

SENATE BILL NO. 364

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

**Introduced: 3/22/94
Referred: L&C, FIN**

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the dissolution of the Alaska Railroad Corporation and
2 providing for a successor corporation; and providing for an effective date."

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

4 * **Section 1. FORMATION OF SUCCESSOR CORPORATION.** (a) Within one year
5 from the effective date of this section, the board of directors of the Alaska Railroad
6 Corporation shall form a successor corporation under AS 10.06 to own, operate, and manage
7 the Alaska Railroad and to assume sole responsibility for assets and liabilities of the Alaska
8 Railroad Corporation that are transferred to the successor corporation.

9 (b) The successor corporation is a private corporation and is not a state agency, public
10 corporation, or other state entity.

11 (c) The board of directors of the Alaska Railroad Corporation shall serve as the board
12 of directors for the successor corporation until a new board is elected by the shareholders.

13 (d) The board of directors of the Alaska Railroad Corporation, subject to approval of
14 the governor, shall designate the assets and liabilities of the Alaska Railroad Corporation that

1 are to be transferred to the successor corporation under this Act. The board of directors shall
2 obtain an appraisal by a qualified railroad appraiser and a qualified real estate appraiser of the
3 value of assets and liabilities designated for transfer to the successor corporation under this
4 Act.

5 (e) Notwithstanding AS 42.40.300, the Alaska Railroad Corporation shall pay the costs
6 incurred for the formation and operation of the successor corporation before the effective date
7 of sec. 4 of this Act.

8 * **Sec. 2. ISSUANCE AND DISTRIBUTION OF STOCK.** (a) Upon formation of the
9 successor corporation under sec. 1 of this Act, the board of directors of the Alaska Railroad
10 Corporation shall immediately issue shares of voting stock in the successor corporation to the
11 state. The stock shall represent the entire appraised value of the assets and liabilities of the
12 Alaska Railroad Corporation that are designated for transfer to the successor corporation under
13 this Act. The shares of stock shall have a par value of \$25 per share.

14 (b) The governor shall vote the shares of stock in the successor corporation that are
15 held by the state.

16 * **Sec. 3. STOCKHOLDERS' MEETING.** (a) At the time of issuing stock under sec. 2
17 of this Act, the board of directors shall notify the governor of the time and place of the first
18 stockholders' meeting. The meeting shall be held within 90 days after the stock is issued.

19 (b) At the stockholders' meeting, the stockholders shall elect nine individuals to serve
20 as the new board of directors of the successor corporation, and the board of directors of the
21 Alaska Railroad Corporation shall resign as directors of the successor corporation.

22 * **Sec. 4. TRANSFER OF ASSETS AND LIABILITIES.** (a) The assets and liabilities of
23 the Alaska Railroad Corporation designated under sec. 1 of this Act are transferred to the
24 successor corporation.

25 (b) Assets and liabilities of the Alaska Railroad Corporation that are not transferred
26 to the successor corporation are transferred to the state.

27 * **Sec. 5. DIVIDENDS.** If, on the final day of the fiscal year of the successor corporation,
28 the state, including agencies and public corporations of the state, owns more than 50 percent
29 of the shares issued under this Act, the successor corporation shall pay dividends to all
30 stockholders of record on the last day of the fiscal year. Dividends shall be paid within six
31 months from the end of the fiscal year. The total amount paid as dividends under this section

1 must equal or exceed 30 percent of the net earnings of the successor corporation for the fiscal
2 year.

3 * Sec. 6. SALE OF SHARES HELD BY THE STATE. The governor shall adopt
4 regulations under AS 44.62 (Administrative Procedure Act) governing the sale of state-owned
5 shares of stock in the successor corporation. The governor shall evaluate proposals to dispose
6 of state-owned shares of stock in the successor corporation to determine whether the disposal
7 of the shares may hinder the ability of the successor corporation to continue operation of the
8 Alaska Railroad, whether the state can recover the amount of funds it had expended in
9 connection with the Alaska Railroad and the Alaska Railroad Corporation, and whether the
10 disposal of the shares is in the best interest of the state.

11 * Sec. 7. THE ALASKA RAILROAD, INC. The name "The Alaska Railroad, Inc." is
12 reserved to the exclusive use of the successor corporation formed under sec. 1 of this Act.

13 * Sec. 8. AS 09.25.115(g) is amended to read:

14 (g) Each public agency shall establish the fees for the electronic services and
15 products provided under this section. The Telecommunications Information Council
16 may cancel the fees established by a public agency in the executive branch, except the
17 fees of the University of Alaska [AND THE ALASKA RAILROAD
18 CORPORATION], if the council determines that the fees are unreasonably high.

19 * Sec. 9. AS 09.25.115(i) is amended to read:

20 (i) A public agency other than a municipality [OR THE ALASKA
21 RAILROAD CORPORATION] shall separately account for the fees received by the
22 agency under this section and deposited in the general fund. The annual estimated
23 balance in the account may be used by the legislature to make appropriations to the
24 agency to carry out the activities of the agency.

25 * Sec. 10. AS 09.25.123(a) is amended to read:

26 (a) The Telecommunications Information Council shall supervise and adopt
27 regulations for the operation and implementation of AS 09.25.110 - 09.25.140 by
28 public agencies in the executive branch [, EXCEPT THE ALASKA RAILROAD
29 CORPORATION].

30 * Sec. 11. AS 09.25.220(5) is amended to read:

31 (5) "public agency" means a political subdivision, department,

1 institution, board, commission, division, authority, public corporation, council,
2 committee, or other instrumentality of the state or a municipality; "public agency"
3 includes the University of Alaska [AND THE ALASKA RAILROAD
4 CORPORATION];

5 * Sec. 12. AS 23.05.360(f) is amended to read:

6 (f) For purposes of holding hearings, the members of the board sit in panels
7 of three members. The chair designates the panel that will consider a matter. Each
8 panel must include a representative of management, a representative of labor, and a
9 representative from the general public. A member of one panel may serve on the other
10 panel when the chair considers it necessary for the prompt administration of
11 AS 23.40.070 - 23.40.260 (Public Employment Relations Act) [OR AS 42.40
12 (ALASKA RAILROAD CORPORATION ACT)].

13 * Sec. 13. AS 23.05.380 is amended to read:

14 Sec. 23.05.380. REGULATIONS. The agency shall adopt regulations under
15 AS 44.62([THE] Administrative Procedure Act) [(AS 44.62)] to carry out labor
16 relations functions under AS 23.05.360 - 23.05.390 and [,] AS 23.40.070 - 23.40.260
17 [, AND AS 42.40.730 - 42.40.890].

18 * Sec. 14. AS 23.10.430(c)(2) is amended to read:

19 (2) "employer" means a person who employs one or more other persons
20 and includes the state, the University of Alaska [, THE ALASKA RAILROAD,] and
21 political subdivisions of the state.

22 * Sec. 15. AS 23.10.440(e) is amended to read:

23 (e) In this section, "employer" means an employer that employs 15 or more
24 employees at one time and includes the state, the University of Alaska, [THE
25 ALASKA RAILROAD CORPORATION,] and political subdivisions of the state.

26 * Sec. 16. AS 23.10.550(7) is amended to read:

27 (7) "state" includes the University of Alaska [, THE ALASKA
28 RAILROAD,] and the executive, legislative, and judicial branches of state government
29 including public and quasi-public corporations and authorities established by law.

30 * Sec. 17. AS 36.10.180(a) is amended to read:

31 (a) The preferences established in AS 36.10.150 - 36.10.175 apply to work

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performed

(1) under a contract for construction, repair, preliminary surveys, engineering studies, consulting, maintenance work, or any other retention of services necessary to complete a given project that is let by the state or an agency of the state, a department, office, state board, commission, public corporation, or other organizational unit of or created under the executive, legislative, or judicial branch of state government, including the University of Alaska [AND THE ALASKA RAILROAD CORPORATION], or by a political subdivision of the state including a regional school board with respect to an educational facility under AS 14.11.020;

(2) on a public works project under a grant to a municipality under AS 37.05.315 or AS 37.06.010;

(3) on a public works project under a grant to a named recipient under AS 37.05.316;

(4) on a public works project under a grant to an unincorporated community under AS 37.05.317 or AS 37.06.020; and

(5) on any other public works project or construction project that is funded in whole or in part by state money.

* Sec. 18. AS 36.30.015(e) is amended to read:

(c) The [BOARD OF DIRECTORS OF THE ALASKA RAILROAD CORPORATION AND THE] board of directors of the Alaska Aerospace Development Corporation shall adopt procedures to govern the procurement of supplies, services, professional services, and construction. The procedures must be substantially equivalent to the procedures prescribed in this chapter and in regulations adopted under this chapter.

* Sec. 19. AS 36.30.050(c) is amended to read:

(c) The lists may be used by the chief procurement officer or an agency when issuing invitations to bid or requests for proposals under this chapter. The lists may be used by the legislative council and [,] the court system [, AND THE ALASKA RAILROAD CORPORATION].

* Sec. 20. AS 37.05.146(4)(E) is amended to read:

(E) funds managed by the Alaska Housing Finance Corporation

(AS 42.40.010), [THE ALASKA RAILROAD CORPORATION
2 (AS 42.40.010),] the Municipal Bond Bank Authority (AS 44.85.020), the
3 Alaska Aerospace Development Corporation (AS 14.40.821), or the Alaska
4 Industrial Development and Export Authority (AS 44.88.020);

5 * Sec. 21. AS 39.52.960(2) is amended to read:

6 (2) "agency" means a department, office of the governor, or entity in
7 the executive branch, including [BUT NOT LIMITED TO] the University of Alaska,
8 public or quasi-public corporations, and boards or commissions [, BUT EXCLUDING
9 THE ALASKA RAILROAD CORPORATION];

10 * Sec. 22. AS 39.52.960(4) is amended to read:

11 (4) "board or commission" means a board, commission, authority, or
12 board of directors of a public or quasi-public corporation, established by statute in the
13 executive branch [, BUT EXCLUDING THE ALASKA RAILROAD];

14 * Sec. 23. AS 39.52.960(12) is amended to read:

15 (12) "instrumentality of the state" means a state agency or
16 administrative unit, whether in the legislative, judicial, or executive branch, including
17 such entities as the University of Alaska [, THE ALASKA RAILROAD,] and any
18 public or quasi-public corporations, boards, or commissions; the term includes
19 municipalities;

20 * Sec. 24. AS 39.90.140(4) is amended to read:

21 (4) "public body" includes an officer or agency of
22 (A) the federal government;
23 (B) the state;
24 (C) a political subdivision of the state including
25 (i) a municipality;
26 (ii) a school district; and
27 (iii) a rural educational attendance area;
28 (D) a public or quasi-public corporation or authority established
29 by state law [INCLUDING THE ALASKA RAILROAD CORPORATION];
30 and
31 (E) the University of Alaska.

1 * Sec. 25. AS 44.19.519(2) is amended to read:

2 (2) "state agencies" means all departments, divisions, and offices in the
3 executive and legislative branches of state government and the University of Alaska;
4 it does not mean [THE ALASKA RAILROAD CORPORATION OR] an agency of the
5 judicial branch of government.

6 * Sec. 26. AS 44.99.020 is amended to read:

7 Sec. 44.99.020. USE OF PAPER. A state agency shall use both sides of paper
8 when feasible. In this section, "state agency" means a department, institution, board,
9 commission, division, authority, public corporation, or other administrative unit of the
10 executive, legislative, or judicial branch of state government, including the University
11 of Alaska [, THE ALASKA RAILROAD CORPORATION,] and legislative
12 committees.

13 * Sec. 27. AS 44.99.240(2) is amended to read:

14 (2) "state agency" means

15 (A) a department, institution, board, commission, division,
16 authority, public corporation, or other administrative unit of the executive
17 branch, including the University of Alaska [AND THE ALASKA RAILROAD
18 CORPORATION];

19 (B) a committee, division, or administrative unit of the
20 legislative branch, including the Alaska Legislative Council, the leadership of
21 each house, and the office of the ombudsman;

22 (C) an administrative unit of the judicial branch, including the
23 Alaska Judicial Council and the Commission on Judicial Conduct.

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

25 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for
26 software created by the agency or developed by a private contractor for an agency, and
27 may enforce its rights to protect the copyright. In this section, "state agency" means
28 a department, institution, board, commission, division, authority, public corporation,
29 committee, or other administrative unit of the executive, judicial, or legislative branch
30 of state government, including the University of Alaska and [,] the Alaska Aerospace
31 Development Corporation [, AND THE ALASKA RAILROAD CORPORATION].

1 * Sec. 29. AS 46.14.990(18) is amended to read:

2 (18) "person" has the meaning given in AS 01.10.060 and also includes
3 an agency of the United States, a municipality, the University of Alaska, [THE
4 ALASKA RAILROAD CORPORATION,] and other departments, agencies,
5 instrumentalities, units, and corporate authorities of the state;

6 * Sec. 30. AS 46.17.900(7) is amended to read:

7 (7) "person" has the meaning given in AS 01.10.060, and includes the
8 state and political subdivisions of the state, including [THE ALASKA RAILROAD
9 CORPORATION AND] the University of Alaska;

10 * Sec. 31. AS 09.25.110(g); AS 23.05.370(a)(6); AS 36.30.990(1)(B)(ii); AS 44.33.124(12);
11 AS 44.99.200(b)(6), 44.99.350(3)(B); and AS 42.40 are repealed.

12 * Sec. 32. Sections 1 - 3, 5, and 7 of this Act take effect January 7, 1995.

13 * Sec. 33. Sections 4, 6, and 8 - 31 of this Act take effect 30 days after the election of the
14 board of directors of the successor corporation under sec. 3 of this Act. The governor shall
15 notify the revisor of statutes of the date the directors are elected.