

HOUSE BILL NO. 439

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES BROWN, Ellis, Baker, Kubina, Donley, Gruenberg, B.Davis, Choquette

Introduced: 2/3/92

Referred: Transportation, Labor & Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to development of railroad land of the Alaska Railroad Corporation; and**
2 **providing for an effective date."**

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

4 *** Section 1. AS 42.40.250 is amended to read:**

5 **Sec. 42.40.250. GENERAL POWERS. In addition to the exercise of other powers**
6 **authorized by law, the corporation may**

7 **(1) adopt a seal;**

8 **(2) adopt bylaws governing the business of the corporation;**

9 **(3) sue and be sued;**

10 **(4) appoint trustees and agents of the corporation and prescribe their powers and**
11 **duties;**

12 **(5) hire legal counsel to represent the corporation;**

13 **(6) make contracts and execute instruments necessary or convenient in the**
14 **exercise of its powers and duties;**

1 (7) acquire by purchase, lease, bequest, devise, gift, exchange, the satisfaction of
2 debts, the foreclosure of mortgages, or otherwise, personal property, rights, rights-of-way,
3 franchises, easements, and other interests in land, and acquire by appropriation water rights that
4 are located in the state, taking title to the property in the name of the corporation;

5 (8) hold, maintain, use, operate, improve, lease, exchange, donate, convey,
6 alienate, encumber, or otherwise grant a security interest in, or authorize use or dispose of, land
7 or personal property, subject to other provisions of this chapter; unless authorized by the
8 legislature under AS 42.40.285, the corporation may not develop rail land for commercial
9 purposes, other than railroad transportation purposes, without having previously obtained
10 a finding from the local governing body with land use regulation powers over the area in
11 which the proposed development is located that the proposed development offers beneficial
12 economic development for the area, will not unreasonably compete with existing private
13 businesses in the area, and is in the best interest of the people of the area;

14 (9) contract with and accept transfers, gifts, grants or loans of funds or property
15 from the United States and the state or its political subdivisions, subject to other provisions of
16 federal or state law or municipal ordinances;

17 (10) undertake and provide for the management, operation, maintenance, use, and
18 control of all of the property of the corporation, including all land and personal property of the
19 Alaska Railroad transferred under 45 U.S.C. 1203(a) and described in the report dated July 14,
20 1983, as amended, submitted to Congress and the legislature under 45 U.S.C. 1204(a);

21 (11) recommend to the legislature and the governor any tax, financing, or
22 financial arrangement the corporation considers appropriate for expansion or extension and
23 operation of the Alaska Railroad;

24 (12) maintain offices and facilities at places it designates;

25 (13) apply to the state, the United States, and foreign countries or other proper
26 agencies for the permits, licenses, rights-of-way, or approvals necessary to construct, maintain,
27 and operate transportation and related services, and obtain, hold, and reuse the licenses and
28 permits in the same manner as other railroad operators;

29 (14) prescribe rates to be charged for services provided by the Alaska Railroad
30 consistent with 45 U.S.C. 1201 - 1214 (Alaska Railroad Transfer Act of 1982);

31 (15) determine the routes, schedules, and types of service to be provided by the

1 Alaska Railroad;

2 (16) enter into contracts, leases, and other agreements with connecting carriers,
3 shippers, and other persons concerning the services, activities, operations, property, and facilities
4 of the corporation, including agreements that contain provisions to preserve and expand the
5 railroad's traffic base;

6 (17) plan for and undertake expansion of the railroad and railroad activities,
7 including extension of the rail system, and contract with other modes of transportation service
8 connecting to the rail system;

9 (18) hire and discharge railroad personnel and determine benefits and other terms
10 and conditions of employment;

11 (19) assume all rights, liabilities, and obligations of the Alaska Railroad in
12 accordance with 45 U.S.C. 1201 - 1214 (Alaska Railroad Transfer Act of 1982);

13 (20) maintain a security force to enforce municipal ordinances, state laws, and the
14 corporation's rules with respect to violations that occur on or to property owned, managed or
15 transported by the corporation;

16 (21) issue its bonds upon approval of the legislature and provide for and secure
17 their payment, provide for the rights of their holders and hold or dispose of them;

18 (22) purchase the corporation's bonds at a price not more than the principal
19 amount of them plus interest;

20 (23) cancel bonds of the corporation purchased by the corporation;

21 (24) secure the payment of its bonds by pledge, mortgage, or other lien on its
22 contracts, revenues, income, or property;

23 (25) consent to the modification of the rate of interest, time of payment of an
24 installment of principal or interest, or other term of a loan, contract, or agreement to which the
25 corporation is a party;

26 (26) borrow money, including the amounts necessary to establish reasonable
27 reserves, and pay financing charges and interest on bonds for a reasonable period after which the
28 corporation estimates other money will be available to pay the interest, consultant, advisory, and
29 legal fees, and other expenses necessary or incident to borrowing;

30 (27) acquire, hold, and dispose of stocks, memberships, contracts, bonds, general
31 or limited partnership interests or other interests in another corporation, association, partnership,

1 joint venture, or other legal entity, and exercise the powers or rights in connection with these
2 interests that are provided in contracts or agreements and that are allowed by law concerning the
3 satisfaction of debts;

4 (28) undertake and provide for the acquisition, construction, maintenance,
5 equipping, and operation of connecting, switching, terminal, or other railroads and railroad
6 facilities;

7 (29) enter into agreements with a state agency or other instrumentality of the
8 state; and

9 (30) do all things necessary or desirable to carry out the powers and duties of the
10 corporation granted or necessarily implied in this chapter or other laws of the state or the laws
11 or regulations of the federal government.

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

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

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

16 (2) issue bonds;

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

19 (4) lease land for a period in excess of 35 years unless the corporation reserves
20 the right to terminate the lease if the land is needed for railroad purposes;

21 (5) develop rail land for commercial purposes, other than railroad
22 transportation purposes, without having previously obtained a finding required under
23 AS 42.40.250(8).

24 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).