or holding a lease, the right upon a default as defined in the resolution or
20 instrument by suit, action or proceeding

21 (1) to have possession of a space-related project or part of one surrendered to the obligee,
22 with possession retained by the obligee as long as the authority continues in default;

23 (2) to obtain the appointment of a receiver of a space-related project or part of one and
24 its rents and profits, who may enter, take possession, and for the duration of the default operate
25 and maintain it, collect and receive all fees, rents, revenues, or other charges thereafter arising,
26 and keep the money in a separate account or accounts to be applied in accordance with the
27 obligations of the authority as the court directs;

28 (3) to require the authority and its members to account as if they were the trustees of an
29 express trust.

30 Sec. 02.40.340. EXEMPTION OF REAL PROPERTY OF AUTHORITY FROM
31 EXECUTION OR OTHER PROCESS. All real property of the authority is exempt from levy

1 and sale by execution, and no execution or other judicial process may issue against it and no
2 judgment against the authority may be a charge or lien upon its real property. However, this
3 section does not limit the right of an obligee to foreclose or otherwise enforce a mortgage of the
4 authority or to pursue any remedy for the enforcement of a pledge or lien given by the authority
5 on its rents, fees, or revenues.

6 Sec. 02.40.350. POWER OF AUTHORITY TO OBTAIN FEDERAL AID AND
7 COOPERATION. The authority may borrow, accept contributions, grants, or other financial
8 assistance from the federal government in aid of a space-related project and for this purpose may
9 comply with conditions and enter into the mortgages, trust indentures, leases, or agreements that
10 are necessary, convenient, or desirable in order to obtain financial aid or cooperation from the
11 federal government in the undertaking, construction, maintenance, or operation of a space-related
12 project.

13 Sec. 02.40.360. EXEMPTION FROM TAXES AND ASSESSMENTS. The property of
14 the authority is public property used for essential public and governmental purposes and this
15 property and the authority are exempt from all taxes and special assessments of a municipality,
16 the state, or a political subdivision of the state. However, instead of taxes, the authority may
17 make payments to the municipality or political subdivision for improvements, services, and
18 facilities furnished by it for the benefit of a space-related project.

19 Sec. 02.40.370. DISPOSAL OF SURPLUS PROPERTY. (a) The authority may convey
20 real or personal property that it determines is in excess of its needs. Except as provided in (b)
21 of this section, the sale shall be by public auction or by sealed bids at a price not lower than the
22 fair market value determined by an appraisal made within 180 days before the sale by a
23 qualified appraiser. Public notice shall be given by publishing notice of the sale at least once
24 a week for two consecutive weeks in a newspaper of general circulation within the area in which
25 the property to be sold is located and by posting notice of sale in at least two public places in
26 the area. In no event may the auction be held less than 30 days after the last day of publication.
27 If an acceptable bid is not received, the authority may sell the property at negotiated sale within
28 six months after the date of the auction. A negotiated sale may not be made on an appraisal
29 made more than nine months before the date of sale. The price at a negotiated sale may not be
30 less than the appraised value.

31 (b) Real or personal property of the authority may be conveyed to a state or federal

1 agency or political subdivision for less than the appraised value without competitive bidding,
2 upon a determination by the board that the terms are fair and proper and in the best interests of
3 the state. The board shall consider both the nature of the agency's or political subdivision's
4 public services or functions and the terms under which the property was acquired by the
5 authority.

6 Sec. 02.40.380. PUBLIC LOANS OR DONATIONS TO OR COOPERATION WITH
7 AUTHORITY. (a) A public body, officer, or agency of the state may

- 8 (1) lend or donate money or property to the authority;
- 9 (2) cooperate with it in the planning, construction, or operation of a project;
- 10 (3) transfer to it an interest in property, grant an easement, undertake otherwise
11 authorized construction of facilities adjacent to a project;
- 12 (4) furnish or improve otherwise authorized roads, streets, alleys, and sidewalks;
- 13 (5) contract to exercise its powers relating to repair, elimination, or closing of
14 unsafe, insanitary, or unfit dwellings;
- 15 (6) purchase bonds of the authority;
- 16 (7) incur the entire expense of improvements made under this chapter;
- 17 (8) agree with the authority that a certain sum or that no sum shall be paid by the
18 authority to it instead of taxes;
- 19 (9) enter into agreements respecting exercise of the powers granted in this chapter
20 that shall be approved and executed by the public body or municipality in or adjacent to the
21 project before the project may be constructed; and
- 22 (10) in general do all things necessary or convenient to cooperate in the planning,
23 construction, or operation of a project.

24 (b) Except as required under AS 44.62.310 and 44.62.312, a sale, conveyance, lease, or
25 agreement under this section may be made without appraisal, public notice or advertisement, or
26 bidding. A public body may exercise the powers granted in this section by resolution or
27 ordinance by a majority of the members of the governing body present at the meeting at which
28 it is introduced, and the resolution or ordinance takes effect immediately without publishing or
29 posting.

30 Sec. 02.40.390. RESERVE FUND. (a) The authority shall establish and maintain a
31 special fund called the Alaska Spaceport Authority reserve fund in which there shall be deposited

1 or transferred

2 (1) all money appropriated by the legislature for the purpose of the fund in
3 accordance with the provisions of (g) of this section;

4 (2) all proceeds of bonds required to be deposited in the fund by terms of a
5 contract between the authority and its bondholders or a resolution of the authority with respect
6 to the proceeds of bonds;

7 (3) all other money appropriated by the legislature to the reserve fund; and

8 (4) any other money or funds of the authority that it decides to deposit in the
9 fund.

10 (b) Subject to the provisions of (h) of this section, money in the reserve fund shall be
11 held and applied solely to the payment of the interest on and principal of bonds of the authority
12 as the interest and principal become due and payable and for the retirement of bonds; and the
13 money may not be withdrawn if a withdrawal would reduce the amount in the reserve fund to
14 an amount less than the required debt service reserve except for payment of interest then due and
15 payable on bonds and the principal of bonds then maturing and payable and for the retirement
16 of bonds in accordance with the terms of a contract between the authority and its bondholders
17 and for which payments of other money of the authority is not then available. In this subsection,
18 "required debt service reserve" means, as of the date of computation, the amount required to be
19 on deposit in the reserve fund as provided by resolution of the authority.

20 (c) Money in the reserve fund in excess of the required debt service reserve as defined
21 in (b) of this section, whether by reason of investment or otherwise, may be withdrawn at any
22 time by the authority and transferred to another fund or account of the authority subject to the
23 provision of (h) of this section.

24 (d) Money in the reserve fund may be invested in the same manner and on the same
25 conditions as permitted for investment of funds belonging to the state or held in the treasury
26 under AS 37.10.070; however, the authority may agree with the bondholders to further limit these
27 investments.

28 (e) For purposes of valuation, investments in the reserve fund shall be valued at par or
29 if purchased at less than par, at cost unless otherwise provided by resolution of the authority.
30 Valuation on a particular date shall include the amount of interest then earned or accrued to that
31 date on the money or investments in the reserve fund.

1 (f) Notwithstanding any other provision of this chapter, bonds may not be issued by the
2 authority unless there is in the reserve fund the required debt service reserve for all bonds then
3 issued and outstanding and for the bonds to be issued; however, the authority may satisfy this
4 requirement by depositing as much of the proceeds of the bonds to be issued, upon their issuance,
5 as is needed to meet the required debt service reserve. The authority may at any time issue its
6 bonds or notes for the purpose of increasing the amount in the reserve fund to the required debt
7 service reserve, or to meet whatever higher or additional reserve that may be fixed by the
8 authority with respect to the fund.

9 (g) In order to assure the maintenance of the required debt service reserve in the reserve
10 fund, the legislature may appropriate annually to the authority for deposit in the fund the sum,
11 certified by the chair of the authority to the governor and to the legislature, that is necessary to
12 restore the fund to an amount equal to the required debt service reserve. The chair annually,
13 before January 30, shall make and deliver to the governor and to the legislature a certificate
14 stating the sum required to restore the fund to that amount, and the certified sum may be
15 appropriated and paid to the authority during the then current state fiscal year. Nothing in this
16 subsection creates a debt or liability of the state.

17 (h) All amounts received on account of money appropriated to the reserve fund referred
18 to in (a)(3) of this section shall be held and applied in accordance with (b) of this section;
19 however, at the end of each fiscal year, if the amount in the reserve fund is in excess of the
20 required debt service reserve, any amount representing earnings or income received on account
21 of money appropriated to the reserve fund that exceeds the operating expenses of the authority
22 for that fiscal year shall be transferred to the general fund of the state.

23 (i) All references to the reserve fund in this section include special accounts within the
24 reserve fund that may be created by the authority to secure the payment of particular bonds. The
25 commissioner of revenue may lend surplus money in the general fund to the authority for deposit
26 to any account in the reserve fund in an amount equal to the required debt service reserve. The
27 loans shall be made on the terms and conditions that may be agreed upon by the commissioner
28 of revenue and the authority, including, without limitation, terms and conditions providing that
29 the loans need not be repaid until the obligations of the corporation secured and to be secured
30 by the account in the reserve fund are no longer outstanding.

31 Sec. 02.40.400. COOPERATION WITH OTHER AUTHORITIES. In issuing a bond,

1 the authority may request the assistance of and work with the Alaska Industrial Development and
2 Export Authority and the Alaska Municipal Bond Bank Authority. The Alaska Industrial
3 Development and Export Authority may invest in and issue bonds for space-related projects of
4 the Alaska Spaceport Authority. The Alaska Industrial Development and Export Authority and
5 the Alaska Municipal Bond Bank Authority may purchase and market bonds of the Alaska
6 Spaceport Authority.

7 Sec. 02.40.410. INVESTMENT OF REVENUES. The revenue and receipts of the
8 authority, to the extent they are not needed to pay bonds or other obligations of the authority
9 shall be invested by the commissioner of revenue in cooperation with the authority.

10 Sec. 02.40.420. LEGALITY OF AUTHORITY BONDS AS INVESTMENTS. Bonds
11 of the authority are legal and proper investments and security for public and private banking,
12 insurance, and trust funds.

13 ARTICLE 4. GENERAL PROVISIONS.

14 Sec. 02.40.990. DEFINITIONS. In this chapter

- 15 (1) "authority" means the Alaska Spaceport Authority;
- 16 (2) "board" means the board of directors of the Alaska Spaceport Authority;
- 17 (3) "landing site" means a site or facility designed, intended, or used for the
18 landing of space vehicles;
- 19 (4) "launch site" means a site or facility designed, intended, or used for the
20 launching of space vehicles;
- 21 (5) "payload" means property or cargo, including people or animals, to be
22 transported aboard a vehicle launched by or from the spaceport;
- 23 (6) "recovery" means the retrieval and recovery of space vehicles and payloads
24 that have been launched from the spaceport;
- 25 (7) "spaceport" means an area of land or water and an object or facility on them,
26 developed by the authority under this chapter, that is intended or used for the launching, takeoff,
27 and landing of space vehicles or aircraft and for activities in support of them or related to them;
- 28 (8) "space vehicle" means a rocket, missile, booster, or other vehicle designed,
29 intended, or used to reach high altitude.

30 * Sec. 3. AS 24.20.201(a) is amended to read:

31 (a) The Legislative Budget and Audit Committee has the power to:

1 (1) organize, adopt rules for the conduct of its business, and prescribe procedures
2 for the comprehensive fiscal analysis, budget review, and post-audit functions;

3 (2) hold public hearings, administer oaths, issue subpoenas, compel the attendance
4 of witnesses and production of papers, books, accounts, documents, and testimony, and have the
5 deposition of witnesses taken in a manner prescribed by court rule or law for taking depositions
6 in civil actions;

7 (3) require all state officials and agencies of state government to give full
8 cooperation to the committee or its staff in assembling and furnishing requested information;

9 (4) review revenue projections, state agency appropriation requests, the
10 expenditure of state funds, including the relationship between state agency program
11 accomplishments and legislative intent, and the fiscal policies and procedures of state
12 government;

13 (5) review and approve proposed changes to agency authorized budgets as
14 provided in the Executive Budget Act (AS 37.07);

15 (6) make recommendations concerning appropriations, their expenditure and the
16 fiscal policies and procedures of state government to the governor when appropriate, and to the
17 legislature;

18 (7) prepare and distribute reports, memoranda, or other necessary materials;

19 (8) sue in the name of the legislature during the interim between sessions if
20 authorized by majority vote of the full membership of the committee;

21 (9) hold public hearings on the confirmation of the members of the Board of
22 Trustees of the Alaska Permanent Fund Corporation;

23 (10) make recommendations to the legislature and to agencies of the state that
24 [WHICH] perform lending or investment functions concerning the structure and operating
25 practices of the agencies;

26 (11) enter into and enforce all contracts necessary or desirable for the functions
27 of the committee;

28 (12) provide for annual post audits of the Alaska Housing Finance Corporation,
29 the Alaska Spaceport Authority, and the Alaska Industrial Development and Export Authority.

30 * Sec. 4. AS 29.45.650 is amended by adding a new subsection to read:

31 (h) A borough may not levy or collect a sales tax on sales, rents, and services, or a use

1 tax on the storage, use, or consumption of personal property on the following activities:

2 (1) the sale, lease, rental, storage, consumption, or distribution in this state of or
3 the provision of services relating to an orbital space facility, space propulsion system, or space
4 vehicle, satellite, or station of any kind possessing space flight capacity, including the
5 components of them;

6 (2) the sale, lease, rental, storage, consumption, or use of tangible personal
7 property placed on or used aboard an orbital space facility, space propulsion system, or space
8 vehicle, satellite, or station of any kind, regardless of whether the tangible personal property is
9 returned to this state for subsequent use, storage, or consumption; an exemption under this
10 paragraph is not affected by the failure of a launch to occur, or the destruction of a launch
11 vehicle or a component of a launch vehicle.

12 * Sec. 5. AS 36.30.015(f) is amended to read:

13 (f) The board of directors of the Alaska Housing Finance Corporation, notwithstanding
14 AS 18.56.088, [AND] the board of directors of the Alaska State Housing Authority, and the
15 board of directors of the Alaska Spaceport Authority, notwithstanding AS 02.40.110, shall
16 adopt regulations under the Administrative Procedure Act (AS 44.62) to govern the procurement
17 of supplies, services, professional services, and construction for the respective public
18 corporations. The regulations must

19 (1) reflect competitive bidding principles and provide vendors reasonable and
20 equitable opportunities to participate in the procurement process; and

21 (2) include procurement methods to meet emergency and extraordinary
22 circumstances.

23 * Sec. 6. AS 36.30.990(1) is amended to read:

24 (1) "agency"

25 (A) means a department, institution, board, commission, division, authority,
26 public corporation, the Alaska Pioneers' Home, or other administrative unit of the
27 executive branch of state government;

28 (B) does not include

29 (i) the University of Alaska;

30 (ii) the Alaska State Housing Authority;

31 (iii) the Alaska Railroad Corporation;

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(iv) the Alaska Housing Finance Corporation;

(v) a regional Native housing authority created under AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

(vi) the Alaska Spaceport Authority;

* Sec. 7. AS 37.05.146 is amended to read:

Sec. 37.05.146. DEFINITION OF PROGRAM RECEIPTS. In AS 37.05.142 - 37.05.146 and AS 37.07.080 "program receipts" means fees, charges, income earned on assets, and other state money received by a state agency in connection with the performance of its functions; all program receipts except the following are general fund program receipts:

- (1) federal receipts;
- (2) University of Alaska receipts (AS 14.40.491);
- (3) individual, foundation, or corporation gifts, grants, or bequests that by their terms are restricted to a specific purpose;
- (4) receipts of the following funds:
 - (A) highway working capital fund (AS 44.68.210);
 - (B) correctional industries fund (AS 33.32.020);
 - (C) loan funds;
 - (D) international airport revenue fund (AS 37.15.430);
 - (E) funds managed by the Alaska State Housing Authority (AS 18.55.020), the Alaska Housing Finance Corporation (AS 18.56.020), the Medical Indemnity Corporation of Alaska (AS 21.88.020), the Alaska Railroad Corporation (AS 42.40.010), the Municipal Bond Bank Authority (AS 44.85.020), the Alaska Spaceport Authority (AS 02.40.010), or the Alaska Industrial Development and Export Authority (AS 44.88.020);
 - (F) fish and game fund (AS 16.05.100);
 - (G) school fund (AS 43.50.140);
 - (H) training and building fund (AS 23.20.130);
 - (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and former AS 39.37);
 - (J) permanent fund (art. IX, sec. 15, Alaska Constitution);
 - (K) public school fund (AS 37.14.110);

H

- 1 (L) second injury fund (AS 23.30.040);
2 (M) fishermen's fund (AS 23.35.060);
3 (N) FICA administration fund (AS 39.30.050).

4 * Sec. 8. AS 39.25.110(11) is amended to read:

5 (11) the officers and employees of the following boards, commissions, and
6 authorities:

- 7 (A) Alaska Gas Pipeline Financing Authority;
8 (B) Alaska Permanent Fund Corporation;
9 (C) [REPEALED,
10 (D)] Alaska Industrial Development and Export Authority;
11 (D) [(E)] Alaska Commercial Fisheries Entry Commission;
12 (E) [(F)] Alaska Commission on Postsecondary Education;
13 (F) Alaska Spaceport Authority;

14 * Sec. 9. AS 39.50.200(b) is amended by adding a new paragraph to read:

15 (52) Alaska Spaceport Authority (AS 02.40.010).

16 * Sec. 10. AS 44.99.200(b) is amended to read:

17 (b) The determination under (a) of this section shall be made by the

18 (1) commissioner of administration for a state agency in the executive branch,
19 except as provided in (4) - (6) of this subsection;

20 (2) administrative director of the judicial branch for an agency in the judicial
21 branch;

22 (3) Alaska Legislative Council for an agency in the legislative branch;

23 (4) Board of Regents or president of the University of Alaska for the university;

24 (5) board of directors of the Alaska State Housing Authority for the authority;

25 [AND]

26 (6) board of directors of the Alaska Railroad Corporation for the corporation; and

27 (7) board of directors of the Alaska Spaceport Authority for the authority.

28 * Sec. 11. AS 44.99.400 is amended to read:

29 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for software
30 created by the agency or developed by a private contractor for an agency, and may enforce its
31 rights to protect the copyright. In this section, "state agency" means a department, institution,

1 board, commission, division, authority, public corporation, committee, or other administrative unit
2 of the executive, judicial, or legislative branch of state government, including the University of
3 Alaska, the Alaska State Housing Authority, the Alaska Spaceport Authority, and the Alaska
4 Railroad Corporation.

5 * Sec. 12. EXISTING RECOVERY AGREEMENTS. Agreements for the recovery of rockets, rocket
6 parts, payloads, boosters, missiles, scientific experiments, or other space-related material or debris
7 between the University of Alaska, the Poker Flat Research Range, and another person or entity, including
8 but not limited to adjacent landowners, are agreements of the authority on the effective date of this Act.

9 * Sec. 13. This Act takes effect only if the conditions described in sec. 14 of this Act occur before
10 January 1, 1992.

11 * Sec. 14. EFFECTIVE DATE. This Act takes effect on the date that the Board of Regents of the
12 University of Alaska by resolution agrees in principle to transfer by grant, sale, or long-term lease, the
13 Poker Flat Research Range to the Alaska Spaceport Authority. The Board of Regents shall give notice
14 of their resolution to the lieutenant governor and the revisor of statutes.