

COMMITTEE REPORT
SENATE

4/20/82

FURTHER: Transportation and Finance

Date: 5/16/82

Mr. President:

The Committee on STATE AFFAIRS has had CSHB 651(Fin) an
ferries and ferry terminals and establishing the Alaska Marine Highway
Authority

as follows

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

2 Gallotta no rec
1 DeGrazia do not pass
1 Brad Bradley do not pass
H. Fischer do not pass

1 Fischer do not pass

CHAIRMAN

Original sponsor: Transportation Committee

Offered: 4/1/82
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 651 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to ferries and ferry terminals and
7 establishing the Alaska Marine Highway Authority."

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

9 * Section 1. PURPOSE. The purpose of this Act is to establish an author-
10 ity for the operation, management, and planning and construction of facilities
11 for the marine highway system that is independent of the state government.
12 The authority shall be the exclusive state agency directly associated with
13 the operation, management, planning and construction of facilities for the
14 marine highway system.

15 * Sec. 2. AS 19 is amended by adding a new chapter to read:

16 CHAPTER 70. ALASKA MARINE HIGHWAY AUTHORITY.

17 ARTICLE 1. CREATION AND ORGANIZATION.

18 Sec. 19.70.010. ALASKA MARINE HIGHWAY AUTHORITY. The Alaska
19 Marine Highway Authority is established. The authority is a public
20 corporation of the state. The corporation is an instrumentality of the
21 state in the Department of Transportation and Public Facilities but has
22 a legal existence independent of and separate from the state and has
23 continuing succession until its existence is terminated by law.

24 Sec. 19.70.020. DIRECTORS. (a) The authority consists of eight
25 directors including the commissioner of transportation and public facili-
26 ties, who shall be a director ex officio without voting privileges, and
27 seven directors appointed by the governor as follows: a representative
28 of commercial carriers, a representative of the maritime industry, a
29 representative of the tourism industry, and four members of the public

1 representing regions served by the marine highway, as follows: (1) two
2 members from region one (extending from Dixon entrance to Skagway); (2)
3 one member from region two (Kodiak Island); and (3) one member from
4 region three (Prince William Sound). The appointment of each director
5 other than the commissioner of transportation and public facilities is
6 subject to confirmation by the legislature.

7 (b) The directors appointed by the governor serve at his pleasure
8 for four-year terms. Each director shall hold office for the term of
9 his appointment and until his successor is appointed and qualified. A
10 director is qualified for reappointment. A vacancy in a directorship
11 occurring other than by expiration of term shall be filled in the same
12 manner as the original appointment but only for the unexpired term.

13 (c) The directors must be residents of the state and qualified
14 voters at the time of appointment and shall comply with the requirements
15 of AS 39.50 (conflict of interest). Each director before entering upon
16 his duties shall take and subscribe to an oath to perform the duties of
17 his office faithfully, impartially, and justly to the best of his
18 ability. A record of the oath shall be filed with the Office of the
19 Governor.

20 (d) The directors of the authority serve without compensation, but
21 are entitled to travel and per diem expenses as provided in AS 39.20.-
22 180.

23 Sec. 19.70.030. OFFICEPS AND QUORUM. The directors shall elect
24 one of their number as chairman. The directors shall elect a secretary
25 and a treasurer who need not be directors, and the same person may be
26 elected to serve both as secretary and treasurer. The powers of the
27 authority are vested in the directors, and four voting directors of the
28 authority constitute a quorum. Action may be taken and motions and
29 resolutions adopted by the authority at any meeting by the affirmative

1 vote of at least four directors. A vacancy in the directorship of the
2 authority does not impair the right of a quorum to exercise all the
3 powers and perform all the duties of the authority.

4 Sec. 19.70.040. STAFF. The authority shall employ an executive
5 director who serves at the pleasure of the authority as its chief admin-
6 istrative officer. The executive director may with the approval of the
7 authority select and employ additional staff as necessary. Employees of
8 the authority other than legal counsel and the executive director are in
9 the classified service under AS 39.25. In addition to its staff of
10 regular employees, the authority may contract for and engage the ser-
11 vices of consultants, and professional, technical and financial advisors
12 the authority considers necessary for the purpose of developing informa-
13 tion, conducting hearings, studies, investigations or other proceedings,
14 or otherwise exercising its powers.

15 ARTICLE 2. POWERS AND DUTIES.

16 Sec. 19.70.050. POWERS OF AUTHORITY. In addition to other powers
17 granted in this chapter, the authority may

- 18 (1) sue and be sued;
- 19 (2) adopt and alter an official seal;
- 20 (3) make and enforce bylaws and regulations for the conduct
21 of its business and for the use of its services and facilities;
- 22 (4) maintain offices at any place in the state and at places
23 out of the state which are served by the marine highway system;
- 24 (5) acquire, hold, use and dispose of its income, revenues,
25 funds and money;
- 26 (6) acquire, hold, use, lease, rent, construct and dispose of
27 real and personal property for its purposes;
- 28 (7) operate, maintain, improve, and extend a system of ferries
29 connecting with the public roads and highways of the state and including

1 the boats, vessels, wharves, docks, approaches, landings and appurte-
2 nances the authority determines to be necessary or desirable for safe
3 and efficient operation of the ferry system so as to best serve the
4 public;

5 (8) do all acts and things necessary, convenient or desirable
6 to carry out the powers expressly granted or necessarily implied in this
7 chapter;

8 (9) establish rates and tariffs, after public hearings;

9 (10) modify routes, after public hearings.

10 Sec. 19.70.060. "ALASKA MARINE HIGHWAY SYSTEM": NAME AUTHORIZED.
11 The authority is authorized to operate its ferry system under the name
12 "Alaska marine highway system".

13 Sec. 19.70.070. COMPREHENSIVE LONG-RANGE PLAN. The authority,
14 with the cooperation of the Department of Transportation and Public
15 Facilities, shall prepare a comprehensive long-range plan for the devel-
16 opment and improvement of the marine highway system. The plan shall be
17 revised and updated at least every five years.

18 ARTICLE 3. ACQUISITION OF PROPERTY.

19 Sec. 19.70.080. ACQUISITION OF LAND AND EASEMENTS. The authority,
20 as part of the cost of constructing, maintaining, or improving a ferry
21 system, may acquire by purchase, gift, or exchange land in fee simple or
22 easements that it considers necessary for present public use, either
23 temporary or permanent, or that it considers necessary and reasonable
24 for the public use. By the same means, the authority may obtain
25 material, including clay, gravel, sand, or rock, or the land necessary
26 to obtain the material, including access to it. The authority may so
27 acquire the land or materials notwithstanding the fact that title to it
28 is vested in the state or a department, agency, commission or institution
29 of the state.

1 Sec. 19.70.090. AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE OF
2 EXCHANGE. When a majority of the directors of the authority declares
3 that it is in the best public interest of the state to do so, the author-
4 ity may acquire by purchase, gift, or exchange privately or publicly
5 owned land or an interest in it for the purpose of exchanging it for
6 privately or publicly owned land that the authority is authorized by law
7 to acquire.

8 Sec. 19.70.100. VACATING OF LAND OR RIGHTS IN LAND. The authority
9 may vacate land, or part of it, or rights in land acquired for use in
10 the marine highway system by executing and filing a deed in the approp-
11 riate recording district. Upon vacating, title reverts to the persons,
12 heirs, successors, or assigns in whom it was vested at the time of the
13 taking. The authority may transfer land no longer considered necessary
14 for use in the marine highway system to the Department of Natural Re-
15 sources for disposal. The proceeds of disposal by the Department of
16 Natural Resources shall be credited to the funds from which the purchase
17 was originally made.

18 ARTICLE 4. GENERAL PROVISIONS.

19 Sec. 19.70.110. ANNUAL REPORT. By January 15 of each year, the
20 authority shall submit to the governor and the legislature a compre-
21 hensive report describing the operations, income, and expenditures for
22 the preceding fiscal year.

23 Sec. 19.70.120. ANNUAL AUDIT. The authority shall have its finan-
24 cial records audited annually by a certified public accountant. The
25 legislative auditor may prescribe the form and content of the financial
26 records of the authority and shall have access to those records at any
27 time.

28 Sec. 19.70.130. BUDGET AND APPROPRIATIONS. The authority shall
29 submit its annual budget to the legislature through the governor as

1 provided for state agencies by the Executive Budget Act (AS 37.07). It
2 may expend money directly appropriated by the legislature only as autho-
3 rized by the legislature.

4 Sec. 19.70.140. NAMING OF VESSEL OR FACILITY. (a) A vessel or
5 facility of the Alaska marine highway system constructed or acquired by
6 the authority under this chapter or AS 19.60 may be given a name only by
7 law.

8 (b) A maritime vessel shall bear the name of an Alaska glacier.

9 (c) A vessel used principally on the inland waterways of the state
10 shall bear the name of an historical vessel that used the rivers of the
11 state.

12 Sec. 19.70.160. DEFINITIONS. In this chapter, unless the context
13 requires otherwise,

14 (1) "authority" means the Alaska Marine Highway Authority
15 established by this chapter;

16 (2) "capital improvement" means a project for the construc-
17 tion, rehabilitation, rebuilding, enlarging, or improving of all or any
18 part of the marine highway system, including, without limitation, boats,
19 vessels, wharves, docks, approaches, landings, offices, and appurte-
20 nances as determined by the authority to be necessary or desirable for
21 efficient operation of the marine highway system and to best serve the
22 public;

23 (3) "ferry" means a vessel used in the common carriage of
24 passengers and self-propelled vehicles in commerce.

25 Sec. 19.70.170. SHORT TITLE. This chapter may be cited as the
26 Alaska Marine Highway Authority Act.

27 * Sec. 3. AS 19.60.010 is amended to read:

28 Sec. 19.60.010. ACQUISITION AND MAINTENANCE OF FERRY TERMINAL
29 FACILITIES. The authority [DEPARTMENT] shall construct, purchase or

1 lease ferry terminal facilities at locations it selects for the loading
2 and unloading of passengers and vehicles under their own power, on and
3 off ferries. The authority [DEPARTMENT] shall repair and maintain these
4 facilities.

5 * Sec. 4. AS 19.60.020 is amended to read:

6 Sec. 19.60.020. CONNECTION OF FACILITIES TO HIGHWAYS. The depart-
7 ment shall [MAY] connect ferry terminal facilities with local highway
8 systems.

9 * Sec. 5. AS 19.60.030 is amended to read:

10 Sec. 19.60.030. REGULATIONS. The authority [DEPARTMENT] may adopt
11 [RULES AND] regulations governing the use of ferry terminal facilities
12 by the public which it considers necessary and proper in the public
13 interest.

14 * Sec. 6. AS 19.60.070(1) is amended to read:

15 (1) "authority" ["DEPARTMENT"] means the Alaska Marine High-
16 way Authority [DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES];

17 * Sec. 7. AS 35.27.020 is amended by adding a new subsection to read:

18 (h) The requirements of this chapter apply to the Alaska Marine
19 Highway Authority. Fulfillment of the duties of the department under
20 this chapter is the sole responsibility of the authority with respect to
21 the public buildings and facilities of the authority.

22 * Sec. 8. AS 35.27.030(2) is amended to read:

23 (2) "building" or "facility" means a permanent improvement
24 constructed by the department or authority; the term

25 (A) includes, but is not limited to,

26 (i) schools, office buildings, and court buildings;

27 (ii) other buildings which the commissioner deter-
28 mines are designed for substantial public use;

29 (iii) boats and vessels of the marine highway system;

1 (iv) transportation facilities which accommodate
2 traveling passengers;

3 (B) excludes other transportation facilities; [.]

4 * Sec. 9. AS 35.27.030 is amended by adding a new paragraph to read:

5 (5) "authority" means the Alaska Marine Highway Authority.

6 * Sec. 10. AS 44.42.020(a)(1) is amended to read:

7 (1) plan, design, construct and maintain all state modes of
8 transportation and transportation facilities and all docks, floats,
9 breakwaters, buildings and similar facilities, except that the depart-
10 ment has no planning, design, construction, or maintenance responsibili-
11 ties for transportation modes or facilities under the jurisdiction of
12 the Alaska Marine Highway Authority;

13 * Sec. 11. AS 44.42.020(a)(7) is amended to read:

14 (7) manage, operate, and maintain state transportation faci-
15 lities and all docks, floats, breakwaters and buildings, including all
16 state highways, vessels, railroads, pipelines, airports, and aviation
17 facilities, except that the department has no management, operational,
18 or maintenance responsibilities for transportation facilities, vessels,
19 or equipment under the jurisdiction of the Alaska Marine Highway Author-
20 ity;

21 * Sec. 12. AS 19.60.040 ; 19.60.050 and AS 19.65 are repealed.

22 * Sec. 13. APPOINTMENT OF FIRST DIRECTORS OF ALASKA MARINE HIGHWAY AUTHOR-
23 ITY. The governor shall designate the terms of the voting directors of the
24 Alaska Marine Highway Authority first appointed under AS 19.70.020. Of the
25 seven directors first appointed

26 (1) two shall serve a term of two years;

27 (2) two shall serve a term of three years;

28 (3) three shall serve a term of four years.

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

1 read:

(46) Alaska Marine Highway Authority (AS 19.70.010.)

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine No. 1
Title Highway Authority
Requested by House Transportation Date 3/26/82

II. FISCAL DETAIL
Agency Affected Department of Transportation & Public Facilities
Program Category Affected Transportation
BRU, Program, Or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		925.4				
200 TRAVEL		92.3				
300 CONTRACTUAL		708.8				
400 COMMODITIES		107.3				
500 EQUIPMENT		621.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		2455.3	1342.9	1437.7	1539.2	1877.9

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		2230.3	1094.6	1169.0	1255.0	1573.7
FEDERAL FUNDS						
OTHER (Specify Source)						
CIP		<225.0>	<248.3>	<268.7>	<284.2>	<304.2>

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		22	22	22	22	22
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

This fiscal note shows the net expected cost to the State under the attached assumptions. Costs for FY 84 reflect the deletion of one time items and addition of inflation at 7%.

The assumptions used in this fiscal note do not have the authority utilizing its full powers for separation and therefore have reduced the costs. If additional authority is desired, the costs would increase.

Before accurate costs can be determined for this bill, a substantial amount of time should be devoted to determining the requirements for separation of duties from the State system as well as estimating the amount of autonomy the authority would desire.

IV. DATE 3/31/82 PREPARED BY RON LIND
AGENCY DOT/PF
PHONE 465-3900

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST Page 1 of 4
 Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine No. 2
 Title Highway Authority
 Requested by House Transportation Date 3/26/82

II. FISCAL DETAIL
 Agency Affected Department of Transportation & Public Facilities
 Program Category Affected Marine Transportation
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		2086.5	2232.6			
200 TRAVEL		92.3	99.6			
300 CONTRACTUAL		787.4	260.7			
400 COMMODITIES		110.0	64.2			
500 EQUIPMENT		621.5	15.0			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		3697.7	2672.1	2859.9	3060.9	3506.2

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		3697.7	2672.1	2859.9	3060.9	3506.2
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		56.0	56.0	56.0	56.0	56.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Additions required to the Marine Transportation budget.

See attachments.

IV. DATE 3/31/82 PREPARED BY ROI Lind
 AGENCY DOT/PF
 Original: Legislative Finance PHONE 465-3900
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (. v. 12/81)

III. ANALYSIS

CSHB 651 No. 2 Page 2 of 4

There are administrative and organizational topics not specifically addressed in either House Bill No. 651, "An Act relating to ferry and ferry terminals and establishing the Alaska Marine Highway Authority", or House Bill No. 661, "An Act establishing the Alaska Marine Highway Authority". Since the proposed legislation is similar in each of these bills, we are making the following assumptions in preparation of fiscal notes for each bill.

1. There is no offsetting credit taken for the expenditure of earned revenue to support the cost of operation of "Alaska Marine Highway Authority". In actuality, the initial cost would be the same if funding came from a direct appropriation for the full cost of operations from the legislature with earned revenue returned to the General Fund, or if earned revenue was expended with an appropriation to support the shortfall.
2. It is assumed the "Alaska Marine Highway Authority's" Payroll, Personnel, and Accounting systems would feed into the existing State systems to insure checks and balances, and would eliminate the necessity of creating a duplicate system.
3. We have assumed that initial start-up costs will be fully funded by the Legislature.
4. It is assumed the "Authority's" funding would be at the Division level and allocated to operating components as set out in its budget.
5. We have assumed a General Fund Subsidy for the difference between the total operating cost and the expected revenue for each fiscal year. We have further assumed that the total amount authorized would be available at the beginning of each fiscal year to allow the "Authority" to plan operations for each year.

6. The same inflation factor would apply to the "Authority's" budget request as followed by State agencies. We have assumed it to be seven percent (7%) for the fiscal note.
 7. Initially the "Authority" would continue direct involvement with the State in the following:
 - A. Occupancy of a State owned office building.
 - B. Continued support from the State mail system.
 - C. Access to the State equipment fleet.
 - D. Access to the Statewide purchasing contract (i.e., fuel).
 - E. Continued use of "shared" communications lines through Department of Administration, Division of Communications.
 - F. Continued insurance, bonding, etc., as now supplied through Department of Administration, Division of Risk Management.
 - G. Legal service from the Attorney Generals' office.
 8. We have assumed that Department of Transportation and Public Facilities transferred employees would bring their own equipment and that equipment for the proposed thirty (30) new hire employees would be \$76.5.
 9. We have assumed the "Authority" would require its own computer services for reservations, cost accounting, dispatching vessels crews, and payroll input; and that one time costs would be \$545.0 for hardware and \$250.0 for software.
 10. Assuming expansion, the first year shows one time start-up funds for Contractual \$543.6; (Software \$250.0; Legal Services \$200.0; Additional Space Rental \$93.6); and \$50.0 Commodities (primarily office supplies).
- Summary - 200 - 500 Accounts: Of \$1623.0 shown for the first year, \$1145.6 is a first time start-up cost. Yearly maintenance of all 200 through 500 Accounts would be around \$475.0 per year.

11. Of the \$2086.5 increase in Personal Services, \$1172.4 is assumed to be positions already within the Department of Transportation and Public Facilities performing similar services in Finance, Supply, Payroll, Design and Construction, and Personnel for the Division of Marine Highway Systems. The actual increase then would be \$914.1 for Personal Services to fund eight (8) upgraded positions and twenty-four (24) new positions.

<u>MHS</u> <u>EXISTING</u>	<u>DOT</u> <u>TRANSFERS</u>	<u>NEW</u> <u>POSITIONS</u>	<u>TOTAL</u> <u>POSITIONS</u>
PFT 36	PFT 32	PFT 24	PFT 92
PPT 4			PPT 4

This is a total of ninety-two (92) Permanent Full Time and four (4) Permanent Part Time Administrative positions, with a total of thirty-one (31) Supervisors (Range 18 and above) and sixty-five (65) support positions to operate and supervise nine vessels (725 employees) and twenty-six Shore Facilities (twenty-eight (28) Permanent and twenty-three (23) Permanent Part Time employees). No increase has been made in Vessel or Shore Facility Personnel.

Approximately \$225,000 of CIP funded positions are proposed to be general funded because they would be considered more operational.

FISCAL NOTE

I. REQUEST Page 1 of 2 No. 3
 Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine
 Title Highway Authority
 Requested by House Transportation Committee Date 3/26/82

II. FISCAL DETAIL
 Agency Affected Department of Transportation and Public Facilities
 Program Category Affected Transportation
 BRU, Program, Or Subprogram(s) Affected various-See Analysis
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		<1161.1>				
200 TRAVEL		0				
300 CONTRACTUAL		<78.4>				
400 COMMODITIES		<2.7>				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		<1242.2>	<1329.2>	<1422.2>	<1521.7>	<1628.3>

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		<1017.2>	<1080.9>	<1156.5>	<1237.5>	<1324.1>
FEDERAL FUNDS						
OTHER (Specify Source)		<225.0>	<248.3>	<268.7>	<284.2>	<304.2>

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		<34>	<34>	<34>	<34>	<34>
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Identifies costs and positions dedicated to Marine Transportation under current systems. (See attached).

IV. DATE 3/31/82 PREPARED BY Ray Lind
 AGENCY DOT/PF
 Original: Legislative Finance PHONE 465-3900
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Commodities</u>	<u>Equipment</u>	<u>Total</u>	<u>General Fund</u>	<u>Other</u>	<u>PFT</u>	<u>Man Mos</u>
S.E. Design and Construction	275.0	-	-	-	-	275.0	50.0	225.0	5	60
Info. Systems	40.0	-	67.4	-	-	107.4	107.4	-	1	12
Support Services	796.1	-	10.0	2.5	-	808.6	808.6	-	26.5	318
S.E. Region	50.0	-	1.0	.2	-	51.2	51.2	-	1.5	18
	<u>1161.1</u>	<u>0</u>	<u>78.4</u>	<u>2.7</u>	<u>0</u>	<u>1242.2</u>	<u>1017.2</u>	<u>225.0</u>	<u>34.0</u>	<u>408</u>

1598HSD

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ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

HOUSE ... BILL ... NO. 651 ...

By THE TRANSPORTATION COMMITTEE

"An Act relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority."

terminals - establishing Alaska Marine Hwy Auth.

Introduced in the House ... 1/11, 19. 82

HISTORY IN THE HOUSE

19 82		Read first time and referred to Committee on										
JAN. 11		Transportation and Finance										
Mar 3		Reported back with recommendation that <i>Transportation - CS (Rep) 4 do pass, 3 no vote. 2 for Finance - CS (Fin) 1 do pass 7 no vote, 2 do not vote to Rule</i>										
Apr 18		Read second time and CS (Fin) adopted, amended to do										
Apr 19		<i>Send for specific am. amended to do</i>										
Apr 18		Read third time and										
Apr 19		<i>Reconsideration taken up. Return to 2d for specific amendment</i>										
Apr 18		<i>7/11/82</i> <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas 20</td> <td>Yeas</td> </tr> <tr> <td>Nays 16</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused 4</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas 20	Yeas	Nays 16	Nays	Absent	Absent	Excused 4	Excused
PASS	Effective Date											
Yeas 20	Yeas											
Nays 16	Nays											
Absent	Absent											
Excused 4	Excused											
Apr 18		<i>Vote</i> <table border="0"> <tr> <td>PASS ed</td> <td>Effective Date</td> </tr> <tr> <td>Yeas 27</td> <td>Yeas</td> </tr> <tr> <td>Nays 13</td> <td>Nays</td> </tr> <tr> <td>Absent 0</td> <td>Absent</td> </tr> <tr> <td>Excused 0</td> <td>Excused</td> </tr> </table>	PASS ed	Effective Date	Yeas 27	Yeas	Nays 13	Nays	Absent 0	Absent	Excused 0	Excused
PASS ed	Effective Date											
Yeas 27	Yeas											
Nays 13	Nays											
Absent 0	Absent											
Excused 0	Excused											
Apr 19		Reported correctly engrossed										
Apr 20		Signed by Speaker										
Apr 20		Sent to Senate										
		<i>Samuel Day</i> CHIEF CLERK OF THE HOUSE										

HISTORY IN THE SENATE

19 82		Read first time and referred to Committee on												
4/20		<i>SA - Trans - Fin</i>												
5/6		Reported back with S. P. recommendation that <i>3 do not pass 1 no rec to Trans. Trans. Warid - to Fin</i>												
5/17														
		Read second time and												
		Read third time and												
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date													
Yeas	Yeas													
Nays	Nays													
Absent	Absent													
Excused	Excused													
		<table border="0"> <tr> <td>Reconsideration</td> <td></td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
Reconsideration														
PASS	Effective Date													
Yeas	Yeas													
Nays	Nays													
Absent	Absent													
Excused	Excused													
		Reported correctly engrossed												
		Signed by President												
		Returned to House												
		SECRETARY OF THE SENATE												

HISTORY IN THE HOUSE

19		Received from Senate
		Concurred in Senate amendment thus adopting: VOTE
		Failed to concur in Senate amendment; asked Senate to recede VOTE
		Senate receded from amendment VOTE
		Senate failed to recede from amendment VOTE
		CC appointed by House
		CC appointed by Senate
		CC adopted by House VOTE
		CC adopted by Senate VOTE
		To enrolling Reported correctly enrolled Sent to Governor by Governor
		Filed with Lt. Governor
		Chapter No.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine No. 1
Title Highway Authority
Requested by House Transportation Date 3/26/82

II. FISCAL DETAIL
Agency Affected Department of Transportation & Public Facilities
Program Category Affected Transportation
BRU, Program, Or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		925.4				
200 TRAVEL		92.3				
300 CONTRACTUAL		708.8				
400 COMMODITIES		107.3				
500 EQUIPMENT		621.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		2455.3	1342.9	1437.7	1539.2	1877.9

FUNDING (Thousands of Dollars)

GENERAL FUND		2230.3	1094.6	1169.0	1255.0	1573.7
FEDERAL FUNDS						
OTHER (Specify Source)						
CIP		<225.0>	<248.3>	<268.7>	<284.2>	<304.2>

POSITIONS

FULL TIME		22	22	22	22	22
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

This fiscal note shows the net expected cost to the State under the attached assumptions. Costs for FY 84 reflect the deletion of one time items and addition of inflation at 7%.

The assumptions used in this fiscal note do not have the authority utilizing its full powers for separation and therefore have reduced the costs. If additional authority is desired, the costs would increase.

Before accurate costs can be determined for this bill, a substantial amount of time should be devoted to determining the requirements for separation of duties from the State system as well as estimating the amount of autonomy the authority would desire.

IV. DATE 3/31/82 PREPARED BY RON LIND
AGENCY DOT/PF
PHONE 465-3900

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST Page 1 of 4
 Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine No. 2
 Title Highway Authority
 Requested by House Transportation Date 3/26/82

II. FISCAL DETAIL
 Agency Affected Department of Transportation & Public Facilities
 Program Category Affected Marine Transportation
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		2086.5	2232.6			
200 TRAVEL		92.3	99.5			
300 CONTRACTUAL		787.4	260.7			
400 COMMODITIES		110.0	64.2			
500 EQUIPMENT		621.5	15.0			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		3697.7	2672.1	2859.9	3060.9	3506.2

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		3697.7	2672.1	2859.9	3060.9	3506.2
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		56.0	56.0	56.0	56.0	56.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Additions required to the Marine Transportation budget.

See attachments.

IV. DATE 3/31/82 PREPARED BY Ron Lind
 AGENCY DOT/PF
 Original: Legislative Finance PHONE 415-3900
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

III. ANALYSIS

CSHB 651 No. 2 Page 2 of 4

There are administrative and organizational topics not specifically addressed in either House Bill No. 651, "An Act relating to ferry and ferry terminals and establishing the Alaska Marine Highway Authority", or House Bill No. 661, "An Act establishing the Alaska Marine Highway Authority". Since the proposed legislation is similar in each of these bills, we are making the following assumptions in preparation of fiscal notes for each bill.

1. There is no offsetting credit taken for the expenditure of earned revenue to support the cost of operation of "Alaska Marine Highway Authority". In actuality, the initial cost would be the same if funding came from a direct appropriation for the full cost of operations from the legislature with earned revenue returned to the General Fund, or if earned revenue was expended with an appropriation to support the shortfall.
2. It is assumed the "Alaska Marine Highway Authority's" Payroll, Personnel, and Accounting systems would feed into the existing State systems to insure checks and balances, and would eliminate the necessity of creating a duplicate system.
3. We have assumed that initial start-up costs will be fully funded by the Legislature.
4. It is assumed the "Authority's" funding would be at the Division level and allocated to operating components as set out in its budget.
5. We have assumed a General Fund Subsidy for the difference between the total operating cost and the expected revenue for each fiscal year. We have further assumed that the total amount authorized would be available at the beginning of each fiscal year to allow the "Authority" to plan operations for each year.

6. The same inflation factor would apply to the "Authority's" budget request as followed by State agencies. We have assumed it to be seven percent (7%) for the fiscal note.
7. Initially the "Authority" would continue direct involvement with the State in the following:
 - A. Occupancy of a State owned office building.
 - B. Continued support from the State mail system.
 - C. Access to the State equipment fleet.
 - D. Access to the Statewide purchasing contract (i.e., fuel).
 - E. Continued use of "shared" communications lines through Department of Administration, Division of Communications.
 - F. Continued insurance, bonding, etc., as now supplied through Department of Administration, Division of Risk Management.
 - G. Legal service from the Attorney Generals' office.
8. We have assumed that Department of Transportation and Public Facilities transferred employees would bring their own equipment and that equipment for the proposed thirty (30) new hire employees would be \$76.5.
9. We have assumed the "Authority" would require its own computer services for reservations, cost accounting, dispatching vessels crews, and payroll input; and that one time costs would be \$545.0 for hardware and \$250.0 for software.
10. Assuming expansion, the first year shows one time start-up funds for Contractual \$543.6; (Software \$250.0; Legal Services \$200.0; Additional Space Rental \$93.6); and \$50.0 Commodities (primarily office supplies).

Summary - 200 - 500 Accounts: Of \$1623.0 shown for the first year, \$1145.6 is a first time start-up cost. Yearly maintenance of all 200 through 500 Accounts would be around \$475.0 per year.

11. Of the \$2086.5 increase in Personal Services, \$1172.4 is assumed to be positions already within the Department of Transportation and Public Facilities performing similar services in Finance, Supply, Payroll, Design and Construction, and Personnel for the Division of Marine Highway Systems. The actual increase then would be \$914.1 for Personal Services to fund eight (8) upgraded positions and twenty-four (24) new positions.

<u>MHS</u> <u>EXISTING</u>	<u>DOT</u> <u>TRANSFERS</u>	<u>NEW</u> <u>POSITIONS</u>	<u>TOTAL</u> <u>POSITIONS</u>
PFT 36	PFT 32	PFT 24	PFT 92
PPT 4			PPT 4

This is a total of ninety-two (92) Permanent Full Time and four (4) Permanent Part Time Administrative positions, with a total of thirty-one (31) Supervisors (Range 18 and above) and sixty-five (65) support positions to operate and supervise nine vessels (725 employees) and twenty-six Shore Facilities (twenty-eight (28) Permanent and twenty-three (23) Permanent Part Time employees). No increase has been made in Vessel or Shore Facility Personnel.

Approximately \$225,000 of CIP funded positions are proposed to be general funded because they would be considered more operational.

FISCAL NOTE

I. REQUEST Page 1 of 2 No. 3
 Bill/Resolution No. CSHB 651 - Establishing the Alaska Marine
 Title Highway Authority
 Requested by House Transportation Committee Date 3/26/82

II. FISCAL DETAIL
 Agency Affected Department of Transportation and Public Facilities
 Program Category Affected Transportation
 BRU, Program, Or Subprogram(s) Affected various-See Analysis
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		<1167.1>				
200 TRAVEL		0				
300 CONTRACTUAL		<78.4>				
400 COMMODITIES		<2.7>				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		<1242.2>	<1329.2>	<1422.2>	<1521.7>	<1628.3>

FUNDING (Thousands of Dollars)

GENERAL FUND		<1017.2>	<1080.9>	<1156.5>	<1237.5>	<1324.1>
FEDERAL FUNDS						
OTHER (Specify Source)		<225.0>	<248.3>	<268.7>	<284.2>	<304.2>

POSITIONS

FULL TIME		<34>	<34>	<34>	<34>	<34>
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Identifies costs and positions dedicated to Marine Transportation under current systems. (See attached).

IV. DATE 3/31/82 PREPARED BY Ray Lind
 AGENCY DOT/PF
 Original: Legislative Finance PHONE 465-3900
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Commodities</u>	<u>Equipment</u>	<u>Total</u>	<u>General Fund</u>	<u>Other</u>	<u>PFT</u>	<u>Man Mos</u>
S.E. Design and Construction	275.0	-	-	-	-	275.0	50.0	225.0	5	60
Info. Systems	40.0	-	67.4	-	-	107.4	107.4	-	1	12
Support Services	796.1	-	10.0	2.5	-	808.6	808.6	-	26.5	318
S.E. Region	50.0	-	1.0	.2	-	51.2	51.2	-	1.5	18
	<u>1161.1</u>	<u>0</u>	<u>78.4</u>	<u>2.7</u>	<u>0</u>	<u>1242.2</u>	<u>1017.2</u>	<u>225.0</u>	<u>34.0</u>	<u>408</u>

1598450

7

5

Bill Analysis by Rep. Bette Cato's office

HB 651

"An Act relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority"

Sec. 1 Purpose : The purpose of this act is to establish an authority for the operation, management, and planning and construction of facilities for the marine highway system that is independent of state government. The authority shall be the exclusive state agency directly associated with the operation, management, planning and construction of facilities for the marine highway system.

Sec. 2 Adds a new chapter 70 to title 19; AS 19.70.010, ALASKA MARINE HIGHWAY AUTHORITY.

This section creates the Marine Highway Authority as a public corporation of the state. The corporation is an instrumentality of the state in the Department of Transportation and Public Facilities but has a legal existence independent of and separate from the state and continues until its existence is terminated by law.

Sec. 19.70.020. DIRECTORS Directors, consists of seven directors, the commissioner of DOT/PF, ex-officio, (non-voting), and six directors appointed by the governor with the following qualifications; a representative of commercial carriers, representative of the maritime industry, a representative of the tourism industry, and three members of the public representing regions, Region 1, southeast Alaska, Kodiak, Region 2, and Region 3, southcentral (Prince William Sound).

Most language in this section is boilerplate "board" language pertaining to qualifications, conflict of interest... Directors serve without compensation, but are entitled to travel and per diem expenses.

Sec. 19.70.030 OFFICERS AND QUORUM The directors elect a chairman from their number. The directors shall elect a secretary that need not be one of the directors. Four directors constitute a quorum. Majority motions or action may be taken.

Sec. 19.70.040 STAFF The authority may employ staff, may contract for services in exercising it's powers.

Sec. 19.70.050 POWERS OF THE AUTHORITY Sets out powers and obligations of the authority.

Sec. 19.70.060 authorizes the name for the system; "ALASKA MARINE HIGHWAY SYSTEM."

Sec. 19.70.070 COMPREHENSIVE LONG RANGE PLAN, mandates a comprehensive long range plan for the marine highway system that shall be updated at least every five years.

Sec. 19.70.080 ACQUISITION OF LAND AND EASEMENTS, sets out procedures that the authority utilizes to acquire property.

Sec. 19.70.090 AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE OF EXCHANGE allows the authority to purchase property for exchange.

Sec. 19.70.100 VACATING OF LAND OR RIGHTS IN LAND, This section allows the authority to vacate land or use rights by filing a deed in the appropriate recording district. Upon vacating, title reverts to persons, heirs, successors, or assigns in whom it was vested at the time of the taking. The authority may transfer land to the Department of Natural Resources for disposal, proceeds of which go to the General Fund.

Sec. 19.70.110. ANNUAL REPORT. By March 1 of each year, the authority shall submit to the governor and the legislature a comprehensive report describing the operations, income, and expenditures for the preceding calendar year.

Sec. 19.70.120 ANNUAL AUDIT Also by March 1, records shall be checked by a CPA. Allows a legislative auditor access to these records at any time.

Sec. 19.70.130 BUDGET AND APPROPRIATIONS The authority is funded by the legislature through the governor by the Executive Budget Act (AS 37.07) Money is directly appropriated and may be spent as authorized.

Sec. 19.70.140 PUBLIC RECORDS; OPEN MEETINGS. Subject the authority to open meetings and public records.

Sec. 19.70.150 NAMING OF VESSEL OR FACILITY sets guidelines for naming

Sec. 19.70.160 DEFINITIONS should be self explanatory.

Sec. 3 AS 19.60.010 and following sections of the bill are amended to read "authority" instead of "Department" giving the authority jurisdiction in law where the department had been specified.

No other substantive changes have been made in this bill

Original sponsor: Transportation Committee

Offered: 4/1/82
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 651 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to ferries and ferry terminals and
7 establishing the Alaska Marine Highway Authority."

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

9 * Section 1. PURPOSE. The purpose of this Act is to establish an author-
10 ity for the operation, management, and planning and construction of facilities
11 for the marine highway system that is independent of the state government.
12 The authority shall be the exclusive state agency directly associated with
13 the operation, management, planning and construction of facilities for the
14 marine highway system.

15 * Sec. 2. AS 19 is amended by adding a new chapter to read:

16 CHAPTER 70. ALASKA MARINE HIGHWAY AUTHORITY.

17 ARTICLE 1. CREATION AND ORGANIZATION.

18 Sec. 19.70.010. ALASKA MARINE HIGHWAY AUTHORITY. The Alaska
19 Marine Highway Authority is established. The authority is a public
20 corporation of the state. The corporation is an instrumentality of the
21 state in the Department of Transportation and Public Facilities but has
22 a legal existence independent of and separate from the state and has
23 continuing succession until its existence is terminated by law.

24 Sec. 19.70.020. DIRECTORS. (a) The authority consists of eight
25 directors including the commissioner of transportation and public facili-
26 ties, who shall be a director ex officio without voting privileges, and
27 seven directors appointed by the governor as follows: a representative
28 of commercial carriers, a representative of the maritime industry, a
29 representative of the tourism industry, and four members of the public

1 representing regions served by the marine highway as follows: (1) two
2 members from region one (extending from Dixon entrance to Skagway); (2)
3 one member from region two (Kodiak Island); and (3) one member from
4 region three (Prince William Sound). The appointment of each director
5 other than the commissioner of transportation and public facilities is
6 subject to confirmation by the legislature.

7 (b) The directors appointed by the governor serve at his pleasure
8 for four-year terms. Each director shall hold office for the term of
9 his appointment and until his successor is appointed and qualified. A
10 director is qualified for reappointment. A vacancy in a directorship
11 occurring other than by expiration of term shall be filled in the same
12 manner as the original appointment but only for the unexpired term.

13 (c) The directors must be residents of the state and qualified
14 voters at the time of appointment and shall comply with the requirements
15 of AS 39.50 (conflict of interest). Each director before entering upon
16 his duties shall take and subscribe to an oath to perform the duties of
17 his office faithfully, impartially, and justly to the best of his
18 ability. A record of the oath shall be filed with the Office of the
19 Governor.

20 (d) The directors of the authority serve without compensation, but
21 are entitled to travel and per diem expenses as provided in AS 39.20.-
22 180.

23 Sec. 19.70.030. OFFICERS AND QUORUM. The directors shall elect
24 one of their number as chairman. The directors shall elect a secretary
25 and a treasurer who need not be directors, and the same person may be
26 elected to serve both as secretary and treasurer. The powers of the
27 authority are vested in the directors, and four voting directors of the
28 authority constitute a quorum. Action may be taken and motions and
29 resolutions adopted by the authority at any meeting by the affirmative

1 vote of at least four directors. A vacancy in the directorship of the
2 authority does not impair the right of a quorum to exercise all the
3 powers and perform all the duties of the authority.

4 Sec. 19.70.040. STAFF. The authority shall employ an executive
5 director who serves at the pleasure of the authority as its chief admin-
6 istrative officer. The executive director may with the approval of the
7 authority select and employ additional staff as necessary. Employees of
8 the authority other than legal counsel and the executive director are in
9 the classified service under AS 39.25. In addition to its staff of
10 regular employees, the authority may contract for and engage the ser-
11 vices of consultants, and professional, technical and financial advisors
12 the authority considers necessary for the purpose of developing informa-
13 tion, conducting hearings, studies, investigations or other proceedings,
14 or otherwise exercising its powers.

15 ARTICLE 2. POWERS AND DUTIES.

16 Sec. 19.70.050. POWERS OF AUTHORITY. In addition to other powers
17 granted in this chapter, the authority may

- 18 (1) sue and be sued;
- 19 (2) adopt and alter an official seal;
- 20 (3) make and enforce bylaws and regulations for the conduct
21 of its business and for the use of its services and facilities;
- 22 (4) maintain offices at any place in the state and at places
23 out of the state which are served by the marine highway system;
- 24 (5) acquire, hold, use and dispose of its income, revenues,
25 funds and money;
- 26 (6) acquire, hold, use, lease, rent, construct and dispose of
27 real and personal property for its purposes;
- 28 (7) operate, maintain, improve, and extend a system of ferries
29 connecting with the public roads and highways of the state and including

1 the boats, vessels, wharves, docks, approaches, landings and appurte-
2 nances the authority determines to be necessary or desirable for safe
3 and efficient operation of the ferry system so as to best serve the
4 public;

5 (8) do all acts and things necessary, convenient or desirable
6 to carry out the powers expressly granted or necessarily implied in this
7 chapter;

8 (9) establish rates and tariffs, after public hearings;

9 (10) modify routes, after public hearings.

10 Sec. 19.70.060. "ALASKA MARINE HIGHWAY SYSTEM": NAME AUTHORIZED.
11 The authority is authorized to operate its ferry system under the name
12 "Alaska marine highway system".

13 Sec. 19.70.070. COMPREHENSIVE LONG-RANGE PLAN. The authority,
14 with the cooperation of the Department of Transportation and Public
15 Facilities, shall prepare a comprehensive long-range plan for the devel-
16 opment and improvement of the marine highway system. The plan shall be
17 revised and updated at least every five years.

18 ARTICLE 3. ACQUISITION OF PROPERTY.

19 Sec. 19.70.080. ACQUISITION OF LAND AND EASEMENTS. The authority,
20 as part of the cost of constructing, maintaining, or improving a ferry
21 system, may acquire by purchase, gift, or exchange land in fee simple or
22 easements that it considers necessary for present public use, either
23 temporary or permanent, or that it considers necessary and reasonable
24 for the public use. By the same means, the authority may obtain
25 material, including clay, gravel, sand, or rock, or the land necessary
26 to obtain the material, including access to it. The authority may so
27 acquire the land or materials notwithstanding the fact that title to it
28 is vested in the state or a department, agency, commission or institution
29 of the state.

1 Sec. 19.70.090. AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE OF
2 EXCHANGE. When a majority of the directors of the authority declares
3 that it is in the best public interest of the state to do so, the author-
4 ity may acquire by purchase, gift, or exchange privately or publicly
5 owned land or an interest in it for the purpose of exchanging it for
6 privately or publicly owned land that the authority is authorized by law
7 to acquire.

8 Sec. 19.70.100. VACATING OF LAND OR RIGHTS IN LAND. The authority
9 may vacate land, or part of it, or rights in land acquired for use in
10 the marine highway system by executing and filing a deed in the approp-
11 riate recording district. Upon vacating, title reverts to the persons,
12 heirs, successors, or assigns in whom it was vested at the time of the
13 taking. The authority may transfer land no longer considered necessary
14 for use in the marine highway system to the Department of Natural Re-
15 sources for disposal. The proceeds of disposal by the Department of
16 Natural Resources shall be credited to the funds from which the purchase
17 was originally made.

18 ARTICLE 4. GENERAL PROVISIONS.

19 Sec. 19.70.110. ANNUAL REPORT. By January 15 of each year, the
20 authority shall submit to the governor and the legislature a compre-
21 hensive report describing the operations, income, and expenditures for
22 the preceding fiscal year.

23 Sec. 19.70.120. ANNUAL AUDIT. The authority shall have its finan-
24 cial records audited annually by a certified public accountant. The
25 legislative auditor may prescribe the form and content of the financial
26 records of the authority and shall have access to those records at any
27 time.

28 Sec. 19.70.130. BUDGET AND APPROPRIATIONS. The authority shall
29 submit its annual budget to the legislature through the governor as

1 provided for state agencies by the Executive Budget Act (AS 37.07). It
2 may expend money directly appropriated by the legislature only as autho-
3 rized by the legislature.

4 Sec. 19.70.140. NAMING OF VESSEL OR FACILITY. (a) A vessel or
5 facility of the Alaska marine highway system constructed or acquired by
6 the authority under this chapter or AS 19.60 may be given a name only by
7 law.

8 (b) A maritime vessel shall bear the name of an Alaska glacier.

9 (c) A vessel used principally on the inland waterways of the state
10 shall bear the name of an historical vessel that used the rivers of the
11 state.

12 Sec. 19.70.160. DEFINITIONS. In this chapter, unless the context
13 requires otherwise,

14 (1) "authority" means the Alaska Marine Highway Authority
15 established by this chapter;

16 (2) "capital improvement" means a project for the construc-
17 tion, rehabilitation, rebuilding, enlarging, or improving of all or any
18 part of the marine highway system, including, without limitation, boats,
19 vessels, wharves, docks, approaches, landings, offices, and appurte-
20 nances as determined by the authority to be necessary or desirable for
21 efficient operation of the marine highway system and to best serve the
22 public;

23 (3) "ferry" means a vessel used in the common carriage of
24 passengers and self-propelled vehicles in commerce.

25 Sec. 19.70.170. SHORT TITLE. This chapter may be cited as the
26 Alaska Marine Highway Authority Act.

27 * Sec. 3. AS 19.60.010 is amended to read:

28 Sec. 19.60.010. ACQUISITION AND MAINTENANCE OF FERRY TERMINAL
29 FACILITIES. The authority [DEPARTMENT] shall construct, purchase or

1 lease ferry terminal facilities at locations it selects for the loading
2 and unloading of passengers and vehicles under their own power, on and
3 off ferries. The authority [DEPARTMENT] shall repair and maintain these
4 facilities.

5 * Sec. 4. AS 19.60.020 is amended to read:

6 Sec. 19.60.020. CONNECTION OF FACILITIES TO HIGHWAYS. The depart-
7 ment shall [MAY] connect ferry terminal facilities with local highway
8 systems.

9 * Sec. 5. AS 19.60.030 is amended to read:

10 Sec. 19.60.030. REGULATIONS. The authority [DEPARTMENT] may adopt
11 [RULES AND] regulations governing the use of ferry terminal facilities
12 by the public which it considers necessary and proper in the public
13 interest.

14 * Sec. 6. AS 19.60.070(1) is amended to read:

15 (i) "authority" ["DEPARTMENT"] means the Alaska Marine High-
16 way Authority [DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES];

17 * Sec. 7. AS 35.27.020 is amended by adding a new subsection to read:

18 (h) The requirements of this chapter apply to the Alaska Marine
19 Highway Authority. Fulfillment of the duties of the department under
20 this chapter is the sole responsibility of the authority with respect to
21 the public buildings and facilities of the authority.

22 * Sec. 8. AS 35.27.030(2) is amended to read:

23 (2) "building" or "facility" means a permanent improvement
24 constructed by the department or authority; the term

25 (A) includes, but is not limited to,

26 (i) schools, office buildings, and court buildings;

27 (ii) other buildings which the commissioner deter-
28 mines are designed for substantial public use;

29 (iii) boats and vessels of the marine highway system;

1 (iv) transportation facilities which accommodate
2 traveling passengers;

3 (B) excludes other transportation facilities; [.]

4 * Sec. 9. AS 35.27.030 is amended by adding a new paragraph to read:

5 (5) "authority" means the Alaska Marine Highway Authority.

6 * Sec. 10. AS 44.42.020(a)(1) is amended to read:

7 (1) plan, design, construct and maintain all state modes of
8 transportation and transportation facilities and all docks, floats,
9 breakwaters, buildings and similar facilities, except that the depart-
10 ment has no planning, design, construction, or maintenance responsibili-
11 ties for transportation modes or facilities under the jurisdiction of
12 the Alaska Marine Highway Authority;

13 * Sec. 11. AS 44.42.020(a)(7) is amended to read:

14 (7) manage, operate, and maintain state transportation faci-
15 lities and all docks, floats, breakwaters and buildings, including all
16 state highways, vessels, railroads, pipelines, airports, and aviation
17 facilities, except that the department has no management, operational,
18 or maintenance responsibilities for transportation facilities, vessels,
19 or equipment under the jurisdiction of the Alaska Marine Highway Author-
20 ity;

21 * Sec. 12. AS 19.60.040 ; 19.60.050 and AS 19.65 are repealed.

22 * Sec. 13. APPOINTMENT OF FIRST DIRECTORS OF ALASKA MARINE HIGHWAY AUTHOR-
23 ITY. The governor shall designate the terms of the voting directors of the
24 Alaska Marine Highway Authority first appointed under AS 19.70.020. Of the
25 seven directors first appointed

26 (1) two shall serve a term of two years;

27 (2) two shall serve a term of three years;

28 (3) three shall serve a term of four years.

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

1 read:

2 (46) Alaska Marine Highway Authority (AS 19.70.010.)
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