

SENATE CS FOR CS FOR HOUSE BILL NO. 46 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/16/91
Referred: Rules

Sponsor(s): REPRESENTATIVES MOYER, Koponen, M.A. Miller

A BILL

FOR AN ACT ENTITLED

1 "An Act creating the Alaska Aerospace Development Corporation; providing for the lease
2 of state land to the corporation; providing an exemption from municipal sales and use
3 taxes for space-related activities; and providing for an effective date."

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

5 * Section 1. SHORT TITLE. This Act may be known as the Alaska Aerospace Development
6 Corporation Act.

7 * Sec. 2. AS 14.40 is amended by adding new sections to read:

8 ARTICLE 7. ALASKA AEROSPACE DEVELOPMENT CORPORATION.

9 Sec. 14.40.821. CREATION AND TERMINATION OF CORPORATION. (a) The
10 Alaska Aerospace Development Corporation is created as a public corporation of the state. The
11 corporation is a body corporate and politic located for administrative purposes within the
12 Department of Commerce and Economic Development and affiliated with the University of
13 Alaska but with a separate and independent legal existence.

14 (b) The corporation may not be terminated as long as it has bonds, notes, or other

1 obligations outstanding. If the corporation is terminated, it shall be terminated in a manner that
2 permits the University of Alaska and Poker Flat Research Range to continue their research and
3 educational missions uninterrupted.

4 Sec. 14.40.826. BOARD OF DIRECTORS. (a) The board of directors of the corporation
5 consists of nine members appointed by the governor as follows:

6 (1) one member of the Board of Regents of the University of Alaska;
7 (2) the president or the designee of the president of the University of Alaska;
8 (3) the director of the Geophysical Institute of the University of Alaska;
9 (4) the executive director of the Alaska Science and Technology Foundation;
10 (5) the commissioner of commerce and economic development or the
11 commissioner's designee;

12 (6) two members who have experience and understanding of the aerospace or
13 commercial space industry, one of whom shall have a special emphasis in federal regulatory
14 procedures and policy involving space;

15 (7) one faculty member of the University of Alaska with research interests
16 involving rockets or satellites;

17 (8) a public member.

18 (b) The members of the board of directors of the corporation described in (a)(6) of this
19 section may be nonresidents of the state. The term of the members described in (a)(1), (6), (7),
20 and (8) of this section is four years and those terms shall be staggered.

21 (c) Members of the board of directors of the corporation described in (a)(6) and (8) of
22 this section receive \$100 compensation for each day spent on official business of the corporation.

23 (d) In addition to the members of the board of directors described in (a) of this section,
24 two members of the legislature shall serve as ex officio nonvoting members of the board of
25 directors. The two ex officio nonvoting members shall include one member of the senate
26 appointed by the president of the senate and one member of the house appointed by the speaker
27 of the house.

28 (e) The voting and nonvoting members of the board of directors of the corporation are
29 entitled to per diem and travel expenses authorized under AS 39.20.180.

30 Sec. 14.40.831. CHAIR AND VICE-CHAIR. The president of the University of Alaska
31 or the designee of the president shall be the chair of the board of directors of the corporation.

1 The commissioner of commerce and economic development or the designee of the commissioner
2 shall be vice-chair of the board of directors of the corporation. The vice-chair presides over all
3 meetings in the absence of the chair and has other duties the board of directors of the corporation
4 may direct.

5 Sec. 14.40.836. MEETINGS; STAFF. (a) A majority of the members of the corporation
6 constitutes a quorum for the transaction of business or the exercise of a power or function at a
7 meeting of the corporation. The corporation shall meet at least every three months. The
8 corporation may meet and transact business by electronic media if (1) public notice of the time
9 and locations where the meeting will be held by electronic media has been given in the same
10 manner as if the meeting were held in a single location; (2) participants and members of the
11 public in attendance can hear and have the same right to participate in the meeting as if the
12 meeting were conducted in person; and (3) copies of pertinent reference materials, statutes,
13 regulations, and audio-visual materials are reasonably available to participants and the public.
14 A meeting by electronic media as provided in this subsection has the same legal effect as a
15 meeting in person.

16 (b) The corporation may employ persons as staff it considers advisable, including an
17 executive director, and may employ professional advisors, technical experts, agents, and other
18 employees it considers advisable. The executive director and employees of the corporation are
19 in the exempt service under AS 39.25.

20 (c) The corporation may hire legal counsel to represent the corporation.

21 (d) The corporation shall keep minutes of each meeting and send a certified copy of the
22 minutes to the governor and to the Legislative Budget and Audit Committee.

23 Sec. 14.40.841. ALASKA AEROSPACE DEVELOPMENT CORPORATION
24 REVOLVING FUND. The Alaska Aerospace Development Corporation revolving fund is
25 established in the corporation. The revolving fund consists of appropriations made to the
26 revolving fund by the legislature, and rents, fees, or other money or assets transferred to the
27 revolving fund by the corporation. Amounts deposited in the revolving fund may be pledged to
28 the payment of bonds of the corporation or expended for the purposes of the corporation under
29 this chapter.

30 Sec. 14.40.846. INSURANCE COVERAGE; SAFETY PROGRAM. (a) The corporation
31 may engage actuarial experts and shall develop probability models to indicate the degree of

1 potential harm to the public and private enterprise from the corporation's activities.

2 (b) The corporation shall, to the extent available and consistent with federal requirements,
3 secure insurance coverage within reasonable limits for liability that may arise as a consequence
4 of its activities and the activities of its officers and employees and to insure its buildings,
5 structures, and other facilities against loss.

6 (c) The corporation shall establish a safety program that includes

7 (1) the development and implementation of a loss prevention program consisting
8 of a comprehensive corporation wide safety program, including a statement by the board, of
9 safety policy and responsibility and regulations implementing it;

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

11 (3) investigation of job-related accidents and other accidents occurring on the
12 premises of the corporation or within areas of its jurisdiction;

13 (4) the establishment of a program to promote increased safety awareness among
14 employees, agents, and subcontractors of the corporation;

15 (5) the study of safety operations at other space-related facilities in the United
16 States;

17 (6) all federal and state safety and emergency facility requirements for commercial
18 space facilities.

19 Sec. 14.40.851. SPACE ACTIVITIES LOCATION. To the extent that the University of
20 Alaska agrees to lease the Poker Flat Research Range to the corporation, the Poker Flat Research
21 Range constitutes the location and launch site for the corporation. The corporation may not
22 pledge or encumber the Poker Flat Research Range, nor is it an asset of the corporation. Other
23 sites may be developed and utilized if determined by the board to be necessary.

24 Sec. 14.40.856. LICENSES AND PERMITS. The corporation shall obtain all federal and
25 state licenses and permits necessary to fulfill the purposes, to perform the duties, and exercise
26 the powers of the corporation.

27 Sec. 14.40.861. PURPOSE OF THE CORPORATION. The purpose of the corporation
28 is to allow the state to take a lead role in the exploration and development of space, to enhance
29 human and economic development, and to provide a unified direction

30 (1) for space-related economic growth thereby ensuring a stable and dynamic
31 research and business climate by attracting space-related businesses to locate within and utilize

1 the opportunities provided in the state;

2 (2) for space-related educational and research development by encouraging and
3 assisting the University of Alaska in developing space-related programs, research, and courses
4 of instruction and to assist the University of Alaska as a member of the Space Grant State
5 Consortia under 42 U.S.C. 2486 (National Space Grant College and Fellowship Program);

6 (3) to promote the continued utilization of the Poker Flat Research Range as a
7 launch site for launch vehicles and for scientific research both from ground based and rocket or
8 balloon based instrumentation;

9 (4) to recognize the importance and benefits of and to promote and encourage the
10 continued utilization of Poker Flat Research Range for the University of Alaska's polar research
11 efforts;

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

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

19 Sec. 14.40.866. POWERS AND DUTIES OF THE CORPORATION. (a) In furtherance
20 of its corporate purposes, in addition to its other powers the corporation may

21 (1) sue and be sued;

22 (2) adopt a seal;

23 (3) have perpetual succession;

24 (4) adopt, amend, and repeal bylaws and regulations;

25 (5) make and execute contracts and other instruments;

26 (6) in its own name acquire property, lease, rent, convey, or acquire real and
27 personal property, except that a project site or part of a project site may not be acquired by
28 eminent domain;

29 (7) issue bonds and otherwise incur indebtedness, in accordance with
30 AS 14.40.891, in order to pay the cost of a project or projects to construct or improve launch
31 facilities or other space and aerospace projects or in order to provide money for the corporation's

1 purposes under this chapter; the corporation may also secure payment of the bonds or other
2 indebtedness as provided in this chapter;

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

6 (9) enter into contracts or agreements with a federal agency, agency or
7 instrumentality of the state, municipality, or public or private individual or entity, with respect
8 to the exercise of its powers, and do all things necessary or convenient to carry out its corporate
9 purposes and exercise the powers granted in this chapter;

10 (10) own, acquire, construct, develop, create, reconstruct, equip, operate, maintain,
11 extend, and improve launch sites, launch pads, landing areas, ranges, payload facilities,
12 laboratories, space business incubators, facilities for the construction of rockets and other launch
13 vehicles, and other space facilities and space-related systems, including educational, cultural,
14 tourism, and parking facilities, and space-related initiatives;

15 (11) undertake a program of advertising to the public and space-related businesses
16 promoting the space-related projects of the corporation and space-related businesses;

17 (12) construct, improve, and operate by itself or in cooperation with the
18 University of Alaska or the Department of Transportation and Public Facilities transportation
19 facilities appropriate to meet the transportation requirements of a facility operated by the
20 corporation;

21 (13) construct, improve, and operate water, sewage, and utility service to a facility
22 operated by the corporation;

23 (14) construct, provide, or improve public safety facilities for a facility operated
24 by the corporation;

25 (15) charge fees, rents, or other charges for the use of a facility, structure, or
26 service developed, operated, or provided by the corporation including fees, rents, and other
27 charges in excess of the actual operating cost of the use of the facility, structure, or service;

28 (16) pledge rents, fees, charges, or other revenue from the use of its services or
29 facilities as security for bonds of the corporation;

30 (17) undertake to finance or develop a space-related project with any agency or
31 authority of the state, its political subdivisions, agencies or authorities of other states, the federal

1 government, foreign governments, or private entities;
2 (18) apply to the federal government for a grant allowing the designation of
3 corporation territory as a foreign trade zone under AS 45.77.010;
4 (19) negotiate agreements for the overflight or recovery of a space vehicle, rocket,
5 missile, payload, booster, scientific experiments or other space-related material, debris, or parts
6 with any person or entity, including but not limited to adjacent landowners;
7 (20) lease the Poker Flat Research Range or portions of it from the University of
8 Alaska and to lease to the University space-related facilities that the corporation may construct
9 or acquire;
10 (21) apply for and hold in the name of the corporation patents, copyrights, and
11 other intellectual property.
12 (b) The corporation shall
13 (1) prepare an annual report of its operations to include a balance sheet, an
14 income statement, a statement of changes in financial position, a reconciliation of changes in
15 equity accounts, a summary of significant accounting principles, an auditor's report, comments
16 regarding the year's business, and prospects from the next year; the report shall be provided by
17 the third day of each regular session of the legislature to the governor, the presiding officers of
18 each house of the legislature, the University of Alaska, and the Legislative Budget and Audit
19 Committee;
20 (2) submit its annual budget to the legislature through the governor as provided
21 for state agencies by AS 37.07;
22 (3) establish a personnel management system for hiring employees and setting
23 employee-benefit packages;
24 (4) establish procedures, rules, and rates governing per diem and travel expenses
25 of the employees of the corporation in substantial conformity to statutes, procedures, rules, and
26 rates governing state employees;
27 (5) fulfill its purposes, perform its duties, and exercise its power in a manner that
28 does not interfere or restrict the educational and research functions of Poker Flat Research Range
29 and the University of Alaska.
30 Sec. 14.40.871. REGULATIONS. (a) The corporation shall adopt regulations to carry
31 out the purposes of this chapter.

1 (b) Except for AS 44.62.310 and 44.62.312 regarding public meetings, the provisions of
2 AS 44.62 (Administrative Procedure Act) regarding the adoption of regulations do not apply to
3 the corporation. The corporation shall make available to members of the public copies of the
4 regulations adopted under this section. Within 45 days after adoption of a regulation under this
5 section, the chair of the corporation shall submit the regulation adopted to the chair of the
6 Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460.

7 (c) The corporation may adopt regulations by motion or by resolution or in another
8 manner permitted by its bylaws.

9 (d) Except as provided in (e) of this section, at least 15 days before the adoption of a
10 regulation, the corporation shall give public notice of the proposed action by publishing the notice
11 in at least three newspapers of general circulation in the state and by mailing a copy of the notice
12 to every person who has filed a request for notice of proposed regulations with the corporation.
13 The public notice must include a statement of the time, place, and nature of the proceedings for
14 the adoption of the regulation and must include an informative summary of the subject of the
15 proposed action. On the date and at the time and place designated in the notice, the corporation
16 shall give each interested person or an authorized representative of the person, or both, the
17 opportunity to present statements, arguments, or contentions orally or in writing and shall give
18 members of the public an opportunity to present oral statements, arguments, or contentions for
19 a total period of at least one hour. The corporation shall consider all relevant matter presented
20 to it before taking the proposed action on the regulation. At a hearing under this subsection, the
21 corporation may continue or postpone the hearing to a time and place determined by the
22 corporation and announced at the hearing before taking the action to continue or postpone the
23 hearing. A regulation adopted by the corporation may vary from the informative summary
24 specified in this subsection if the subject matter of the action taken on the regulation remains the
25 same and if the original notice of the proposed action was written so as to assure that members
26 of the public are reasonably notified of the subject matter of the proposed action in order for
27 them to determine whether their interests could be affected by the corporation's proposed action
28 on that subject.

29 (e) The adoption of a regulation may be made as an emergency regulation if, in the order
30 of adoption, the corporation states the facts constituting the emergency and makes a finding that
31 the adoption of the regulation is necessary for the immediate preservation of the orderly operation

1 of the corporation's programs. The requirements of (d) of this section do not apply to the initial
2 adoption of an emergency regulation; however, upon adoption of an emergency regulation under
3 this subsection, the corporation shall, within 10 days after that adoption, publish notice of the
4 adoption in accordance with the notice procedures specified in (d) of this section. An emergency
5 regulation adopted under this subsection may not remain in effect for more than 120 days unless,
6 before the expiration of that period, the corporation adopts that regulation as a permanent
7 regulation in accordance with the procedures specified in (d) of this section.

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

10 Sec. 14.40.876. EXERCISE BY CORPORATION OF POWERS WITHIN
11 MUNICIPALITIES. The corporation may exercise any of its powers in all portions of a space-
12 related facility or territory lying within the boundaries of a municipality to the same extent and
13 in the same manner as in areas of the space-related facility or territory not within the boundaries
14 of a municipality.

15 Sec. 14.40.881. TRADE SECRETS CONFIDENTIAL. The corporation shall maintain
16 the confidentiality of a trade secret, or other proprietary technical information, supplied for
17 purposes related to this chapter unless the owner of the trade secret authorizes its release or a
18 court orders its release. Information covered by this section is not a public record for purposes
19 of AS 09.25.110 - 09.25.140. The corporation shall adopt regulations implementing this section.

20 Sec. 14.40.886. APPROVAL OF PROJECTS BY LEGISLATURE. Notwithstanding any
21 other provision of this chapter, a proposed construction project of \$1,000,000 or more shall be
22 submitted by the corporation to the legislature for approval at a regular session of the legislature.

23 Sec. 14.40.891. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS. (a)
24 Except as provided in (b) of this section, the corporation may issue bonds in its discretion for
25 any of its corporate purposes and may issue refunding bonds for the purpose of paying or retiring
26 bonds previously issued by it.

27 (b) The corporation may not, without prior legislative approval, issue bonds, other than
28 refunding bonds,

29 (1) in a total amount in excess of \$1,000,000 each calendar year; or

30 (2) if the annual debt service on all outstanding bonds issued and proposed to be
31 issued exceeds \$1,000,000 in a fiscal year.

1 Sec. 14.40.896. SECURITY FOR BONDS. The corporation may issue bonds including
2 but not limited to bonds on which the principal and interest are payable (1) exclusively from the
3 income and revenue of the space-related project financed with the proceeds of the bonds, (2)
4 exclusively from the income and revenue of designated space-related projects whether or not they
5 are financed in whole or in part with the proceeds of the bonds, (3) from its revenue or other
6 assets generally, or (4) exclusively from rents, fees, charges, or other revenue collected or
7 received by the corporation. Bonds may be additionally secured by a pledge of a grant or
8 contribution from the federal government or from another source, or by a pledge of income or
9 revenue of the corporation, or by a mortgage of a space-related project or other property of the
10 corporation.

11 Sec. 14.40.899. LIMITATION OF LIABILITY ON BONDS. The members of the
12 corporation and a person executing the bonds are not liable personally on the bonds by reason
13 of their issuance. The bonds of the corporation are not a debt of the state or a political or
14 municipal corporation or other subdivision of the state, including the University of Alaska, and
15 each bond must so state on its face. Neither the state nor a political or municipal corporation
16 or other subdivision of the state, including the University of Alaska, other than the corporation
17 is liable on the bonds, nor are the bonds payable out of funds or properties other than those of
18 the corporation. The corporation may not pledge the faith of the people of the state for a loan
19 or obligation. Bonds of the corporation are not a debt, indebtedness, or the borrowing of money
20 within the meaning of a limitation or restriction on the issuance of bonds contained in the
21 constitution or laws of the state.

22 Sec. 14.40.902. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes
23 of the corporation are authorized by adoption of a resolution prescribing the date of issuance and
24 maturity, interest rate, denomination, form, conversion privilege, rank or priority, execution, terms
25 of redemption, medium, and place of payment. Bonds and notes may be sold in the manner, on
26 the terms, and at the price the corporation determines. Each bond and note is negotiable. The
27 signature of a member or an officer upon a bond or note or coupon is not invalidated by that
28 person's ceasing to hold office before the delivery of the bond or note. The recitation of a bond
29 or note that it has been issued in the financing of a space-related project or purpose under this
30 chapter is conclusive as to the issuance of the bond or note and the character of the project in
31 a challenge of the validity of the bond or note or the security for it.

1 Sec. 14.40.906. BONDS EXEMPT FROM TAXES. Bonds and other obligations of the
2 corporation are issued for an essential public and governmental purpose and are public
3 instrumentalities and, together with interest on them and income from them, are exempt from
4 taxes.

5 Sec. 14.40.908. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private
6 sale of bonds or bond anticipation notes to an underwriter, the corporation shall retain a financial
7 advisor who is independent from the underwriter. The financial advisor may not bid on the
8 bonds or notes if offered at public sale or negotiate for their purchase if sold at private sale.

9 Sec. 14.40.912. ADDITIONAL POWERS TO SECURE BONDS OR OBLIGATIONS
10 UNDER LEASES. In connection with the issuance of bonds or the incurring of obligations
11 under leases and in order to secure the payment of bonds or lease obligations, the corporation,
12 in addition to its other powers, may

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (15) vest in one or more trustees the right, in the event of a default by the
19 corporation, to take possession of a space-related project or a part of the project, and so long as
20 the corporation continues in default to retain possession and to use, operate, and manage the
21 project, and to collect the rent and revenue from the project, and to dispose of the money
22 according to the agreement between the corporation and the trustees;

23 (16) provide for the powers and duties of the trustees, and limit the liability of
24 the trustees; and

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

28 **Sec. 14.40.916. RIGHT OF OBLIGEE OF CORPORATION TO BRING INJUNCTION.**
29 An obligee of the corporation may, in addition to all other rights that may be conferred and
30 subject only to contractual restriction binding upon the obligee, seek an injunction or an action
31 in nature of an action for mandamus against the members, the corporation, its officers, agents,

1 or employees.

2 Sec. 14.40.921. POWER OF CORPORATION TO CONFER UPON OBLIGEE RIGHT
3 TO BRING ACTION OR PROCEEDING. The corporation may by resolution, trust indenture,
4 mortgage, lease, or other contract confer upon an obligee holding or representing a specified
5 amount in bonds, or holding a lease, the right upon a default as defined in the resolution or
6 instrument by suit, action or proceeding

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

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

14 (3) to require the corporation and its members to account as if they were the
15 trustees of an express trust.

16 Sec. 14.40.926. EXEMPTION OF REAL PROPERTY OF CORPORATION FROM
17 EXECUTION OR OTHER PROCESS. All real property of the corporation is exempt from levy
18 and sale by execution, and an execution or other judicial process may not issue against it. A
19 judgment against the corporation may not be a charge or lien upon its real property. However,
20 this section does not limit the right of an obligee to foreclose or otherwise enforce a mortgage
21 of the corporation or to pursue any remedy for the enforcement of a pledge or lien given by the
22 corporation on its rents, fees, or revenues.

23 Sec. 14.40.931. POWER OF CORPORATION TO OBTAIN FEDERAL AID AND
24 COOPERATION. The corporation may borrow, accept contributions, grants, or other financial
25 assistance from the federal government in aid of a space-related project and for this purpose may
26 comply with conditions and enter into the mortgages, trust indentures, leases, or agreements that
27 are necessary, convenient, or desirable in order to obtain financial aid or cooperation from the
28 federal government in the undertaking, construction, maintenance, or operation of a space-related
29 project.

30 Sec. 14.40.936. EXEMPTION FROM TAXES AND ASSESSMENTS. The property of
31 the corporation is public property used for essential public and governmental purposes and this

1 property and the corporation are exempt from all taxes and special assessments of a municipality,
2 the state, or a political subdivision of the state. However, instead of taxes, the corporation may
3 make payments to the municipality or political subdivision for improvements, services, and
4 facilities furnished by it for the benefit of a space-related project.

5 Sec. 14.40.941. DISPOSAL OF SURPLUS PROPERTY. (a) The corporation may
6 convey real or personal property that it determines is in excess of its needs. Except as provided
7 in (b) of this section, the sale shall be by public auction or by sealed bids. Public notice shall
8 be given by publishing notice of the sale at least once a week for two consecutive weeks in a
9 newspaper of general circulation within the area in which the property to be sold is located and
10 by posting notice of sale in at least two public places in the area. In no event may the auction
11 be held less than 30 days after the last day of publication. If an acceptable bid is not received,
12 the corporation may sell the property at negotiated sale within six months after the date of the
13 auction. A negotiated sale may not be made on an appraisal made more than nine months before
14 the date of sale. The price at a negotiated sale may not be less than the appraised value.

15 (b) Real or personal property of the corporation may be conveyed to a state or federal
16 agency or political subdivision or the University of Alaska for less than the appraised value
17 without competitive bidding, upon a determination by the board that the terms are fair and proper
18 and in the best interests of the state. The board shall consider both the nature of the agency's
19 or political subdivision's public services or functions and the terms under which the property was
20 acquired by the corporation.

21 Sec. 14.40.946. PUBLIC LOANS OR DONATIONS TO OR COOPERATION WITH
22 CORPORATION. (a) A public body or agency of the state may

- 23 (1) lend or donate money or property to the corporation;
24 (2) cooperate with it in the planning, construction, or operation of a project;
25 (3) transfer to it an interest in property, grant an easement, undertake otherwise
26 authorized construction of facilities adjacent to a project;
27 (4) furnish or improve otherwise authorized roads, streets, alleys, and sidewalks;
28 (5) purchase bonds of the corporation;
29 (6) incur the entire expense of improvements made under this chapter;
30 (7) agree with the corporation that a certain sum or that no sum shall be paid by
31 the corporation to it instead of taxes;

1 (8) enter into agreements respecting exercise of the powers granted in this chapter
2 that shall be approved and executed by the public body or municipality in or adjacent to the
3 project before the project may be constructed; and

4 (9) in general do all things necessary or convenient to cooperate in the planning,
5 construction, or operation of a project.

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

12 Sec. 14.40.951. RESERVE FUND. (a) The corporation shall establish and maintain a
13 special fund called the Alaska Aerospace Development Corporation reserve fund in which there
14 shall be deposited or transferred

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

17 (2) all proceeds of bonds required to be deposited in the fund by terms of a
18 contract between the corporation and its bondholders or a resolution of the corporation with
19 respect to the proceeds of bonds;

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

21 (4) any other money or funds of the corporation that it decides to deposit in the
22 fund.

23 (b) Subject to the provisions of (h) of this section, money in the reserve fund shall be
24 held and applied solely to the payment of the interest on and principal of bonds of the
25 corporation as the interest and principal become due and payable and for the retirement of bonds;
26 and the money may not be withdrawn if a withdrawal would reduce the amount in the reserve
27 fund to an amount less than the required debt service reserve except for payment of interest then
28 due and payable on bonds and the principal of bonds then maturing and payable and for the
29 retirement of bonds in accordance with the terms of a contract between the corporation and its
30 bondholders and for which payments of other money of the corporation is not then available. In
31 this subsection, "required debt service reserve" means, as of the date of computation, the amount

1 required to be on deposit in the reserve fund as provided by resolution of the corporation.

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

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

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

14 (f) Notwithstanding any other provision of this chapter, bonds may not be issued by the
15 corporation unless there is in the reserve fund the required debt service reserve for all bonds then
16 issued and outstanding and for the bonds to be issued; however, the corporation may satisfy this
17 requirement by depositing as much of the proceeds of the bonds to be issued, upon their issuance,
18 as is needed to meet the required debt service reserve. The corporation may at any time issue
19 its bonds or notes for the purpose of increasing the amount in the reserve fund to the required
20 debt service reserve, or to meet whatever higher or additional reserve that may be fixed by the
21 corporation with respect to the fund.

22 (g) In order to assure the maintenance of the required debt service reserve in the reserve
23 fund, the legislature may appropriate annually to the corporation for deposit in the fund the sum,
24 certified by the chair of the corporation to the governor and to the legislature, that is necessary
25 to restore the fund to an amount equal to the required debt service reserve. The chair annually,
26 before January 30, shall make and deliver to the governor and to the legislature a certificate
27 stating the sum required to restore the fund to that amount, and the certified sum may be
28 appropriated and paid to the corporation during the then current state fiscal year. Nothing in this
29 subsection creates a debt or liability of the state.

30 (h) All amounts received on account of money appropriated to the reserve fund referred
31 to in (a)(3) of this section shall be held and applied in accordance with (b) of this section;

1 however, at the end of each fiscal year, if the amount in the reserve fund is in excess of the
2 required debt service reserve, any amount representing earnings or income received on account
3 of money appropriated to the reserve fund that exceeds the operating expenses of the corporation
4 for that fiscal year shall be transferred to the general fund of the state.

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

13 Sec. 14.40.956. COOPERATION WITH OTHER AUTHORITIES. In issuing a bond,
14 the corporation may request the assistance of and work with the Alaska Industrial Development
15 and Export Authority and the Alaska Municipal Bond Bank Authority. The Alaska Industrial
16 Development and Export Authority may invest in and issue bonds for space-related projects of
17 the Alaska Aerospace Development Corporation. The Alaska Industrial Development and Export
18 Authority and the Alaska Municipal Bond Bank Authority may purchase and market bonds of
19 the Alaska Aerospace Development Corporation.

20 Sec. 14.40.961. INVESTMENT OF REVENUE. The revenue and receipts of the
21 corporation, to the extent they are not needed to pay bonds or other obligations of the corporation
22 shall be invested by the commissioner of revenue in cooperation with the corporation.

23 Sec. 14.40.966. LEGALITY OF CORPORATION BONDS AS INVESTMENTS. Bonds
24 of the corporation are legal and proper investments and security for public and private banking,
25 insurance, and trust funds.

26 Sec. 14.40.990. DEFINITIONS. In AS 14.40.821 - 14.40.990,

27 (1) "board" means the board of directors of the Alaska Aerospace Development
28 Corporation;

29 (2) "corporation" means the Alaska Aerospace Development Corporation;

30 (3) "landing site" means a site or facility designed, intended, or used for the
31 landing or recovery of space vehicles, aircraft, or balloons;

1 (4) "launch site" means a site or facility designed, intended, or used for the
2 launching of space vehicles, sounding rockets, aircraft, or balloons;

3 (5) "payload" means property or cargo, including people or animals, to be
4 transported aboard a vehicle launched by the corporation;

5 (6) "recovery" means the retrieval and recovery of space vehicles, payloads, and
6 parts that have been launched from the corporation's facilities;

7 (7) "space vehicle" means a rocket, missile, booster, or other vehicle designed,
8 intended, or used to reach high altitude.

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

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

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

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

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

19 (4) review revenue projections, state agency appropriation requests, the
20 expenditure of state funds, including the relationship between state agency program
21 accomplishments and legislative intent, and the fiscal policies and procedures of state
22 government;

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

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

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

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

31 (9) hold public hearings on the confirmation of the members of the Board of

1 Trustees of the Alaska Permanent Fund Corporation;

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

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

7 (12) provide for annual post audits of the Alaska Housing Finance Corporation,
8 the Alaska Aerospace Development Corporation, and the Alaska Industrial Development and
9 Export Authority.

10 * Sec. 4. AS 29.45.650(a) is amended to read:

11 (a) Except as provided in AS 04.21.010(c) and in (f) and (h) of this section, a borough
12 may levy and collect a sales tax on sales, rents, and on services provided in the borough. The
13 sales tax may apply to any or all of these sources. Exemptions may be granted by ordinance.

14 * Sec. 5. AS 29.45.650 is amended by adding a new subsection to read:

15 (h) A borough may not levy or collect a sales tax on sales, rents, and services, or a use
16 tax on the storage, use, or consumption of personal property on the following activities:

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

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

27 * Sec. 6. AS 36.30.015(e) is amended to read:

28 (e) The board of directors of the Alaska Railroad Corporation and the board of
29 directors of the Alaska Aerospace Development Corporation shall adopt procedures to govern
30 the procurement of supplies, services, professional services, and construction. The procedures
31 must be substantially equivalent to the procedures prescribed in this chapter and in regulations

1 adopted under this chapter.

2 * Sec. 7. AS 36.30.990(1) is amended to read:

3 (1) "agency"

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

7 (B) does not include

8 (i) the University of Alaska;

9 (ii) the Alaska State Housing Authority;

10 (iii) the Alaska Railroad Corporation;

11 (iv) the Alaska Housing Finance Corporation;

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

14 (vi) the Alaska Aerospace Development Corporation;

15 * Sec. 8. AS 37.05.146 is amended to read:

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

20 (1) federal receipts;

21 (2) University of Alaska receipts (AS 14.40.491);

22 (3) individual, foundation, or corporation gifts, grants, or bequests that by their
23 terms are restricted to a specific purpose;

24 (4) receipts of the following funds:

25 (A) highway working capital fund (AS 44.68.210);

26 (B) correctional industries fund (AS 33.32.020);

27 (C) loan funds;

28 (D) international airport revenue fund (AS 37.15.430);

29 (E) funds managed by the Alaska State Housing Authority (AS 18.55.020),
30 the Alaska Housing Finance Corporation (AS 18.56.020), the Medical Indemnity
31 Corporation of Alaska (AS 21.88.020), the Alaska Railroad Corporation (AS 42.40.010),

1 the Municipal Bond Bank Authority (AS 44.85.020), the Alaska Aerospace Development
2 Corporation (AS 14.40.821), or the Alaska Industrial Development and Export Authority
3 (AS 44.88.020);

4 (F) fish and game fund (AS 16.05.100);

5 (G) school fund (AS 43.50.140);

6 (H) training and building fund (AS 23.20.130);

7 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and
8 former AS 39.37);

9 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);

10 (K) public school fund (AS 37.14.110);

11 (L) second injury fund (AS 23.30.040);

12 (M) fishermen's fund (AS 23.35.060);

13 (N) FICA administration fund (AS 39.30.050).

14 * Sec. 9. AS 38.05.810 is amended by adding a new subsection to read:

15 (h) The commissioner may issue permits to the Alaska Aerospace Development
16 Corporation for purposes of down range space vehicle or payload overflight, booster retrieval,
17 and recovery. The commissioner may, if it is in the best interests of the state, lease land to the
18 Alaska Aerospace Development Corporation for other space-related purposes for, or at less than
19 the appraised market value.

20 * Sec. 10. AS 39.25.110(11) is amended to read:

21 (11) the officers and employees of the following boards, commissions, and
22 authorities:

23 (A) Alaska Gas Pipeline Financing Authority;

24 (B) Alaska Permanent Fund Corporation;

25 (C) [REPEALED,

26 (D)] Alaska Industrial Development and Export Authority;

27 ~~(D)~~ [(E)] Alaska Commercial Fisheries Entry Commission;

28 ~~(E)~~ [(F)] Alaska Commission on Postsecondary Education;

29 (F) Alaska Aerospace Development Corporation;

30 * Sec. 11. AS 39.50.200(b) is amended by adding a new paragraph to read:

31 (52) the board of directors and the executive director of the Alaska Aerospace

1 Development Corporation (AS 14.40.821).

2 * Sec. 12. AS 44.99.200(b) is amended to read:

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

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

6 (2) administrative director of the judicial branch for an agency in the judicial
7 branch;

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

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

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

11 [AND]

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

13 (7) board of directors of the Alaska Aerospace Development Corporation for
14 the corporation.

15 * Sec. 13. AS 44.99.400 is amended to read:

16 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for software
17 created by the agency or developed by a private contractor for an agency, and may enforce its
18 rights to protect the copyright. In this section, "state agency" means a department, institution,
19 board, commission, division, authority, public corporation, committee, or other administrative unit
20 of the executive, judicial, or legislative branch of state government, including the University of
21 Alaska, the Alaska State Housing Authority, the Alaska Aerospace Development Corporation,
22 and the Alaska Railroad Corporation.

23 * Sec. 14. INITIAL APPOINTMENTS. The initial appointments of the members of the board under
24 AS 14.40.826(a)(1), (6), (7), and (8) shall be staggered under AS 39.05.055(3).

25 * Sec. 15. This Act takes effect July 1, 1991.