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Legislative Research Report 99.082
March 25, 1999

Alaska Railroad Appropriations

Legislative Research Services
Division of Legal and Research Services
Legislative Affairs Agency
Alaska State Legislature

Prepared by Mary E. Miller, Legislative Analyst

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ALASKA RAILROAD APPROPRIATIONS

You requested information about legislative appropriations for the purchase and operation of the Alaska Railroad. As far as we can determine, Alaska lawmakers appropriated at least $42 million to purchase and operate the Alaska Railroad.

- On May 18, 1984, Governor Bill Sheffield signed SB 370 (ch 54 SLA 84) authorizing the purchase of the Alaska Railroad from the federal government at a cost of approximately $22.3 million from the general fund. On January 5, 1985, ownership of the Alaska Railroad transferred from the federal government to the state of Alaska.

- At the time of transfer, lawmakers allocated an additional $10.9 million to the railroad corporation to purchase equipment and pay operating costs until additional revenues were generated to cover these expenses (ch 171 SLA 84).[1]

- The Department of Commerce and Economic Development 1988 summary report on the Alaska Railroad indicates that the state paid another million dollars to the railroad at the time of purchase. However, we have been unable to locate any other documentation describing the purpose or transfer of these funds.

- In 1990, the Alaska legislature appropriated $9 million from the Railbelt Energy fund to the Alaska Railroad to purchase railcars to transport coal from the Wishbone Hill coal mine (sec 145 ch 208 SLA 90). The development has not occurred and the railroad actively invests these funds in an interest-bearing account. The current amount in the Wishbone Hill account is approximately $14.6 million.[2]

- In 1990, the Alaska Department of Natural Resources (DNR) transferred ownership of twenty grain cars to the Alaska Railroad. Through an agreement between the DNR and the Alaska Railroad, the railroad sold eighteen of the grain cars, generating $598,500 in gross revenues. After deducting expenses for the cost of selling the rail cars and other agreed upon deductions such as back due rental payments, the remaining funds were designated for "mutually agreeable" projects between the railroad and the DNR. To date, funds have paid for projects such as a public access trail alongside the railroad tracks in the Mat-Su Valley and Mt. McKinley areas, and an improved crossing at Standard Creek. As of December 31, 1998, the account balance, including interest, was $238,488. Approximately $100,000

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[1] "The Alaska Railroad Update, 1988," Alaska Department of Commerce and Economic Development, Division of Business Development, February 1988, p. 5.

[2] Ernie Piper, director of public affairs at the Alaska Railroad Corporation, indicated these funds currently earn approximately $15,000 per week. Mr. Piper is not aware of any current plan for development of the Wishbone coal mine. Idemitsu Kosan, the Japanese company originally interested in developing the Wishbone Hill coal mine has sold their interest to Usibelli Coal company. For additional information, Mr. Piper may be reached at (907) 265-2410.

of these funds have been earmarked for a pedestrian underpass near Talkeetna in the summer of 1999.[3]

We have not been able to identify any other appropriations by the state to the railroad. A bibliography of materials regarding the Alaska Railroad is included as Attachment A.

I hope you find this information useful. Please do not hesitate to contact us if you have questions or need additional information.

[3] For more information, Jim Blasingame, vice president of corporate affairs for the Alaska Railroad Corporation, may be reached at (907) 265-2680.

Attachment A

Bibliography of Alaska Railroad Libraries

THE ALASKA RAILROAD UPDATE

1988

A report to the Legislature
regarding the status of railroad privatization
and potential for use of the railroad as a tool for economic development;
including a bibliography of publications pertaining to the railroad (1914—1987).

State of Alaska
Department of Commerce and Economic Development
Division of Business Development
P.O. Box D
Juneau, Alaska 99811

February 1988

J. Anthony Smith, Commissioner
W.G. Paulick, Development Specialist

SECTION IV

BIBLIOGRAPHY OF ALASKA RAILROAD LIBRARIES
Major Works

This bibliography includes 172 works relating to the Alaska Railroad Corporation, Transfer to the State, and use of the Railroad as an Economic Development Tool. Listed in order of publishing or release date, these works represent the contents of the following libraries:

(1) Alaska Department of Commerce and Economic Development
(2) Alaska Department of Transportation and Public Facilities
(3) Alaska Legislative Library

Additional works are included from the library of the Alaska Railroad Corporation (4), however, the majority of materials from that library are presently stored in boxes in various inaccessible locations, including Seattle. By the end of the decade materials in libraries (1), (2) and (4) will be consolidated at the ARRC headquarters in Anchorage and will include all materials from 1914 to present. The legislative library will receive a copy of the listing of the ARRC library upon completion.

Finally, library (5) represents those works available through the Alaska State library system (Juneau branches only).

The following annotated listings conclude with the library location, indicated in parentheses.

The Alaska Railroad Time Tables; Shorey Book Store, Seattle, WA; facsimile of original, 1 sheet: map 28 x 22 cm 7/22. (5)

Submission of the State of Alaska re: Adjudication of Lands of the Alaska Railroad, Multivolume set from 1949 to current listings: material reports, copies of ARRC stock cards, complaints and resolution correspondence, inventory information, geographical plan and profile data, native claims on dispute lands. Set is not complete, however offers good background data. (2)

Alaska's New Railway, Alaska Railroad, 1961. (5)

History of the Army's Assistance & Operation of the Alaska Railroad During World War II; 1 pg, 2/63. (1, 4)

Winter Operating Conditions on the Alaska Railroad, Alaska Railroad Traffic Division; 6 pg., 2/63. (1,4)

Construction and Maintenance Problems Encountered on the Alaska Railroad, A. Anderson; 12 pg., 2/64. (1,4)

Railroad Engineering Under Sub-Arctic Conditions, A. Anderson; 9 pg., 2/64. (1, 4)

The Alaska Railroad: in Pictures, B. L. Prince; two-volume pictorial history from 1914-1964. (4, 5)

The Alaska Railroad, E. M. Fitch; History from 1914-1967, (4, 5)

Report & Recommendations for Engineering Service Requirements: Transportation Corridor - Nenana/Dunbar Area to Kobuk River Valley, Tryck, Nyman and Hayes, 3/68. (4)

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Yukon Railway Study, Canadian Government; A study of railroad extension alternatives, 12/75. (1, 2, 3, 4)

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Railroad Consolidation and Relocation in Urban Areas; A report of the Secretary of the United States Department of Transportation to the Congress, 3/76. (2)

An Experiment in Freight Modal Choice, final report by the United States Department of Transportation; Delineates the rail-truck interface, 5/76. (2)

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- #804: Surface Reg Reform, Rail, truck, Intermodal ('81)
- #838: R.R. regulation, ops. managem't & Commuter issues ('82)
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1983

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Appraisal: Alaska Railroad Real Estate to be Transferred Under the Alaska Railroad Transfer Act of 1982, Jackson-Cross Appraisal Co.; Property description, valuation data, property improvement and lease data, vol. I=Introduction and Anchorage, Part 1, vol. II=Anchorage, Part 2, vol. III=Fairbanks and Seward, vol. IV=Whittier, Valdez and Other, 1982-83. (1= (vol. IV only), 2, 4)

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Survey of State Involvement and Unique Approaches to the Funding of State Railroad Programs, American Association of State & Local Highway Officials; 9/83. (2)

Senate Transportation Committee Analysis of SB10, Senate Transportation Committee; includes important backup documents, 9/83. (3)

Valuation of the Alaska Railroad, U. S. Railroad Association; in two volumes, an evaluation of fixed facilities and equipment of the Alaska Railroad, 9/83. (1, 2, 3, 4, 5)

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Master Plan, Port of Anchorage, Tippetts-Abbett-McCarthy-Stratton; Port of Anchorage marketing and development plan, 11/83. (1, (excerpts only), 4)

1984

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1985

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Legislative Research Services

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July 20, 1999

Memorandum

TO:

FROM: Mary E. Miller
Legislative Analyst

RE: **Alaska Railroad Corporation Information**
(Research Report 99.082 Supplemental)

You requested information about the initial legislative appropriation for the purchase of the Alaska Railroad and subsequent appropriations thereafter. You also requested any other information about Alaska's purchase of the Alaska Railroad from the federal government.

In the course of my research on the subject, the following previous legislative research report was identified and may be of interest to you.

"Legislative History of Alaska Railroad Ownership," Research Report #89-100065 (also referred to as 90.000061)

I will continue to research the questions pertaining to legislative appropriations and will send additional information, as it becomes available.

Alaska State Legislature

Legislative Research Agency

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May 4, 1992

MEMORANDUM

TO: Senator Drue Pearce

FROM: Paul Engelman
Legislative Analyst

RE: **Property Tax Exemptions**
Research Request 92.166

You asked us to review the effect of property tax exemptions enjoyed by the electric cooperatives and the Alaska Railroad Corporation[1]. This memorandum discusses the effect of these exemptions on the boroughs and businesses (electric cooperatives and railroad). A section is included to discuss the assumptions used for making the tax estimates.

The Effects on Boroughs

Removing the property tax exemptions for the electric cooperatives and the Alaska Railroad would add $875 million to the rolls of taxable property of local governments and increase annual tax revenue by approximately $13 million. The impact of the property tax exemption on the boroughs is shown in Table 1.[2] The borough most affected is the Kenai Peninsula Borough. The additional yearly revenue to the borough if the tax exemptions were removed is estimated at over $5 million, or 26 percent of the 1991 property tax collected by the borough. The large number of power-producing facilities located within the Kenai borough is the reason for the large impact.

The Matanuska-Susitna and Fairbanks North Star Boroughs and the Municipality of Anchorage would gain between $2 and $3 million each if the tax exemptions were repealed. The electric utilities account for most of the hypothetical revenue gain for the Matanuska-Susitna and Fairbanks boroughs, with lesser amounts from taxes on the Alaska Railroad. For the Municipality of Anchorage,

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[1] Alaska Statutes 42.40.910 and 10.25.540.

[2] The table lists the boroughs which are primarily affected. However, the North Slope Borough would also gain some revenue from cessation of the exemption. The amount is likely to be small, since the only communities affected would be members of the Alaska Village Electric Cooperative which has facilities in some of the villages within the boundaries of the North Slope Borough.

the sources are more evenly split between the railroad and Chugach Electric. As a percent of the 1991 property taxes collected by the boroughs, the smallest effect would be in Anchorage (1.8 percent) with larger effects in the Matanuska-Susitna Borough (11.4 percent) and Fairbanks North Star Borough (9.8 percent).

The impact on the Kodiak Borough would be relatively small (under $273,520), however as a percent of the property tax currently collected the potential revenue amounts to 10.8 percent. This is the third highest impact in terms of percentage of the 1991 property tax.

The Effect on Electric Cooperatives and the Railroad

As shown in Table 2, if the property tax exemptions are repealed Chugach Electric Association and the Alaska Railroad would be most affected by the changes. In both cases the operating income (a measure of profitability) is reduced from about 7 percent of corporate revenue to less than 3 percent of corporate revenue. However, all of the business studied would be impacted by the property tax, and it is likely that they would attempt to raise rates in order to bring the net operating income back to the levels experienced before the tax was implemented.

The Alaska Public Utilities Commission must approve all rate increases by the electric cooperatives. The railroad indicated it would pass along property taxes to local governments. A spokesperson said before the legislature that "If the railroad is to continue as the eighth largest employer in the state and unsubsidized by the state, then it cannot pay taxes without charging FMV [full market value] for its services to government entities".[3] The services referred to are the lease of Railroad land to local governments. Thus, the railroad might attempt to recoup tax payments by increasing the fees it charges for the land and buildings leased to the local governments at less than the market rate.

Limitations and Assumptions of this Analysis

The estimates in Tables 1 and 2 are built around several assumptions which are discussed below.

Property Value

For the electric cooperatives we used the depreciated asset value of the plant as an estimate of the appraised value of all property owned. This approach

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[3]Testimony before the Community and Regional Affairs Committee on personal and real property taxes in HB 294 on May 2, 1989.

will miss some property that would be taxable; however this amount should be small. The value of land could be understated. However, the cooperatives are limited in the amount of land they can hold that is not used for either the production and distribution of power and administrative functions. We estimate that these omissions may account for between 1 and 3 percent of the total property value. An area of possibly greater concern is whether depreciated capital is an accurate reflection of the actual market value of the property. Municipal assessors advise us that there is no other basis short of actual appraisal on which to value the property. Therefore, depreciated asset value is the only potential figure to use for this analysis.

Several of the electric cooperatives are located in more than one taxing jurisdiction. In the case of the Chugach Electric Association, it is assumed that the current geographic distribution of plant has not changed significantly since 1987, the last year we were able to obtain information on location and value for their many facilities. For the Golden Valley Electric Cooperative, it is assumed that all but 15 percent (the approximate value of the Healy power plant) of the depreciated value of the plant was located in the Fairbanks North Star Borough.

For an estimate of the taxable property of the Alaska Railroad, we updated an estimate made by the assessors from Anchorage and the Kenai Peninsulas. The estimate by the assessors of $148,450,800 was determined using the following sources and assumptions[4]:

> "The land values were computed using information from each jurisdiction."
>
> "Equipment and rolling stock values were derived using acquisition costs and depreciating 50 percent."
>
> "Railbed value was derived by using an estimated depreciated value of $150,000 per mile (including R.O.W.) for 525 miles."

The estimate was then increased to reflect 1991 property values using information from Steve VanSant. The estimate used is $170,775,000. This number was allocated to the boroughs based on the estimated miles of rail, amount of land, and the number of maintenance and administrative facilities located within each borough.

Mr. VanSant informs us that land in these situations is usually not valued at the regular market rate because the land consists of a narrow corridor, designed for single purpose use and often there is no access to it except through the corridor. After discussions with other appraisers, however, it is

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[4] Information provided by Steve VanSant, assessor for the Municipality of Anchorage from notes of a meeting with the Alaska Railroad Commission May 3, 1989.

apparent that valuing the land is a potentially contentious issue. One of the appraisers suggested using a uniform appraisal (in which a single appraiser would value the whole railroad) to avoid possible legal problems associated with widely disparate appraisals over similar sections of the line.

Millage Rates[5]

The millage rates within each borough vary from service area to service area. It was impossible to identify the amount of property within each of the service areas. We devised a borough wide millage average that was heavily weighted for commercial service areas, based on the assumption that the utilities will locate as much as possible in the commercial areas to avoid zoning conflicts and for public relations purposes. In some cases, the millage rate from a single service area was utilized. The average millage rates applied to determine the amount of taxes are shown in Table 1.

We hope this information is useful to you. If you have any questions or would like additional information, please contact this agency.

Attachments

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[5]Millage rates are taken from *Alaska Taxable 1991*, Department of Community and Regional Affairs.

Table 1

Revenue Impact on Boroughs of Removing Property Tax Exemptions for Cooperative Electric Utilities and The Alaska Railroad

Taxing Jurisdiction	Effective Tax Rate (Mills)	Estimated Property Value (000's)	Estimated Increased Property Tax	1991 Property Tax	Increased Property Tax as a % of 1991 tax
Kenai Borough	12.80	$377,772	$5,091,742	$19,602,466	26.0%
Mat-Su Borough	17.28	$139,950	$2,418,335	$21,245,223	11.4%
Anchorage Municipality	15.89	$179,276	$2,847,803	$161,023,083	1.8%
North Star Borough	15.90	$156,696	$2,491,460	$25,302,780	9.8%
Kodiak Island Borough	6.50	$42,080	$273,520	$2,536,771	10.8%
Total*		$895,774	$13,122,860	$229,710,323	5.7%

*Totals may not add due to rounding

Source: Alaska Taxable 1991
Annual Reports of the Utilities
Information provided by the Anchorage Assesors Office.

Prepared by the Legislative Research Agency, May ,1992 (92.166)

Table 2

Revenue Impact on Cooperative Electric Utilities and the Alaska Railroad of Removing Property Tax Exemptions

	Annual Revenue	Operating Income Before tax	Operating Income as a Percent of Revenue	Estimated Property Tax	Operating Income After Property Tax	After Tax Operating Income as a Percent Revenue
Chugach Electric Association	$107,005,082	$7,483,937	7.0%	$5,297,982	$2,185,955	2.0%
Golden Valley Electric Association	$47,575,563	$4,921,458	10.3%	$1,788,751	$3,132,707	6.6%
Homer Electric Association	$32,558,312	$2,727,594	8.4%	$1,349,620	$1,377,974	4.2%
Matanuska Electric Association	$40,246,445	$4,861,478	12.1%	$1,711,083	$3,150,395	7.8%
Kodiak Electric Association	$16,037,039	$1,685,511	10.5%	$273,520	$1,411,991	8.8%
Alaska Railroad Corporation	$64,028,000	$4,442,000	6.9%	$2,701,905	$1,740,095	2.7%

Source: Annual Financial Reports of the Utilities

Prepared by the Legislative Research Agency. May, 1992 (92.166)

MISC.
INFO

MEMORANDUM

TO: Senator
Alaska State Senate

FROM: Becky S. Penrose
Researcher

DATE: August 16, 1989

SUBJECT: Legislative History of Alaska Railroad Ownership;
Research Request #89-100065 LRA 90.000061

You phoned on August 7, 1989 requesting the Senate Advisory Council to provide Alaska Railroad legislation, and specifically the legislation which changed the ownership from the Federal Government to the State of Alaska. You also requested a response to the following questions:

What bills were introduced and their status?
Who were the sponsors and co-sponsors of the legislation?
Who were the members of the committee that was formed to support the sale of the railroad to the private sector (both Legislature & public)?

The Anchorage Chamber of Commerce Transportation Committee was formed in 1981 to support the sale. The following were members of the committee:

Frank Turpin	Elaine Atwood	Jim Hurley
Jan Faiks	Al Fleetwood	Al Parrish
Dick Lyon		

The following is a complete list of bills regarding the Alaska Railroad. It includes the sponsors, co-sponsors, bill title and the actions taken on them:

HOUSE JOINT RESOLUTION NO. 18

December 4, 1983

HOUSE JOINT RESOLUTION NO. 18 by Lindauer: Relating to the provision of right-of-way corridors for the Alaska Railroad and oil and gas pipelines. was read the first time and referred to the Resources, Transportation and Finance Committees.

HOUSE JOINT RESOLUTION NO. 49

May 27, 1983

HOUSE JOINT RESOLUTION NO. 49 by Uehling, Ward, Syzmanski and Pestinger: Relating to travel by senior citizens on the Alaska Railroad. was read the first time and referred to the Transportation Committee.

HOUSE JOINT RESOLUTION NO. 72

March 16, 1984

HOUSE JOINT RESOLUTION NO. 72 by the Transportation Committee: Proposing an amendment to the Constitution of the State of Alaska relating to the Alaska Railroad. was read the first time and referred to the Transportation and Judiciary Committees.

March 20, 1984

Representative Cato moved and asked unanimous consent that the 5-day rule (Rule 23 of the Uniform Rules) be waived so that the Transportation Committee can hold hearings on HOUSE JOINT RESOLUTION NO. 72 (amendment to the Constitution of the State of Alaska relating to the Alaska Railroad) on March 21, 1984. Representative Clocksin objected and withdrew his objection. There being no further objection, Rule 23 was waived.

March 21, 1984

The Transportation Committee has had HOUSE JOINT RESOLUTION NO. 72 (proposing an amendment to the Constitution of the State of Alaska relating to the Alaska Railroad) under consideration and reports it back as follows: Cato (Chairman), Abood, Herrmann, Davis, Flood and M. W. Miller recommend do pass; McBride and Szymanski have no recommendation. HJR 72 was referred to the Judiciary Committee.

April 25, 1984

The Judiciary Committee has had HOUSE JOINT RESOLUTION NO. 72 (proposing an amendment to the Constitution of the State of Alaska relating to the Alaska Railroad) under consideration and reports it back as follows: Barnes, Liska and Hayes recommend do pass; Bussell (Chairman) and Clocksin have no recommendation; Malone recommends do not pass. HJR 72 was referred to the Rules Committee for placement on the calendar.

May 3, 1984

HOUSE JOINT RESOLUTION NO. 72 (proposing an amendment to the Constitution of the State of Alaska relating to the Alaska Railroad) was read the second time with the Transportation Committee report (page 2991 of the journal) and the Judiciary Committee report (page 3454 of the journal). Amendment No. 1 by Bettisworth:

HOUSE JOINT RESOLUTION NO. 72 (cont.)

Page 2, line 2: After "law." insert "This section is repealed 10 years after its effective date or on the date the Alaska Railroad is transferred by the state, whichever comes first."

Representative Bettisworth moved and asked unanimous consent that Amendment No. 1 be adopted. Representative Malone objected and withdrew his objection. There being no further objection, Amendment No. 1 was adopted. Representative Barnes moved and asked unanimous consent that HJR 72am be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered. HJR 72am was read the third time.

The question being: "Shall HJR 72am pass the House?" The roll was taken with the following result:

HJR 72am

Yeas:	22	Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Cowdery, Fritz, Fuller, Furnace, Hayes, Hurlbert, Lindauer, Liska, Martin, Pestinger, Ringstad, Shultz, Szymanski, Tischer, Uehling, Ward
Nays:	17	Clocksin, Davis, Duncan, Flood, Goll, Grussendorf, Herrmann, Koponen, Lacher, Larson, Malone, Miller,M.M., Phillips, Sund, Vaska, Wendte, Zharoff
Excused:	0	
Absent:	1	Miller,M.W.

And so, lacking the necessary 27 votes, HJR 72am failed to pass the House. Representative Barnes gave notice of reconsideration of her vote on HJR 72am(failed H).

May 4, 1984

The reconsideration of HOUSE JOINT RESOLUTION NO. 72 amended (failed House) (proposing an amendment to the Constitution of the State of Alaska relating to the Alaska Railroad) was not taken up. HJR 72am(failed H) was referred to the Chief Clerk for permanent filing.

SENATE JOINT RESOLUTION NO. 43

February 27, 1984

SENATE JOINT RESOLUTION NO. 43 by the Transportation Committee, Proposing an amendment to the Constitution of the State of Alaska relating to the Alaska Railroad, was read the first time and referred to the Transportation Committee and the Judiciary Committee.

March 2, 1984

The Transportation Committee considered SENATE JOINT RESOLUTION NO. 43 (amendment to the Constitution of the State of Alaska relating to the Alaska Railroad) and recommended it be replaced with CS FOR SENATE JOINT RESOLUTION NO. 43 (TRSP) with a majority do pass. The report was signed by Senator Moss, Chairman and concurred in by Senators Gilman and Faiks. SENATE JOINT RESOLUTION NO. 43 was referred to the Judiciary Committee.

March 8 1984

The Judiciary Committee considered SENATE JOINT RESOLUTION NO. 43 (proposing an amendment to the Constitution of the State of Alaska relating to the Alaska Railroad) and a majority of the committee recommended that the Transportation Committee Substitute do pass with the following amendment:

Page 2, line 2: after "law" insert "who shall be subject to confirmation by a majority of the members of each house of the legislature in joint session" The report was signed by Senator Ray, Chairman and concurred in by Senators Pettyjohn and Eliason. Senators Ziegler and Josephson signed "no recommendation". SENATE JOINT RESOLUTION NO. 43 was referred to the Rules Committee.

March 15, 1984

The Rules Committee considered SENATE JOINT RESOLUTION NO. 43 (proposing an amendment to the Constitution of the State of Alaska relating to the Alaska Railroad) and a majority of the committee recommended calendar March 15 and the Transportation Committee Substitute be adopted. The report was signed by Senator Faiks, Chairman and concurred in by Senators Bennett and Ray. Senator Ferguson signed "leave the Constitution alone". SENATE JOINT RESOLUTION NO. 43 appears on the calendar. Senator Ray moved and asked unanimous consent that SENATE JOINT RESOLUTION NO. 43 (amendment to the Constitution of the State of Alaska relating to the Alaska Railroad) be returned to the Rules Committee. Without objection, it was so ordered.

SENATE BILL NO. 10

November 8, 1983

SENATE BILL NO. 10 by Senator Kerttula, entitled: "An Act relating to the Alaska Railroad; and providing for an effective date." was read the first time and referred to the Transportation Committee and the Finance Committee.

SENATE BILL NO. 99

January 31, 1983

SENATE BILL NO. 99 by Senator Kerttula by request, entitled: "An Act making special appropriation to the Office of the Governor for operational expenses of the Alaska Railroad Transfer Advisory Commission; and providing for an effective date." was read the first time and referred to the Finance Committee.

April 26, 1983

The Finance Committee considered SENATE BILL NO. 99 (special appropriation to the Office of the Governor for operational expenses of the Alaska Railroad Transfer Advisory Commission) and recommended it be replaced with CS FOR SENATE BILL NO. 99 (FIN), entitled: "An Act making a supplemental appropriation to the Office of the Governor, division of elections; and providing for an effective date." and do pass. The report was signed by Senator Sackett, Co-Chairman and concurred in by Senators Josephson, Mulcahy, Faiks, Vic Fischer, Ferguson and Bennett. SENATE BILL NO. 99 was referred to the Rules Committee.

April 28, 1983

The Rules Committee considered SENATE BILL NO. 99 (special appropriation to the Office of the Governor for operational expenses of the Alaska Railroad Transfer Advisory Commission) and a majority of the committee recommended it be placed on the April 28 calendar and the Finance Committee Substitute be adopted. The report was signed by Senator Faiks, Chairman and concurred in by Senators Ferguson, Kelly and Ray. SENATE BILL NO. 99 appears on today's calendar.

SENATE BILL NO. 99 (special appropriation to the Office of the Governor for operational expenses of the Alaska Railroad Transfer Advisory Commission) was read the second time. Senator Sackett moved and asked unanimous consent for the adoption of the Finance Committee Substitute offered on page 809. Without objection, <CS FOR SENATE BILL NO. 99 (FIN)> (supplemental appropriation to the Office of the Governor, division of elections) was adopted. CS FOR SENATE BILL NO. 99 (FIN) was read the second time. Senator Ray moved and asked unanimous consent that CS FOR SENATE BILL NO. 99 (FIN), with the title change, be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered. CS FOR SENATE BILL NO. 99 (FIN) was read the third time.

SENATE BILL NO. 99 (cont.)

The question being: "Shall CS FOR SENATE BILL NO. 99 (FIN)(supplemental appropriation to the Office of the Governor, division of elections) pass the Senate?" The roll was taken with the following result:

CSSB 99 (FIN)

Yeas:	20	Bennett, Eliason, Fahrenkamp, Faiks, Ferguson, Fischer Paul, Fischer Vic, Gilman, Halford, Josephson, Kelly, Kerttula, Moss, Mulcahy, Pettyjohn, Ray, Rodey, Sackett, Sturgulewski, Ziegler
Nays:	0	

And so, CS FOR SENATE BILL NO. 99 (FIN) passed the Senate. Senator Ray moved and asked unanimous consent that the roll call on the passage of CS FOR SENATE BILL NO. 99 (FIN) be considered the roll call on the effective date clause. Without objection, it was so ordered. CS FOR SENATE BILL NO. 99 (FIN) was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

April 29, 1983

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 99 (Finance) by the Finance Committee, entitled: "An Act making a supplemental appropriation to the Office of the Governor, division of elections; and providing for an effective date." was read the first time and referred to the Finance Committee.

May 3, 1983

The Finance Committee has had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 99 (Finance) (supplemental appropriation to the Office of the Governor, division of elections; effective date) under consideration and reports it back as follows: Bettisworth (Vice-Chairman), Pestinger, Flood, Hurlbert, Ward, Zharoff, Duncan, Grussendorf, Lindauer and Martin recommend do pass. CSSB 99(Fin) was referred to the Rules Committee for placement on the calendar.

May 4, 1983

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 99 (Finance) (supplemental appropriation to the Office of the Governor, division of elections; effective date) was read the second time with the Finance Committee report (page 1160 of the journal). Representative Barnes moved and asked unanimous consent that CSSB 99(Fin) be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered. CSSB 99(Fin) was read the third time.

SENATE BILL NO. 99 (cont.)

The question being: "Shall CSSB 99 (FIN) pass the House?" The roll was taken with the following result:

CSSB 99 (FIN) 3RD

Yeas:	38	Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Clocksin, Cowdery, Davis, Duncan, Flood, Fritz, Fuller, Furnace, Goll, Grussendorf, Hayes, Herrmann, Hurlbert, Koponen, Lacher, Larson, Lindauer, Liska, Malone, Martin, McBride, Miller,M.M., Miller,M.W., Phillips, Ringstad, Shultz, Szymanski, Tischer, Uehling, Vaska, Ward, Zharoff
Nays:	0	
Excused:	2	Pestinger, Wendte
Absent:	0	

And so, CSSB 99 (FIN) passed the House. Representative Barnes moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered.

May 4, 1983

CSSB 99 (FIN) was signed by the Speaker and the Chief Clerk and returned to the Senate.

May 5, 1983

Message dated May 4 was read, stating the House passed: CS FOR SENATE BILL NO. 99 (FIN) (supplemental appropriation to the Office of the Governor, division of elections; efd) CS FOR SENATE BILL NO. 99 (FIN) was referred to the Secretary for enrollment. <CS FOR SENATE BILL NO. 99 (FIN)> (supplemental appropriation to the Office of the Governor, division of elections) was enrolled, signed by the President and Secretary, Speaker and Chief Clerk, and the engrossed and enrolled copies transmitted to the Office of the Governor at 11:15 a.m., May 5, 1983. Message dated May 9 was read, stating the Governor signed the following bill and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing: -CS FOR SENATE BILL NO. 99 (FIN) An Act making a supplemental appropriation to the Office of the Governor, division of elections; and providing for an Effective date Chapter 16, SLA 1983

SENATE BILL NO. 99 (cont.)

May 9, 1983

A message dated May 9, 1983, was read stating the Governor has signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing: COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 99 (Finance) (making a supplemental appropriation to the Office of the Governor, division of elections; effective date). Chapter 16, SLA 1983

SENATE BILL NO. 303

April 29, 1985

SENATE BILL NO. 303 by Senator Coghill, entitled: "An Act removing the limitation on the power of the Alaska Railroad to apply for a right-of-way or exercise eminent domain." was read the first time and referred to the Transportation Committee.

May 28, 1985

The Transportation Committee considered SENATE BILL NO. 303 (removing a limitation on the power of the Alaska Railroad to apply for a right-of-way or exercise eminent domain) and a majority of the committee recommended do pass. The report was signed by Senator Coghill, Chairman and concurred in by Senators Josephson, Paul Fischer and Abood. SENATE BILL NO. 303 was referred to the Rules Committee.

May 4, 1985

The Rules Committee considered SENATE BILL NO. 303 (removing a limitation on the power of the Alaska Railroad to apply for a right-of-way or exercise eminent domain) and a majority of the committee recommended calendar May 4. The report was signed by Senator Kelly, Chairman and concurred in by Senators Coghill, Bennett and Faiks. SENATE BILL NO. 303 appears on the calendar. SENATE BILL NO. 303 (removing a limitation on the power of the Alaska Railroad to apply for a right-of-way or exercise eminent domain) was read the second time. Senator Ferguson offered Amendment No. 1:

Page 1, line 11: Add new Section 2: AS 42.40.370(a)(2) and (a)(3) are repealed Senator Ferguson moved Amendment No. 1. Senator Coghill objected.

The question being: "Shall Amendment No. 1 be adopted?" The roll was taken with the following result:

SB 303	AM 1	
Yeas:	10	Bennett, Fahrenkamp, Faiks, Ferguson, Halford, Kerttula, Ray, Sackett, Zharoff, Ziegler
Nays:	8	Abood, Coghill, Eliason, Fischer Paul, Josephson, Kelly, Rodey, Sturgulewski
Excused:	1	Fischer Vic
Absent:	1	DeVries

SENATE BILL NO. 303 (cont.)

And so, Amendment No. 1 was adopted. Senator Halford moved and asked unanimous consent that <SENATE> <BILL NO. 303 am> be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered. SENATE BILL NO. 303 am was read the third time.

The question being: "Shall SENATE BILL NO. 303 am (removing a limitation on the power of the Alaska Railroad to apply for a right-of-way or exercise eminent domain) pass the Senate?" The roll was taken with the following result:

SB 303 AM 3RD

Yeas:	15	Abood, Bennett, Coghill, Eliason, Fahrenkamp, Faiks, Ferguson, Fischer Paul, Halford, Kelly, Kerttula, Ray, Sackett, Zharoff, Ziegler
Nays:	3	Josephson, Rodey, Sturgulewski
Excused:	1	Fischer Vic
Absent:	1	DeVries

And so, SENATE BILL NO. 303 am passed the Senate. Senator Josephson gave notice of reconsideration on SENATE BILL NO. 303 am.

May 6, 1985

Senator Ferguson requested that the reconsideration on <SENATE> <BILL NO. 303 am> (removing a limitation on the power of the Alaska Railroad to apply for a right-of-way or exercise eminent domain) be taken up.

The question to be reconsidered is: "Shall SENATE BILL NO. 303 (removing a limitation on the power of the Alaska Railroad to apply for a right-of-way or exercise eminent domain) pass the Senate?" The roll was taken with the following result:

SB 303 3RD

Yeas:	19	Abood, Bennett, Coghill, DeVries, Eliason, Fahrenkamp, Faiks, Ferguson, Fischer Paul, Fischer Vic, Halford, Josephson, Kelly, Kerttula, Ray, Sackett, Sturgulewski, Zharoff, Ziegler
Nays:	1	Rodey

And so, SENATE BILL NO. 303 passed the Senate on reconsideration and was referred to the Secretary for engrossment. SENATE BILL NO. 303 was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

SENATE BILL NO. 303 (cont.)

May 7, 1985

SENATE BILL NO. 303 by Coghill, entitled: "An Act removing a limitation on the power of the Alaska Railroad to apply for a right-of-way or exercise eminent domain." was read the first time and referred to the Transportation and Judiciary Committees. SENATE BILL NO. 312 by Senator Kerttula, entitled: "An Act relating to free passenger service for seniors on the Alaska Railroad." was read the first time and referred to the Labor and Commerce Committee and the Finance Committee.

January 3, 1986

Senator Coghill, Chairman moved and asked unanimous consent that SENATE BILL NO. 312 (free passenger service for seniors on the Alaska Railroad) have an added referral to the Transportation Committee. Without objection, the President referred the bill to the Transportation Committee. SENATE BILL NO. 312 was referred to the Labor and Commerce Committee, the Transportation Committee and the Finance Committee.

SENATE BILL 352

January 13, 1984

SENATE BILL NO. 352 by Senators Kerttula, Faiks and Halford, entitled: "An Act establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; and providing for an effective date." was read the first time and referred to the Transportation Committee and the Finance Committee.

January 16, 1984

Senator Moss added as a co-sponsor on SENATE BILL NO. 352 (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad). Senator Gilman moved and asked unanimous consent that he be added as a co-sponsor on SENATE BILL NO. 352. Without objection, it was so ordered.

March 20, 1984

The Transportation Committee considered SENATE BILL NO. 352 (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd) and recommended it be replaced with CS FOR SENATE BILL NO. 352 (TRSP), entitled: "An Act establishing the Alaska Railroad Corporation to operate the Alaska Railroad with a board of nine directors responsible for management of the corporation; requiring the board to appoint a chief executive officer to manage the daily affairs and operations of the corporation; authorizing the board to adopt rules to carry out its functions; authorizing the corporation to issue bonds and notes; authorizing the corporation to own and manage all property acquired by the corporation or transferred to the state under 45 U.S.C. 1201 - 1214 (Alaska Railroad Transfer Act of 1982); authorizing the corporation to exercise eminent domain; exempting the corporation from AS 19, AS 23.40, AS 30.15, AS 35, AS 37.05, AS 37.07, AS 37.10.010 - 37.10.- 060, 37.10.085, AS 37.20, AS 37.25, AS 38, AS 39, and AS 44.62.040 - 44.62.320; and providing for an effective date." and do pass. The report was signed by Senator Moss, Chairman and concurred in by Senators Fahrenkamp, Gilman, Kerttula and Faiks. SENATE BILL NO. 352 was referred to the Finance Committee.

SENATE BILL 370

January 24, 1984

SENATE BILL NO. 370 by the Rules Committee by Request of the Governor, entitled: "An Act authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; and providing for an effective date." was read the first time and referred to the Transportation Committee and the Finance Committee. Fiscal note appears in Senate Supplement No. 45. Governor's transmittal letter follows:

Dear Senator Kerttula: January 24, 1984
Dear Representative Hayes: January 25, 1984

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will authorize the state to acquire the Alaska Railroad. The bill is required so that the certification process mandated by the Alaska Railroad Transfer Act (ARTA; P.L. 97-468) can be effected. Once this certification process is completed, acquisition of the railroad can occur as soon as practicable.

The bill essentially says that the state agrees to meet the transfer conditions set out in the Transfer Act. A more detailed analysis of the bill follows:
Section 1 says that the state agrees to the transfer conditions set out in the Alaska Railroad Transfer Act. Specifically, these points of agreement are as follows:

1) The state agrees to acquire all the rail property of the railroad.
2) The state agrees to operate the railroad as a rail carrier in intrastate and interstate commerce.
3) The state agrees to assume all rights, liabilities, and obligations of the railroad that exist on the date of transfer.
4) The state agrees to protect the employment interests of the railroad employees as required by sec. 604 (d) (3) (A) (i)--vii) and sec. 607 of ARTA.
5) The state agrees to protect the employment interests of the officers of the railroad as required by sec. 604(d) (3) (E) of ARTA.
6) The state agrees to allow the Secretary of Transportation access to employees and records of the Alaska Railroad.
7) The state agrees to compensate the United States at the appraisal value that was determined by the United States Railway Association.

Section 2 authorizes the governor to enter into the various transfer agreements that relate to the points listed above and that will be required in order to secure certification of compliance with the Transfer Act and thus to secure the transfer of the railroad.
Section 3 defines certain terms used in the bill.
Section 4 provides for an immediate effective date.

SENATE BILL 370

I urge your favorable action on this bill as soon as possible so that the transfer of the ownership of the Alaska Railroad to the state can become a reality.

Sincerely,
Bill Sheffield
Governor

February 8, 1984

The Transportation Committee considered SENATE BILL NO. 370 (authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms) and recommended it be replaced with CS FOR SENATE BILL NO. 370 (TRSP) with a majority do pass. The report was signed by Senator Moss, Chairman and concurred in by Senators Gilman, Kerttula and Faiks. SENATE BILL NO. 370 was referred to the Finance Committee.

March 1, 1984

The Finance Committee considered SENATE BILL NO. 370 (authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms) and recommended it be replaced with CS FOR SENATE BILL NO. 370 (FIN), entitled: "An Act relating to the Alaska Railroad; authorizing the acquisition of the Alaska Railroad; and providing for an effective date." with a majority do pass. Senator Bennett, Co-Chairman and Senator Faiks signed "no recommendation". Senators Ferguson, Vic Fischer, Josephson and Mulcahy signed "do pass". SENATE BILL NO. 370 was referred to the Rules Committee.

March 15, 1984

The Rules Committee considered SENATE BILL NO. 370 (authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer of terms) and recommended it be replaced with CS FOR SENATE BILL NO. 370 (RLS), entitled: "An Act relating to the Alaska Railroad; authorizing the acquisition of the Alaska Railroad; and providing for an effective date." and calendar March 15. The report was signed by Senator Faiks, Chairman and concurred in by Senators Bennett, Ray, Kelly and Ferguson.

SENATE BILL 370 (cont.)

LETTER OF INTENT 3/8/84
CSSB 370 (RLS) BY THE RULES COMMITTEE

It is the intent of the Legislature that the Department of Transportation and Public Facilities shall hold a public hearing in each of the communities effected along the proposed right of way corridor established under 16 U.S.C. 410hh (4)(b)-(e) known as the Western (Kobuk River) unit of the Gates of the Arctic National Park, before proceeding with the proposed railroad into the Ambler Mining District. SENATE BILL NO. 370 appears on the calendar. SENATE BILL NO. 370 (authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; efd) was read the second time. Senator Moss moved and asked unanimous consent for the adoption of the Transportation Committee Substitute offered on page 1981. Without objection, <CS FOR SENATE BILL NO. 370> <(TRSP)> was adopted. CS FOR SENATE BILL NO. 370 (TRSP) was read the second time. Senator Ray called the Senate. Senator Ray removed the call. Senator Faiks offered the following Amendment No. 1:

Page 1, line 16: insert after 1203(a) "as described in the report of July 14, 1983 as amended, submitted to Congress and the legislature under 45 U.S.C. 1204(a)"

Page 2, line 10: After "state" insert "of the rail properties of the Alaska Railroad as described in the report of July 14, 1983, as amended, submitted to Congress and the legislature under 45 U.S.C. 1204(a)" Senator Faiks moved and asked unanimous consent that Amendment No. 1 be adopted. Without objection, Amendment No. 1 was adopted. Senator Moss moved and asked unanimous consent that the following Letter of Intent be adopted:

"LETTER OF INTENT
CSSB 370 (TRSP) AM

It is the intent of the Legislature that the Department of Transportation and Public Facilities shall hold a public hearing in each of the communities affected along the proposed right-of-way corridor established under 16 U.S.C. 410hh (4)(b)-(e) known as the Western (Kobuk River) unit of the Gates of the Arctic National Park, before proceeding with any proposed railroad into the Ambler Mining District." Without objection, the Senate Letter of Intent was adopted. Senator Ray moved and asked unanimous consent that <CS FOR> <SENATE BILL NO. 370 (TRSP) am> be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered. CS FOR SENATE BILL NO. 370 (TRSP) am was read the third time.

The question being: "Shall CS FOR SENATE BILL NO. 370 (TRSP) am (authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; efd) pass the Senate?" The roll was taken with the following result:

SENATE BILL 370 (cont.)

CSSB 370 (TRSP) AM 3RD

Yeas:	19	Bennett, Eliason, Fahrenkamp, Faiks, Fischer Paul, Fischer Vic, Gilman, Halford, Josephson, Kelly, Kerttula, Moss, Mulcahy, Pettyjohn, Ray, Rodey, Sackett, Sturgulewski, Ziegler
Nays:	0	
Absent:	1	Ferguson

And so, CS FOR SENATE BILL NO. 370 (TRSP) am passed the Senate with a Senate Letter of Intent. Senator Ray moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. Without objection, it was so ordered. CS FOR SENATE BILL NO. 370 (TRSP) am was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

March 16, 1984

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 370 (Transportation) amended, by the Transportation Committee, entitled: "An Act authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; and providing for an effective date." was read the first time and referred to the Transportation and Finance Committees.

March 20, 1984

The Transportation Committee has had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 370 (Transportation) amended (authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; and providing for an effective date) under consideration and reports it back as follows: Cato (Chairman), Szymanski, Abood, Herrmann, Flood, Bettisworth, M. W. Miller and Davis recommend do pass. The report further states, "Do not pass Senate Letter of Intent". CSSB 370(Trsp)am was referred to the Finance Committee.

April 18, 1984

The Finance Committee has had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 370 (Transportation) amended (authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; effective

SENATE BILL 370 (cont.)

date) under consideration and reports it back as follows: Bettisworth and Lindauer recommend do pass; Adams (Chairman), Martin, Grussendorf, Duncan, Hurlbert, Ward and Fritz have no recommendation. CSSB 370(Trsp)am was referred to the Rules Committee for placement on the calendar.

April 24, 1984

The Rules Committee has had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 370 (Transportation) amended (authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; effective date) under consideration and reports it back as follows: Fuller Chairman), Hayes, Phillips and Liska recommend do pass; Tischer has no recommendation. The committee recommends adoption of the Senate Letter of Intent. CSSB 370(Trsp)am was returned to the Rules Committee for placement on the calendar.

May 3, 1984

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 370 (Transportation) amended (authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; effective date) was read the second time with the Transportation Committee report (page 2978 of the journal), the Finance Committee report (page 3397 of the journal) and the Rules Committee report (page 3436 of the journal). Amendment No. 1 by Clocksin:

Page 2, lines 16 - 18: Delete subparagraph (b)

Representative Clocksin moved and asked unanimous consent that Amendment No. 1 be adopted. Representative Barnes objected. Representative Fuller placed a call of the House on CSSB 370(Trsp)am. The Speaker stated that the call had been satisfied.

The question being: "Shall Amendment No. 1 be adopted?" The roll was taken with the following result:

CSSB 370 (TRSP) AM AM1

Yeas:	19	Clocksin, Davis, Duncan, Flood, Fuller, Goll, Grussendorf, Herrmann, Koponen, Lacher, Larson, Malone, Phillips, Sund, Szymanski, Vaska, Wendte, Zharoff
Nays:	21	Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Cowdery, Fritz, Furnace, Hayes, Hurlbert, Lindauer, Liska, Martin, Miller,M.W., Pestinger, Ringstad, Shultz, Tischer, Uehling, Ward
Excused:	0	
Absent:	0	

SENATE BILL 370 (cont.)

And so, Amendment No. 1 was not adopted. Representative Barnes moved and asked unanimous consent that CSSB 370 (TRSP) am be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered. CSSB 370 (TRSP) am was read the third time.

The question being: "Shall CSSB 370 (TRSP) am pass the House?" The roll was taken with the following result:

CSSB 370 (TRSP) AM

Yeas:	25	Bettisworth, Cato, Clocksin, Davis, Duncan, Flood, Fuller, Goll, Grussendorf, Herrmann, Koponen, Lacher, Larson, Lindauer, Malone, Martin, Miller,M.M., Miller,M.W., Phillips, Ringstad, Shultz, Sund, Szymanski, Uehling
Nays:	15	Abood, Adams, Barnes, Bussell, Cowdery, Fritz, Furnace, Hayes, Hurlbert, Liska, Tischer, Vaska, Ward, Wendte, Zharoff
Excused:	0	
Absent:	0	

Fritz changed from "yea" to "nay". And so, CSSB 370(Trsp)am passed the House. Representative Barnes moved the effective date clause.

The question being: "Shall the effective date clause be adopted?" The roll was taken with the following result:

CSSB 370 (TRSP) AM EFD

Yeas:	33	Bettisworth, Cato, Clocksin, Davis, Duncan, Flood, Fritz, Fuller, Furnace, Goll, Grussendorf, Herrmann, Hurlbert, Koponen, Lacher, Larson, Lindauer, Liska, Malone, Martin, Miller,M.M., Miller,M.W., Pestinger, Phillips, Ringstad, Shultz, Sund, Szymanski, Uehling, Vaska, Ward, Wendte, Zharoff
Nays:	7	Abood, Adams, Barnes, Bussell, Cowdery, Hayes, Tischer
Excused:	0	
Absent:	0	

And so, the effective date clause was adopted. Representative Clocksin gave notice of reconsideration of his vote on CSSB 370 (TRSP) am. Representative Clocksin withdrew the notice of reconsideration of his vote on CSSB 370 (TRSP) am. Representative Barnes gave notice of reconsideration of her vote on CSSB 370 (TRSP) am.

SENATE BILL 370 (cont.)

May 4, 1984

The reconsideration of COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 370 (Transportation) amended (authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; effective date) was not taken up. CSSB 370 (TRSP) am was signed by the Speaker and the Chief Clerk and returned to the Senate.

May 7, 1984

Message of May 4 was read, stating the House passed: -CS FOR SENATE BILL NO. 370 (TRSP) am (authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; efd). CS FOR SENATE BILL NO. 370 (TRSP) am was referred to the Secretary for enrollment.

May 8, 1984

<CS FOR SENATE BILL NO. 370 (TRSP) am> (authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; efd) was enrolled, signed by the President and Secretary, Speaker and Chief Clerk and the engrossed and enrolled copies transmitted to the Office of the Governor at 5:22 p.m., May 7, 1984.

May 19, 1984

A message dated May 18, 1984, was read stating the Governor has signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing: COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 370 (Transportation) amended (An Act authorizing the acquisition of the Alaska Railroad; authorizing the Governor to negotiate the transfer terms; and providing for an effective date.) Chapter 54, SLA 1984

HOUSE BILL NO. 129

January 26, 1983

HOUSE BILL NO. 129 by Lindauer, entitled: "An Act making a special appropriation to the Department of Transportation and Public Facilities for acquisition of railroad and pipeline rights-of-way and construction of rail lines to ex-tend service of the Alaska Railroad; and providing for an effective date." was read the first time and referred to the Resources, Transportation and Finance Committees.

March 16, 1983

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 129 by Lindauer, entitled: "An Act making a special appropriation to the Department of Transportation and Public Facilities for acquisition of railroad rights-of-way and construction of rail lines to extend service of the Alaska Railroad; and providing for an effective date." was read the first time and referred to the Resources, Transportation and Finance Committees.

HOUSE BILL 346

April 1, 1985

HOUSE BILL NO. 346 by Sund, Szymanski and Taylor, entitled: "An Act relating to the Alaska Railroad Corporation." was read the first time and referred to the State Affairs, Labor & Commerce and Finance Committees.

HOUSE BILL 512

January 13, 1984

HOUSE BILL NO. 512 by Hayes, Ringstad, Shultz, Abood, Fritz, Furnace, Cato, Fuller, Uehling, Bettisworth and Tischer, entitled: "An Act establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; and providing for an effective date." was read the first time and referred to the Transportation and Finance Committees.

March 23, 1984

The Transportation Committee has had HOUSE BILL NO. 512 (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; effective date) under consideration, recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 512 (Transportation) (same title) and reports it back as follows: Cato (Chairman), Abood, Herrmann, Bettisworth, M.W. Miller and Flood recommend do pass; McBride and Davis have no recommendation. A fiscal note was attached. HB 512 was referred to the Finance Committee. The fiscal note appears in House Journal Supplement No. 113.

May 2, 1984

The Finance Committee has had HOUSE BILL NO. 512 (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; effective date) under consideration, recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 512 (Finance)(same title) and reports it back as follows: Fritz and Bettisworth recommend do pass; Adams (Chairman), Grussendorf, Hurlbert, Ward, Martin, Duncan and Lindauer have no recommendation; Zharoff signed do not pass; Furnace signed "Bad Bill". A new fiscal note was attached. HB 512 was referred to the Rules Committee for placement on the calendar. The new fiscal note appears in House Journal Supplement No. 138.

May 3, 1984

Representative Barnes moved and asked unanimous consent that HOUSE BILL NO. 512 (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; effective date) and pending amendments be returned to the Rules Committee. Representative Clocksin objected and withdrew his objection. There being no further objection, HB 512 was taken from the calendar and returned to the Rules Committee.

HOUSE BILL 512 (cont.)

May 6, 1984

HOUSE BILL NO. 512 (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; effective date) was read the second time with the Transportation Committee report (page 3033 of the journal) and the Finance Committee report (page 3612 of the journal). Representative Barnes moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 512 (Finance)(same title) be adopted in lieu of the original bill. There being no objection, it was so ordered. Amendment No. 1 by Bettisworth:

Page 48, line 9: After "state," insert "unless a successor private corporation has been formed under sec. 9 of this Act,"

Page 49, line 29: After "approved" insert "or a successor private corporation has been formed under sec. 9 of this Act"

Page 50, after line 17, insert the following new bill sections:

"* Sec. 8. ALASKA RAILROAD PURCHASE FUND.
(a) The Department of Revenue shall establish a trust fund to be known as the Alaska Railroad purchase fund. Each permanent fund dividend designated for payment to the Alaska Railroad purchase fund under sec. 12 of this Act shall be deposited in the trust fund for the credit of the individual for whom the dividend was paid. Interest earned from the dividend shall also be credited to the individual.
(b) At any time before the board of directors of the Alaska Railroad Corporation forms a successor private corporation under sec. 9 of this Act, an individual may elect to withdraw a dividend deposited in the Alaska Railroad purchase fund together with interest earned on it by applying to the Department of Revenue in writing.

* Sec. 9. FORMATION OF SUCCESSOR CORPORATION.
(a) When the Department of Revenue determines that the Alaska Railroad purchase fund contains $75,000,000, it shall notify the board of directors of the Alaska Railroad Corporation. The board shall determine the net book value of the corporation and direct the department to transfer that amount from the Alaska Railroad purchase fund into the general fund in payment for the Alaska Railroad Corporation. The balance of the fund shall be transferred to the corporation by the department. For purposes of this subsection "net book value" means the amount paid by the state to the federal government for the Alaska Railroad, plus the amount of state money and value of state property transferred to the Alaska Railroad Corporation after the date of transfer of the railroad to the state, minus the amount of operating losses suffered or plus the amount of operating gains realized by the corporation from the date of transfer of the railroad to the date of the most recent audit conducted under AS 42.40.270.

HOUSE BILL 512 (cont.)

(b) Within 120 days after all money is transferred from the Alaska Railroad purchase fund, the board of directors of the Alaska Railroad Corporation shall reincorporate the corporation under AS 10.05. The board shall enter into an agreement with the state on behalf of the successor private corporation not to convert, for 10 years after the date of transfer of the railroad to the state, all or part of the real property transferred to the state under 45 U.S.C. 1201 - 1214 (Alaska Railroad Transfer Act of 1982), except that portion of property that lies within the Denali National Park and Preserve, to a use that would prevent the railroad from continuing to operate. Upon entering into this agreement, the state shall designate the private successor corporation as the entity to own, operate, and manage the Alaska Railroad and all assets and liabilities of the Alaska Railroad Corporation shall be transferred to the successor private corporation.
(c) Violation of the agreement entered into under (b) of this section shall result in the reversion to the state of all assets transferred by the state to the private successor corporation.

* Sec. 10. ISSUANCE OF STOCK.
The board of directors shall issue stock in the successor private corporation formed under sec. 9 of this Act to each individual who elected under sec. 12 of this Act to deposit a permanent fund dividend into the Alaska Railroad purchase fund. Stock issued under this section shall represent the entire value of the corporation, and the amount of stock issued to each individual shall be based upon the amount credited to that individual in the Alaska Railroad purchase fund.

* Sec. 11. STOCKHOLDERS' MEETING.
(a) At the time of issuing stock under sec. 13 of this Act, the board of directors shall notify each stockholder of the time and place of the first stockholders' meeting. The meeting shall be held within 90 days after the stock is issued.
(b) At the stockholders' meeting the board of directors shall resign and the stockholders shall elect nine individuals to serve as the new board of directors of the successor private corporation.

* Sec. 12. PERMANENT FUND DIVIDENDS.
Beginning in 1984 and until the board of directors of the Alaska Railroad Corporation forms a successor private corporation under sec. 9 of this Act, the permanent fund dividend application form shall be prepared to allow an applicant to indicate whether the dividend payment should be paid to the applicant or to the Alaska Railroad purchase fund. The permanent fund application deadline for 1984 shall be extended to August 31, 1984. The Department of Revenue shall pay the dividend as directed on the form. If an applicant does not indicate a preference for the payment of the permanent fund

HOUSE BILL 512 (cont.)

dividend on the application form, the dividend shall be paid to the applicant. If the Alaska Railroad is sold under sec. 6 of this Act, each permanent fund dividend together with interest earned on it shall be paid to the applicant who directed that the dividend be paid to the Alaska Railroad purchase fund.

* Sec. 13. AS 42.40 is repealed."

Renumber following sections accordingly.

Page 50, line 21: Delete "4 - 7" and insert "4 - 12"

Page 50, after line 22, insert the following new bill section:
"* Sec. 16. Section 13 of this Act takes effect on the date the Alaska Railroad Corporation is reincorporated under sec. 9 of this Act."

Representative Bettisworth moved and asked unanimous consent that Amendment No. 1 be adopted. Representative M.M. Miller objected. Representative Bettisworth moved and asked unanimous consent that he be allowed to withdraw Amendment No. 1. There being no objection, it was so ordered. Amendment No. 2 by Uehling and Cowdery:

Page 50, after line 17, insert the following new bill section:

"* Sec. 8. Until July 1, 1987, railroad freight traffic within the Municipality of Anchorage shall proceed at rates of speed not exceeding rates approved by the assembly after receiving advice from the Municipal Geotechnical Advisory Committee."

Renumber following sections accordingly.

Page 50, line 21: Delete "4 - 7" and insert "4 - 8"

Representative Uehling moved and asked unanimous consent that Amendment No. 2 be adopted. Representative Barnes objected.

The question being: "Shall Amendment No. 2 be adopted?" The roll was taken with the following result:

CSHB 512 (FIN) AM2

Yeas:	12	Clocksin, Cowdery, Duncan, Malone, Martin, Miller,M.M., Sund, Szymanski, Tischer, Uehling, Ward, Wendte
Nays:	26	Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Davis, Flood, Fritz, Fuller, Furnace, Grussendorf, Hayes, Herrmann, Hurlbert, Koponen, Larson, Lindauer, Liska, Miller,M.W., Pestinger, Phillips, Ringstad, Shultz, Vaska, Zharoff
Excused:	2	Goll, Lacher
Absent:	0	

HOUSE BILL 512 (cont.)

And so, Amendment No. 2 was not adopted. Representative Barnes moved and asked unanimous consent that CSHB 512(Fin) be considered engrossed, advanced to third reading and placed on final passage. Representative M.M. Miller objected.

The question being: "Shall CSHB 512(Fin) be advanced from second to third reading and placed on final passage?" The roll was taken with the following result:

CSHB 512 (FIN) MOTION

Yeas:	26	Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Cowdery, Fritz, Fuller, Furnace, Grussendorf, Hayes, Herrmann, Hurlbert, Lindauer, Liska, Martin, Miller,M.W., Pestinger, Phillips, Ringstad, Shultz, Szymanski, Tischer, Uehling, Ward
Nays:	12	Clocksin, Davis, Duncan, Flood, Koponen, Larson, Malone, Miller,M.M., Sund, Vaska, Wendte, Zharoff
Excused:	2	Goll, Lacher
Absent:	0	

And so, lacking the necessary 30 votes, CSHB 512 (FIN) failed to advance, and will appear in third reading on tomorrow's calendar.

May 7, 1984

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 512 (Finance) (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; effective date), which had failed to advance (page 3706 of the journal), was read the third time. Representative Duncan moved and asked unanimous consent that CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment. Representative Barnes objected. Amendment No. 3 by Duncan:

Page 4, line 11: Delete "two" Insert "one"

Page 4, line 17: Add a new paragraph to read: "(6) one member shall be a public member with no direct or indirect financial interest in a transportation industry, except as a consumer of transportation services."

The question being: "Shall CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment?" The roll was taken with the following result:

HOUSE BILL 512 (cont.)

CSHB 512 (FIN) RET 2D AM3

Yeas:	16	Clocksin, Davis, Duncan, Flood, Goll, Koponen, Lacher, Larson, Lindauer, Malone, Miller,M.M., Sund, Szymanski, Vaska, Wendte, Zharoff
Nays:	23	Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Cowdery, Fritz, Fuller, Furnace, Grussendorf, Hayes, Herrmann, Liska, Martin, Miller,M.W., Pestinger, Phillips, Ringstad, Shultz, Tischer, Uehling, Ward
Excused:	0	
Absent:	1	Hurlbert

And so the motion failed. Representative Duncan moved and asked unanimous consent that CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment. Representative Barnes objected. Amendment No. 4 by Duncan:

Page 3, line 17: Delete "Department of Commerce and Economic Development" Insert "Department of Transportation and Public Facilities"

The question being: "Shall CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment?" The roll was taken with the following result:

CSHB 512 (FIN) RET 2D AM4

Yeas:	16	Clocksin, Davis, Duncan, Flood, Fritz, Goll, Koponen, Lacher, Larson, Malone, Miller,M.M., Sund, Szymanski, Vaska, Wendte, Zharoff
Nays:	23	Abood, Barnes, Bettisworth, Bussell, Cato, Cowdery, Fuller, Furnace, Grussendorf, Hayes, Herrmann, Hurlbert, Lindauer, Liska, Martin, Miller,M.W., Pestinger, Phillips, Ringstad, Shultz, Tischer, Uehling, Ward
Excused:	0	
Absent:	1	Adams

Fritz changed from "nay" to "yea".

And so, the motion failed. Representative Duncan moved and asked unanimous consent that CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment. Representative Barnes objected. Amendment No. 5 by Duncan:

Page 3, line 14: After "CORPORATION." add "(a)"

HOUSE BILL 512 (cont.)

Page 3, line 21: Add a new subsection to read: "(b) The corporation shall provide railroad transportation services. It may not provide other transportation services unless the other services are in direct support of the railroad transportation services. The corporation may not engage in business activities that are not directly related to railroad transportation, except that the corporation may lease or otherwise authorize the use of corporation property for other purposes."

The question being: "Shall CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment?" The roll was taken with the following result:

CSHB 512 (FIN) RET 2D AM5

Yeas:	16	Clocksin, Davis, Duncan, Flood, Goll, Koponen, Lacher, Larson, Malone, Miller,M.M., Phillips, Sund, Szymanski, Vaska, Wendte, Zharoff
Nays:	23	Abood, Barnes, Bettisworth, Bussell, Cato, Cowdery, Fritz, Fuller, Furnace, Grussendorf, Hayes, Herrmann, Hurlbert, Lindauer, Liska, Martin, Miller,M.W., Pestinger, Ringstad, Shultz, Tischer, Uehling, Ward
Excused:	0	
Absent:	1	Adams

And so, the motion failed. Representative Duncan moved and asked unanimous consent that CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment. Representative Barnes objected. Amendment No. 6 by Duncan:

Page 19, line 17: Add a new paragraph to read: "(4) expand, reduce, or diversify services provided by the railroad upon the date of transfer or as provided under this chapter that the board determines would represent a significant and permanent change in the level and nature of services provided."

The question being: "Shall CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment?" The roll was taken with the following result:

CSHB 512 (FIN) RET 2D AM6

Yeas:	15	Clocksin, Davis, Duncan, Flood, Goll, Grussendorf, Koponen, Lacher, Larson, Malone, Miller,M.M., Sund, Szymanski, Wendte, Zharoff
Nays:	23	Abood, Barnes, Bettisworth, Bussell, Cato, Cowdery, Fritz, Fuller, Furnace, Hayes, Herrmann, Hurlbert, Lindauer, Liska, Martin, Miller,M.W., Pestinger, Phillips; Ringstad, Shultz, Tischer, Uehling, Ward

HOUSE BILL 512 (cont.)

Excused: 0
Absent: 2 Adams, Vaska

And so, the motion failed. Representative Lindauer moved and asked unanimous consent that CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment. Representative Barnes objected. Amendment No. 7 by Lindauer:

Page 18, line 23: Remove the semicolon after "greater" and add: ", except that the railroad may acquire right-of-way and obtain permits for any geographic area;"

The question being: "Shall CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment?" The roll was taken with the following result:

CSHB 512 (FIN) RET 2D AM7
Yeas: 8 Davis, Flood, Koponen, Larson, Lindauer, Phillips, Sund, Szymanski
Nays: 32 Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Clocksin, Cowdery, Duncan, Fritz, Fuller, Furnace, Goll, Grussendorf, Hayes, Herrmann, Hurlbert, Lacher, Liska, Malone, Martin, Miller,M.M., Miller,M.W., Pestinger, Ringstad, Shultz, Tischer, Uehling, Vaska, Ward, Wendte, Zharoff
Excused: 0
Absent: 0

And so, the motion failed. Representative Lindauer moved and asked unanimous consent that CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment. Representative Barnes objected. Amendment No. 8 by Lindauer:

Page 4, line 22: After "member." add the following sentence: "Board members appointed before December 31, 1986, shall be interim appointees serving at the pleasure of the governor."

The question being: "Shall CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment?" The roll was taken with the following result:

CSHB 512 (FIN) RET 2D AM8
Yeas: 14 Clocksin, Davis, Duncan, Flood, Goll, Koponen, Larson, Lindauer, Malone, Phillips, Sund, Szymanski, Vaska, Wendte

HOUSE BILL 512 (cont.)

Nays: 26 Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Cowdery, Fritz, Fuller, Furnace, Grussendorf, Hayes, Herrmann, Hurlbert, Lacher, Liska, Martin, Miller,M.M., Miller,M.W., Pestinger, Ringstad, Shultz, Tischer, Uehling, Ward, Zharoff

Excused: 0
Absent: 0

And so, the motion failed. Representative Clocksin moved and asked unanimous consent that CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment. Representative Barnes objected. Amendment No. 9 by Clocksin:

Page 19, line 17: Add a new paragraph to read: "(4) reduce or eliminate passenger service if the reduction or elimination represents a significant and permanent change in the level or nature of the service provided."

The question being: "Shall CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment?" The roll was taken with the following result:

CSHB 512 (FIN) RET 2D AM9

Yeas: 18 Clocksin, Davis, Duncan, Flood, Goll, Koponen, Lacher, Larson, Lindauer, Malone, Miller,M.M., Shultz, Sund, Szymanski, Uehling, Vaska, Wendte, Zharoff

Nays: 22 Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Cowdery, Fritz, Fuller, Furnace, Grussendorf, Hayes, Herrmann, Hurlbert, Liska, Martin, Miller,M.W., Pestinger, Phillips, Ringstad, Tischer, Ward

Excused: 0
Absent: 0

And so, the motion failed. Representative Davis moved and asked unanimous consent that CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment. Representative Abood objected. Amendment No. 10 by Davis:

Page 6, line 24: Delete lines 24 through 26. Insert: "(7) ensure that the accounting procedures of the corporation meeting generally accepted accounting principles consistent with industry standards for comparable railroads; "Conforming amendment:

Page 18, lines 6 - 7: Delete last sentence of subsection (a)

The question being: "Shall CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment?" The roll was taken with the following result:

HOUSE BILL 512 (cont.)

CSHB 512 (FIN) RET 2 AM10

Yeas:	15	Clocksin, Davis, Duncan, Flood, Goll, Koponen, Lacher, Larson, Malone, Miller,M.M., Phillips, Sund, Vaska, Wendte, Zharoff
Nays:	24	Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Cowdery, Fritz, Fuller, Furnace, Grussendorf, Hayes, Herrmann, Hurlbert, Lindauer, Liska, Martin, Miller,M.W., Pestinger, Ringstad, Shultz, Tischer, Uehling, Ward
Excused:	0	
Absent:	1	Szymanski

And so, the motion failed. Representative Davis moved and asked unanimous consent that CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment. Representative Abood objected. Amendment No. 11 by Davis:

Page 2, line 21: Delete "for expansion"

Page 6, line 17: Delete "for expansion"

The question being: Shall CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment?" The roll was taken with the following result:

CSHB 512 (FIN) RET 2 AM11

Yeas:	12	Davis, Duncan, Flood, Koponen, Lacher, Larson, Malone, Miller,M.M., Phillips, Sund, Vaska, Zharoff
Nays:	23	Abood, Adams, Barnes, Bettisworth, ***Brussell, Cato, Cowdery, Fritz, Fuller, Furnace, Grussendorf, Hayes, Herrmann, Hurlbert, Lindauer, Liska, Martin, Miller,M.W., Pestinger, Ringstad, Shultz, Tischer, Uehling
Excused:	0	
Absent:	5	Clocksin, Goll, Szymanski, Ward, Wendte

And so, the motion failed. Representative Duncan moved and asked unanimous consent that CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment. Representative Barnes objected. The Speaker placed a call of the House on CSHB 512 (FIN). The call was satisfied. Amendment No. 12 by Duncan:

Page 46, line 29 through page 47, line 7: Delete Section 3 in its entirety

Page 50, lines 18 - 20: Delete Section 8 in its entirety

Page 50, line 21: Delete "Sections 1, 2, and 4 - 7 of" Renumber all sections accordingly.

HOUSE BILL 512 (cont.)

The question being: "Shall CSHB 512 (FIN) be returned to second reading for the purpose of specific amendment?" The roll was taken with the following result:

CSHB 512 (FIN) RET 2 AM12

Yeas:	17	Clocksin, Davis, Duncan, Flood, Goll, Grussendorf, Koponen, Lacher, Larson, Malone, Miller,M.M., Phillips, Sund, Szymanski, Vaska, Wendte, Zharoff
Nays:	23	Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Cowdery, Fritz, Fuller, Furnace, Hayes, Herrmann, Hurlbert, Lindauer, Liska, Martin, Miller,M.W., Pestinger, Ringstad, Shultz, Tischer, Uehling, Ward
Excused:	0	
Absent:	0	

And so, the motion failed.

The question being: "Shall CSHB 512 (FIN) pass the House?" The roll was taken with the following result:

CSHB 512 (FIN)

Yeas:	34	Abood, Barnes, Bettisworth, Bussell, Cato, Clocksin, Cowdery, Davis, Duncan, Flood, Fritz, Fuller, Furnace, Grussendorf, Hayes, Herrmann, Hurlbert, Koponen, Lacher, Larson, Lindauer, Liska, Martin, Miller,M.M., Miller,M.W., Pestinger, Phillips, Ringstad, Shultz, Sund, Szymanski, Tischer, Uehling, Ward
Nays:	6	Adams, Goll, Malone, Vaska, Wendte, Zharoff
Excused:	0	
Absent:	0	

And so, CSHB 512 (FIN) passed the House. Representative Barnes moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered. CSHB 512 (FIN) was referred to the Chief Clerk for engrossment. CSHB 512 (FIN) was engrossed, signed by the Speaker and the Chief Clerk and transmitted to the Senate for consideration.

May 8, 1984

<CS FOR HOUSE BILL NO. 512 (FIN)> by the Finance Committee, entitled: "An Act establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; and providing for an effective date." was read the first time and referred to the Transportation Committee (to a time certain, Friday, May 11) and the Finance Committee.

HOUSE BILL 512 (cont.)

May 11, 1984

The Transportation Committee considered <CS FOR HOUSE BILL NO.> <512 (FIN)> (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd) and recommended it be replaced with SENATE CS FOR CS FOR HOUSE BILL NO. 512 (TRSP) with a majority do pass. The report was signed by Senator Moss, Chairman and concurred in by Senators Kerttula, Faiks and Fahrenkamp. Senator Gilman signed "no recommendation until constitutional amendment is decided on". CS FOR HOUSE BILL NO. 512 (FIN) was referred to the Finance Committee.

May 23, 1984

The Finance Committee considered <CS FOR HOUSE BILL NO. 512> <(FIN)> (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd) and recommended it be replaced with SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) with a majority do pass. The report was signed by Senator Bennett, Co-Chairman and concurred in by Senators Faiks, Ferguson and Sackett. Senators Josephson, Mulcahy and Vic Fischer signed "no recommendation". Senate Finance Committee

LETTER OF INTENT

It is the policy of the State that the Alaska Railroad should be operated in a business-like manner so as to foster the development of a strong and financially sound system of interstate commerce. Accordingly, although the railroad may use public resources or the benefits of its public status to extend its lines or to provide passenger service, it should not use direct subsidies to compete unfairly with privately-owned carriers.

Two fiscal notes from Senate Finance dated May 23 appear in Supplement No. 89. CS FOR HOUSE BILL NO. 512 (FIN) was referred to the Rules Committee.

May 28, 1984

<CS FOR HOUSE BILL NO. 512 (FIN)> (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd) will automatically appear on the May 29 calendar.

May 29, 1984

Senator Ray moved and asked unanimous consent that <CS FOR HOUSE> <BILL NO. 512 (FIN)> (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd) be held one legislative day. Without objection, it was so ordered and the bill will appear on the May 30 calendar.

HOUSE BILL 512 (cont.)

May 30, 1984

<CS FOR HOUSE BILL NO. 512 (FIN)> (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd) which was held from May 29 was read the second time. Senator Faiks moved and asked unanimous consent for the adoption of the Finance Senate Committee Substitute offered on page 3221. Without objection, <SENATE CS FOR CS FOR HOUSE> <BILL NO. 512 (FIN)> was adopted. SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) was read the second time. Senator Vic Fischer offered Amendment No. 1:

Page 3, line 22: After "commissioners" add "and the member appointed under (2) of this section"

Page 3, line 28: Delete subsection (2) and add new subsection (2) to read: "(2) one member shall be an employee who is a member of a bargaining unit representing employees of the corporation." Senator Vic Fischer moved for the adoption of Amendment No. 1. Senator Halford objected. Senator Vic Fischer moved and asked unanimous consent to withdraw Amendment No. 1. Without objection, Amendment No. 1 was withdrawn. Senators Halford and Vic Fischer offered Amendment No. 2:

Page 3, line 22: After "commissioners" add "and the member appointed under (5) of this section"

Page 4, line 6: Delete "two" and insert "one"

Page 4, line 8: Add new subsection (5) to read: "(5) One member shall be an employee who is a member of a bargaining unit representing employees of the corporation."

Senator Halford moved and asked unanimous consent for the adoption of Amendment No. 2. Senator Ray objected, then withdrew his objection. Senator Ferguson objected. Senator Josephson placed a call on the Senate. President Kerttula stated the call was satisfied.

The question being: "Shall Amendment No. 2 be adopted?" The roll was taken with the following result:

SCS CSHB 512 FIN AM 2

Yeas:	19	Bennett, Eliason, Fahrenkamp, Faiks, Fischer Paul, Fischer Vic, Gilman, Halford, Josephson, Kelly, Kerttula, Moss, Mulcahy, Pettyjohn, Ray, Rodey, Sackett, Sturgulewski, Ziegler
Nays:	1	Ferguson

HOUSE BILL 512 (cont.)

And so, Amendment No. 2 was adopted. The Transportation Committee offered Amendment No. 3:

Page 7, line 28: After "maintain" insert "existing"

Page 8, line 1: Delete "and"

Page 8, line 7: Delete "after" and insert "subject to"

Page 14, lines 3-7: Delete subsection (8) and insert new subsection (8) to read: "(8) hold, maintain, use, operate, improve, lease, exchange, donate, convey, alienate, encumber, or otherwise grant a security interest in, or authorize use or dispose of, land or personal property, subject to other provisions of this chapter;"

Page 17, line 24: Delete from "each" through end of sentence; after "whether" insert "appropriations received for a service that is not self sustaining where calculated in accordance with United States Interstate Commerce Commission standards for determining rail service subsidies."

Page 18, line 26: Delete "services" and insert "service"; delete "continuation"

Page 21, line 9: After "easements" insert "in"

Page 24, line 6: Delete "railroad" and insert "rail"

Page 24, line 23: Delete "railroad" and insert "the"

Page 46, line 27: After "by it" insert "or"
Page 50, line 3: Delete "with" and insert "within"

Senator Moss moved for the adoption of Amendment No. 3 with the following technical amendment:

Page 17, line 24: Change "where" to "were"

The question being: "Shall Amendment No. 3 be adopted?" The roll was taken with the following result:

SCS CSHB 512 FIN AM S AM 3
Yeas: 20 Bennett, Eliason, Fahrenkamp, Faiks, Ferguson, Fischer Paul, Fischer Vic, Gilman, Halford, Josephson, Kelly, Kerttula, Moss, Mulcahy, Pettyjohn, Ray, Rodey, Sackett, Sturgulewski, Ziegler
Nays: 0

HOUSE BILL 512 (cont.)

And so, Amendment No. 3 was adopted. Senator Kerttula offered Amendment No. 4:

Page 47, delete lines 6-29

Page 48, delete lines 1-20

Page 50, delete lines 6-9

Page 50, line 10: Delete "Sections 1, 2 and 8-10 of this Act take" and insert "This Act takes"

Renumber sections accordingly. Senator Halford moved and asked unanimous consent for the adoption of Amendment No. 4. Without objection, Amendment No. 4 was adopted. Senator Halford offered Amendment No. 5:

Page 8, line 7: Delete "." and insert ";" and add new paragraph (15) to read: "(15) exercising the power of eminent domain."

Page 23, line 14: Insert new Sec. 42.40.385 to read: "Sec. 42.40.385. EMINENT DOMAIN. (a) The corporation may exercise the power of eminent domain under AS 09.55.240 - 09.55.460 to acquire land for railroad purposes consistent with this chapter. Notwithstanding AS 09.55.250, the corporation may acquire a fee simple title whenever, in the judgment of the board, ownership of a fee simple title is necessary to carry out the purposes of this chapter.
(b) The corporation may file a declaration of taking in the manner provided for the state under AS 09.55.420.
(c) The power of eminent domain conferred under this section includes the power to obtain clay, gravel, sand, timber, rock or other material for the operation of the railroad, the land necessary to obtain the material, and access to the land and material.
(d) The exercise of the power of eminent domain requires the prior approval of the governor."

Senator Halford moved and asked unanimous consent for the adoption of Amendment No. 5. Senator Josephson objected for the purpose of amending Amendment No. 5. Senator Josephson offered amendment to Amendment No. 5:
Sec. 42.40.385: Insert "transportation" before "purposes". Senator Josephson moved and asked unanimous consent that the amendment to Amendment No. 5 be adopted. Without objection, the amendment to Amendment No. 5 was adopted. There being no further objection, Amendment No. 5 as amended was adopted. Senator Josephson offered Amendment No. 6:

Page 3, line 11: Delete "Commerce and Economic Development" and insert "Transportation and Public Facilities"

Senator Josephson moved Amendment No. 6. Senators Moss and Faiks objected.

The question being: "Shall Amendment No. 6 be adopted?" The roll was taken with the following result:

SCS CSHB 512 FIN AM S AM 6

Yeas:	8	Ferguson, Fischer Vic, Josephson, Kerttula, Mulcahy, Ray, Rodey, Ziegler
Nays:	12	Bennett, Eliason, Fahrenkamp, Faiks, Fischer Paul, Gilman, Halford, Kelly, Moss, Pettyjohn, Sackett, Sturgulewski

Kerttula changed his vote from nay to yea

And so, Amendment No. 6 failed. Senators Josephson and Rodey offered Amendment No. 7:

Page 1, line 22: Add a new subsection to read: "(E) ensure that the Alaska Railroad does not use direct appropriations to fund a particular freight operation if it can be demonstrated that the appropriation has placed privately owned and operated carriers in an unfair competitive position. Nothing herein shall affect the provisions of AS 42.40.220(b)." Senator Josephson moved Amendment No. 7:

The question being: "Shall Amendment No. 7 be adopted?" The roll was taken with the following result:

SCS CSHB 512 FIN AM S AM 7

Yeas:	20	Bennett, Eliason, Fahrenkamp, Faiks, Ferguson, Fischer Paul, Fischer Vic, Gilman, Halford, Josephson, Kelly, Kerttula, Moss, Mulcahy, Pettyjohn, Ray, Rodey, Sackett, Sturgulewski, Ziegler
Nays:	0	

And so, Amendment No. 7 was adopted. Senator Rodey offered Amendment No. 8:

Page 44, line 11: Insert a new subsection (c) to read: "(c) The corporation is subject to AS 45.50.562 - 45.50.596."

Senator Rodey moved Amendment No. 8. Senator Faiks objected.

The question being: "Shall Amendment No. 8 be adopted?" The roll was taken with the following result:

SCSCSHB 512 FIN AM S AM 8

Yeas:	3	Josephson, Ray, Rodey
Nays:	13	Bennett, Eliason, Fahrenkamp, Faiks, Fischer Paul, Fischer Vic, Halford, Kerttula, Moss, Mulcahy, Pettyjohn, Sackett, Sturgulewski
Absent:	4	Ferguson, Gilman, Kelly, Ziegler

HOUSE BILL 512 (cont.)

And so, Amendment No. 8 failed. Senator Vic Fischer offered Amendment No. 9:

Page 24, lines 5-26: Delete Sec. 42.40.420 and replace with: Sec. 42.40.420. PUBLIC USE OF RAILROAD LAND. Upon request of a municipality or the state, the corporation may authorize use of railroad land for public purposes. Subject to AS 42.40.350(b), the corporation shall authorize a walkway or a trail if the board first finds in writing that the proposed walkway or trail will not create a safety hazard and will not unreasonably interfere with continued or expanded operations in the utility corridor. Before authorizing a use under this section, the board shall require the municipality or state to execute an agreement in a form approved by the board to:
(1) agree to restrictions, limitations, and conditions on the proposed use required by the corporation and reasonably calculated to reduce the risk of a safety hazard or interference with authorized uses in the utility corridor;
(2) hold the corporation harmless from and indemnify the corporation for liability and claims arising from any use authorized under this section including: (A) defending the corporation in a cause of action brought against the corporation as a result of the use; and (B) indemnifying the corporation for the amount of a judgment, including prejudgment and postjudgment interest, rendered against the corporation, and for all costs and attorney's fees incurred by the corporation in settling or defending the claim (3) stop the use upon request of the corporation if the use interferes with expansion or replacement of railroad facilities, creates a safety hazard, or interferes with railroad operations.

Senator Vic Fischer moved and asked unanimous consent for the adoption of Amendment No. 9. Senator Moss objected, then withdrew his objection. There being no further objection, Amendment No. 9 was adopted. Senator Kelly offered Amendment No. 10:

Page 48, line 29: Delete "Ship Creek" and insert "Birchwood"

Senator Kelly moved for the adoption of Amendment No. 10. Senator Rodey asked unanimous consent. Without objection, Amendment No. 10 was adopted.
Senator Ray moved and asked unanimous consent that <SENATE CS> <FOR CS FOR HOUSE BILL NO. 512 (FIN) am S> be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.
SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S was read the third time.
Senator Ray moved and asked unanimous consent for the adoption of the Finance Senate Committee Letter of Intent offered on page 3221. Without objection, the Senate Letter of Intent was adopted.

The question being: "Shall SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd) pass the Senate?" The roll was taken with the following result:

HOUSE BILL 512 (cont.)

SCSCSHB 512 FIN AM S 3RD
Yeas: 20 Bennett, Eliason, Fahrenkamp, Faiks, Ferguson, Fischer Paul, Fischer Vic, Gilman, Halford, Josephson, Kelly, Kerttula, Moss, Mulcahy, Pettyjohn, Ray, Rodey, Sackett, Sturgulewski, Ziegler
Nays: 0

And so, SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S passed the Senate with a Senate Letter of Intent.

Senator Ray moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. Without objection, it was so ordered. Senator Ferguson gave notice of reconsideration on SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S.

May 31, 1984

Senator Ferguson requested that the reconsideration on <SENATE> <CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S> (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd) be taken up.

HOUSE BILLS IN THIRD READING
SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S was before the Senate on reconsideration. Senator Ray moved that SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S be held one legislative day. Senator Ferguson objected.

June 1, 1984

<SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S> (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd) which was held from May 31 was before the Senate on reconsideration. Senator Halford moved and asked unanimous consent that SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S be held one legislative day. Without objection, it was so ordered and the bill will appear on the June 2 calendar in third reading.

June 2, 1984

<SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S> (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd) which was held from June 1 was before the Senate on reconsideration.

HOUSE BILL 512 (cont.)

The question to be reconsidered is: "Shall SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd) pass the Senate?" The roll was taken with the following result:

SCSCSHB 512 FIN AM S RECON

Yeas:	18	Eliason, Fahrenkamp, Faiks, Ferguson, Fischer Paul, Fischer Vic, Gilman, Halford, Josephson, Kerttula, Moss, Mulcahy, Pettyjohn, Ray, Rodey, Sackett, Sturgulewski, Ziegler
Nays:	0	
Excused:	1	Kelly
Absent:	1	Bennett

And so, SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S passed the Senate on reconsideration with a Senate Letter of Intent. Senator Ray moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. Without objection, it was so ordered. SENATE CS FOR CS FOR HOUSE BILL NO. 512 (FIN) am S was engrossed, signed by the President and Secretary and returned to the House for consideration.

June 8, 1984

Message of June 8 was read, stating the House concurred in the Senate amendments to CS FOR HOUSE BILL NO. 512 (FIN), thus passing: SENATE CS FOR CS FOR HOUSE BILL <NO. 512 (FIN) am S> (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; efd) with a Legislative Letter of Intent. A message dated June 4, 1984, was read stating the Senate has passed COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 512 (Finance) (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; effective date) with the following amendment:

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 512 (Finance) amended Senate (same title) with a Senate Letter of Intent (page 3221 of the Senate Journal) and so, SCS CSHB 512 (FIN) am S is transmitted for consideration. This will be taken up at a later time under Unfinished Business. -COMMUNICATIONS

Representative Barnes moved that the House concur in the Senate amendment to CSHB 512 (FIN), thus adopting SCS CSHB 512 (FIN) am S (page 4280), and recommended that the members vote yes.

The question being: "Shall the House concur in the Senate amendment to CSHB 512 (FIN)?" The roll was taken with the following result:

HOUSE BILL 512 (cont.)

SCS CSHB 512 (FIN) AMS CONCUR

Yeas:	32	Abood,. Barnes, Bettisworth, Cato, Clocksin, Cowdery, Davis, Duncan, Flood, Fritz, Fuller, Furnace, Goll, Grussendorf, Hayes, Herrmann, Koponen, Lacher, Larson, Lindauer, Liska, Miller,M.M., Miller,M.W., Pestinger, Phillips, Ringstad, Shultz, Szymanski, Tischer, Vaska, Ward, Zharoff
Nays:	1	Malone
Excused:	0	
Absent:	7	Adams, Bussell, Hurlbert, Martin, Sund, Uehling, Wendte

And so, the House concurred in the Senate amendment to CSHB 512(Fin), thus adopting: SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 512 (Finance) amended Senate (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; effective date)

Representative Barnes moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered. Representative Barnes moved and asked unanimous consent that the Senate Letter of Intent (page 3221 of the Senate Journal) be adopted. Representative Duncan objected and withdrew his objection. There being no further objection, it was so ordered. The Chief Clerk was instructed to so notify the Senate.

July 24, 1984

Message dated and received July 5, stating the Governor has signed the following bill and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing: <SENATE CS FOR CS FOR HOUSE BILL NO. 512(Fin) am S> An Act establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; and providing for an effective date. Chapter 153, SLA 1984

July 15, 1984

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 512 (Finance) amended Senate (establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; effective date) was transmitted to the Office of the Governor at 11:50 a.m., June 12, 1984.

HOUSE BILL 512 (cont.)

July 18, 1984

A message dated July 5, 1984, was received stating the Governor has signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing: SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 512 (Finance) amended Senate (An Act establishing the Alaska Railroad Corporation to manage and operate the Alaska Railroad; and providing for an effective date.) Chapter 153, SLA 1984

HOUSE BILL NO. 543

January 27, 1984

HOUSE BILL NO. 543 by the Rules Committee by request of the Governor, entitled: "An Act authorizing the acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; and providing for an effective date." was read the first time and referred to the Transportation and Finance Committees. The Governor's transmittal letter, dated January 26, 1984, appears below:

"Dear Representative Hayes:
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will authorize the state to acquire the Alaska Railroad. The bill is required so that the certification process mandated by the Alaska Railroad Transfer Act (ARTA; P.L. 97-468) can be effected. Once this certification process is completed, acquisition of the railroad can occur as soon as practicable. The bill essentially says that the state agrees to meet the transfer conditions set out in the Transfer Act. A more detailed analysis of the bill follows: Section 1 says that the state agrees to the transfer conditions set out in the Alaska Railroad Transfer Act. Specifically, these points of agreement are as follows:
1) The state agrees to acquire all the rail property of the railroad.
2) The state agrees to operate the railroad as a rail carrier in intrastate and interstate commerce.
3) The state agrees to assume all rights, liabilities, and obligations of the railroad that exist on the date of transfer.
4) The state agrees to protect the employment interests of the railroad employees as required by sec. 604(d)(3)(A)(i) -- (vii) and sec. 607 of ARTA.
5) The state agrees to protect the employment interests of the officers of the railroad as required by sec. 604(d)(3)(E) of ARTA.
6) The state agrees to allow the Secretary of Transportation access to employees and records of the Alaska Railroad.
7) The state agrees to compensate the United States at the appraisal value that was determined by the United States Railway Association. Section 2 authorizes the governor to enter into the various transfer agreements that relate to the points listed above and that will be required in order to secure certification of compliance with the Transfer Act and thus to secure the transfer of the railroad. Section 3 defines certain terms used in the bill. Section 4 provides for an immediate effective date. I urge your favorable action on this bill as soon as possible so that the transfer of the ownership of the Alaska Railroad to the state can become a reality.

Sincerely,
/s/ Bill Sheffield
Bill Sheffield
Governor"

HOUSE BILL NO. 543 (cont.)

January 30, 1984

The fiscal note that accompanied HOUSE BILL NO. 543 (authorizing acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; effective date) appears in House Journal Supplement No. 87.

February 15, 1984

The Transportation Committee has had HOUSE BILL NO. 543 (authorizing acquisition of the Alaska Railroad; authorizing the governor to negotiate the transfer terms; effective date) under consideration, recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 543 (Transportation)(same title) and reports it back as follows: Cato (Chairman), Bettisworth, Flood, McBride, Herrman, Abood, Davis and M.W. Miller recommend do pass; Representative Szymanski recommends do pass "Woo-Woo". HB 543 was referred to the Finance Committee.

HOUSE BILL NO. 612

February 17, 1986

HOUSE BILL NO. 612 by Davis, entitled: "An Act relating to leases of land by the Alaska Railroad Corporation." was read the first time and referred to the Labor & Commerce, Transportation and Finance Committees.

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

March 18, 1986

MEMORANDUM

TO: Representative Terry Martin

ATTN: Jeff Logan

FROM: Mary Jennings MJ
Legislative Analyst

RE: Potential Property Tax Liability of the Alaska Railroad
Research Request 86-117

You requested information regarding the potential property tax liability of the Alaska Railroad Corporation (ARC). Specifically, you asked how much additional revenue municipalities would collect from the railroad and how this would effect ARC profit. Table 1 shows that the ARC would pay nearly $400,000 annually in property taxes. Payment of taxes would have reduced the corporations's 1985 profit by 5.5 percent.

Property Value

As part of the work for transfer of the railroad from federal to State ownership, the Jackson-Cross Appraisal Company produced valuations for railroad land and improvements in 1983. According to Mike Worley, Alaska State Assessor, the methodology used by municipal assessors would probably differ, but for the purpose of a rough calculation, the Jackson-Cross appraisal could be used for property tax estimates. He also suggested increasing the 1983 figures by about 20 percent so they would reflect current value.

Mill Rate. The mill rate differs in each service area within a municipality. Because ARC property has not been valued by service area, I contacted municipal assessors for an estimated mill rate that could be used for assessing ACR property within their municipality.[1] These figures appear in Column 3 of Table 1.

[1]Municipality is used throughout the text to refer to cities, boroughs and municipalities.

Table 1
Potential 1985 Tax Liability of the Alaska Railroad Corporation

Municipality/ Borough	Real Property: Property Value	Mill Rate	Potential Tax	Tax Paid By Lessee	Remaining Tax	Personal Property Tax	Total Property Tax	Estimated Additional Tax Payable
Anchorage	$59,919,167	6.00	$329,515	$28,800	$294,715	$7,021	$330,536	$301,736
Fairbanks North Star	8,213,204	10.10	82,953	48,000	34,953	0	82,953	34,953
Kenai Penninsula	2,000,827	6.75	13,506	9,000	4,506	5,266	18,772	9,772
Whittier	1,006,351	5.00	6,932	0	6,932	130	7,062	7,062
Valdez	430,541	11.57	5,074	0	5,074	0	5,074	5,074
Mat-Su	3,000,000	6.50	19,500	0	19,500	15,213	34,713	34,713
Nenana	90,000	11.00	990	0	990	143	1,133	1,133
Total	$69,040,090		$452,470	$85,800	$366,670	$27,773	$480,243	$394,443

Prepared by the House Research Agency. March 1985.

Leased Land. Of the property owned by the ARC, some of it is leased to private entities who must pay property taxes. In Whittier, Valdez, and Nenana, only lessee improvements are taxed. In the Mat-Su Borough, the single tract of leased ARC land is tax exempt. In Anchorage, Fairbanks, and the Kenai Penninsula Borough property tax is paid on a percentage of the value of land. Although the exact amount of property tax paid by lessees of ARC land was not available, each assessor was able to calculate what he thought was a fair estimate. The estimates appear in Column 5 of Table 1.

Personal Property. Alaska Railroad Corporation holds approximately $5.5 million worth of personal property, which is comprised of business inventory and equipment. To determine the amount of tax liability for each municipality, I apportioned the value for assessment according to the percentage of main line track within a municipality. This method is used in several other states (Colorado statutes are attached). Although the amount of main line track within each municipality has not been surveyed, I was able to develop estimates with assistance from the engineering department of the ARC. Table 2 is the percentage of main line track within each municipality.[2]

Table 2

ARC Mainline Track Distribution

Municipality/ Borough	Mainline Track	Percentage
Anchorage	90	21
Fairbanks North Star*	90	21
Kenai Pennisula	60	14
Mat-Su	180	43
Whittier	2	.6
Nenana	1	.4
Valdez	0	-
Total	423	100%

*Does not assess a personal property tax.

[2]Approximately 80 miles of mainline track is outside taxing municipalities.

Property Tax Liability

Table 1 presents the 1985 potential property tax liability of the ARC by municipality. The table shows that the ARC had a potential real property tax liability of $452,470. Of that amount, $85,800 was paid by lessees, leaving $366,670 in real property tax liability. Personal property tax totals $27,773. Total property tax is $480,243. The table indicates that the potential property tax liability is $394,443 after deducting taxes paid by lessees. Anchorage would have collected approximately 75 percent of that amount.

Profit

Table 3 depicts the effect that a real and a personal property tax would have had on ARC's 1985 profit. The total estimated property tax liability is 5.5 percent of the corporation's profit.

Table 3

Property Tax Effect on ARC's 1985 Profit

Profit (before tax)	7,100,000
Real Property Tax	452,470
Tax Paid by Lessees	<85,800>
Personal Property Tax	27,773
Total Tax	394,443
Profit (less tax)	6,705,557

I hope you find this information useful. If you have any questions, please contact our office.

MJ

Attachment

or otherwise, of personal property or other taxes which become a lien against tax-deferred property.

Source: L. 78, p. 476, § 1.

39-3.5-116. Deed or contract clauses preventing application for deferral prohibited - clauses void.

Repealed, L. 79, p. 1414, § 11, effective January 1, 1980.

39-3.5-117. Report. No later than May 1, 1980, and each May 1 thereafter, the state treasurer shall submit to the general assembly a report concerning tax deferral for the elderly as set forth in this article. Such report shall include data concerning the number of taxpayers establishing claims for deferral, the amount of taxes deferred in each county, and such other data as the state treasurer may deem useful.

Source: L. 78, p. 477, § 1; L. 79, p. 1414, § 9.

Valuation and Taxation

ARTICLE 4

Valuation and Assessment of Public Utilities

39-4-101. Definitions.
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39-4-101. Definitions. As used in this article, unless the context otherwise requires:

(1) "Aircraft" means any contrivance now known or hereafter invented, used, or designed for navigation or flight through the air and designed to carry at least one person.

(2) "Airline company" means any operator who engages in the carriage by aircraft of persons or property as a common carrier for compensation or hire, or the carriage of mail, or any aircraft operator who operates regularly between two or more points and publishes a flight schedule. "Airline company" shall not include operators whose aircraft are all certified for a gross takeoff weight of twelve thousand five hundred pounds or less and who do not engage in scheduled or mail carriage service.

(2.5) "Public utility" means, for property tax years 1982 through 1986, every sole proprietorship, firm, partnership, association, company, or corporation, and the trustees or receivers thereof, whether elected or appointed, which does business in this state as an airline company, electric company, rural electric company, telephone company, telegraph company, gas company, gas pipeline carrier company, domestic water company selling at retail, pipeline company, or coal slurry pipeline. This subsection (2.5) is repealed, effective December 31, 1986.

(3) "Public utility" means, for property tax years commencing on or after January 1, 1987, every sole proprietorship, firm, partnership, association, company, or corporation, and the trustees or receivers thereof, whether elected or appointed, which does business in this state as a railroad company, airline company, electric company, rural electric company, telephone company, telegraph company, gas company, gas pipeline carrier company, domestic water company selling at retail, pipeline company, coal slurry pipeline, or private car line company.

Source: R & RE, L. 64, p. 688, § 1; C.R.S. 1963, § 137-4-1; L. 76, pp. 768, 759, § § 1, 16; L. 81, pp. 1847, 1854, § § 1, 3, 4; L. 82, p. 628, § 41.

Editor's note: Section 46 of chapter 171, Session Laws of Colorado 1982, provides that the act amending subsection (2.5) applies to property tax years commencing on or after January 1, 1982.

Applied in State Personnel Bd. v. District Court, ___ Colo. ___, 637 P.2d 333 (1981).

39-4-102. Valuation of public utilities. (1) The administrator shall determine the actual value of the operating property and plant of each public utility as a unit, giving consideration to the following factors and assigning such weight to each of such factors as in his judgment will secure a just value of such public utility as a unit:

(a) The tangible property comprising its plant, whether the same is situated within this state or both within and without this state, exclusive of any tangible property situated without this state which is not directly connected with the business in which such public utility is engaged within this state;

(b) Its intangibles, such as special privileges, franchises, contract rights and obligations, and rights-of-way;

(c) Its gross and net operating revenues during a reasonable period of time not to exceed the most recent five-year period, capitalized at indicative rates;

(d) The average market value of its outstanding securities during the preceding calendar year, if such market value is determinable.

(2) If, in the judgment of the administrator, the books and records of any public utility accurately reflect its tangible property, its intangibles, and its earnings within this state during the most recent five-year period, the administrator may determine from such books and records the actual value of its property and plant within this state and need not determine the entire value of its property and plant both within and without this state.

(3) (a) For property tax years 1982 through 1986, there shall be applied to the actual value of each public utility an equalization factor to adjust the actual value for the current year of assessment as determined by the administrator pursuant to subsections (1) and (2) of this section to the public utility's level of value in 1981.

(b) For property tax years commencing on or after January 1, 1987, there shall be applied to the actual value of each public utility an equalization factor to adjust the actual value for the current year of assessment as determined

by the administrator pursuant to subsections (1) and (2) of this section to the public utility's level of value in the year which is specified in section 39-1-104 (9) and (10) and which is used to determine the actual value of properties which are subject to said subsections.

(c) Appraisal procedures, instructions, and factors utilized by the administrator in carrying out the provisions of this section shall be subject to legislative review, the same as rules and regulations, pursuant to section 24-4-103 (8) (d), C.R.S. 1973.

(d) The administrator shall certify to the public utility any difference in valuation resulting from the application of this section. Said certification shall be part of the evidence presented in determining rate structures by any applicable rate-setting body.

Source: R & RE, L. 64, p. 688, § 1; C.R.S. 1963, § 137-4-2; L. 67, p. 948, § 12; L. 70, p. 382, § 15; L. 81, p. 1847, § 2.

Am. Jur.2d. See 71 Am. Jur.2d, State and Local Taxation, § § 439, 441, 442.

C.J.S. See 84 C.J.S., Taxation, § 444.

39-4-103. Schedules of property - confidential records. (1) (a) No later than April 15 of each year, each public utility doing business in this state shall file with the administrator, on a form provided by the administrator, a statement, signed by an officer of such public utility under the penalties of perjury in the second degree, containing such information concerning itself and all of its property, wherever situated, as the administrator may reasonably require for the purpose of determining the actual value of such public utility in this state and for apportioning the valuation for assessment of such public utility among the several counties of this state.

(b) Such statement shall include a specific identification of each and every item of property owned, leased, or used which is not included in the rendition of the operating property and plant and the county in which each item is located.

(2) All such statements filed with the administrator shall be considered private documents and shall be available only to the administrator and the employees of the division of property taxation and to assessors.

Source: R & RE, L. 64, p. 689, § 1; C.R.S. 1963, § 137-4-3; L. 70, p. 382, § 16; L. 72, p. 569, § 50; L. 76, p. 759, § 17.

Cross reference: For perjury in the second degree and the penalty therefor, see § § 18-8-503 and 18-1-106.

39-4-104. Inspection of records of utility. The division of property taxation, through the administrator, and its employees, shall have the right at any time, upon demand, to inspect the books, accounts, and records of any public utility doing business in this state for the purpose of verifying the information contained in its filed statement and to examine under oath any officer, employee, or agent of such public utility. Any person making such demand upon a public utility on behalf of the administrator shall produce and exhibit his authority to make such inspection or examination.

Source: R & RE, L. 64, p. 689, § 1; C.R.S. 1963, § 137-4-4; L. 70, p. 382, § 17.

39-4-105. Production of records. By order or subpoena, the administrator may require the production of any books, accounts, or records of any public utility doing business in this state, or verified copies of the same, for examination, and any public utility failing or refusing to comply with any such order or subpoena shall forfeit and pay to the state the sum of one hundred dollars for each day it so fails or refuses.

Source: R & RE, L. 64, p. 690, § 1; C.R.S. 1963, § 137-4-5; L. 70, p. 383, § 18.

39-4-106. Valuation of utilities - apportionment. (1) Repealed, L. 81, p. 1855, § 7, effective January 1, 1982.

(2) In the specific case of a telegraph company, the administrator shall:

(a) Determine, as of the last day of December of each year, the actual value of such company as a unit, or of its property and plant within this state, in the manner provided in section 39-4-102;

(b) Allocate to this state, if the actual value of such company is determined as a unit, that proportion of such actual value as in his judgment accurately represents the value of the property and plant of such company within this state, utilizing commonly recognized methods of allocation as in his judgment are just and equitable;

(c) Compute the valuation for assessment of such company in this state as provided in section 39-1-104;

(d) Apportion the valuation for assessment of such company in this state among the several counties of this state in such proportion as in his judgment will fairly represent the valuation for assessment within each such county, utilizing commonly recognized methods of apportioning as in his judgment are just and equitable.

(3) In the specific case of a telephone company, the administrator shall:

(a) Determine, as of the last day of December of each year, the actual value of such company as a unit, or of its property and plant within this state, in the manner provided in section 39-4-102;

(b) Allocate to this state, if the actual value of such company is determined as a unit, that proportion of such actual value as in his judgment accurately represents the value of the property and plant of such company within this state, utilizing commonly recognized methods of allocation as in his judgment are just and equitable;

(c) Compute the valuation for assessment of such company in this state as provided in section 39-1-104;

(d) Apportion the valuation for assessment of such company in this state among the several counties of this state in such proportion as in his judgment will fairly represent the valuation for assessment within each such county, utilizing commonly recognized methods of apportioning as in his judgment are just and equitable.

(4) Repealed, L. 81, p. 1855, § 7, effective January 1, 1982.

(5) In the specific case of a pipeline company engaged in the transportation of gas, oil, or petroleum products or coal slurry or other coal products in pipelines through or in this state, the administrator shall:

(a) Determine, as of the last day of December of each year, the actual value of the property of such company within this state, either in the manner provided in section 39-4-102 or, with respect to its pipelines, on a diameter

vitalization and Regulatory Reform Act" in 1976. Such act provides, in ct, that it is an unreasonable burden upon and an unreasonable discrimination against interstate commerce for certain property, as defined by the act d the interstate commerce commission, within the railway system to be sessed "at a value that has a higher ratio to the true market value" of ch property "than the ratio that the assessed value of other commercial d industrial property . . . has to the true market value of the other commerd and industrial property" (49 U.S.C.A. Sec. 11503 (b)). The general sembly recognizes the legitimacy of the end sought to be accomplished rough the federal act and the need for the state to participate in accomplishg such end.

(2) The general assembly finds and declares that it is necessary, reasonle, rational, and in the public interest to minimize the loss in revenue which ll result when such property is assessed in accordance with the federal t. In order to minimize revenue loss, the general assembly finds that it necessary, due to section 3 of article X of the state constitution, and that is reasonable and rational, due to the peculiar nature of rail transportation operty as compared with property of public utilities, to provide that a sepate class consisting of certain railway property, as provided in this article, e created for the purpose of general property taxation.

Source: L. 81, p. 1849, § 1.

39-4.1-102. Definitions. As used in this article, unless the context otherise requires:

(1) "Rail transportation company" means any sole proprietorship, firm, artnership, association, company, or corporation, and the trustees or receivrs thereof whether elected or appointed, which does business in this state s a railroad company, and "rail transportation company" includes, unless therwise specifically provided, a private car line company, a railroad express ompany, and a sleeping car company.

(2) "Rail transportation property" means all property and other assets, respective of ownership, which comprise the entire operating unit devoted o rail transportation service.

Source: L. 81, p. 1850, § 1.

39-4.1-103. Valuation of rail transportation property. (1) Rail transportion property shall be a separate class of property for the purpose of general d valorem property taxation. The actual value and valuation for assessment of rail transportation property shall be computed and apportioned as provided n this section.

(2) The assessment ratio to be applied to rail transportation property in each year shall be the assessment ratio which existed for other commercial and industrial real property in this state in the previous year. Such assessment ratio shall be determined by a sales assessment ratio study which sets forth the ratio that the valuation for assessment of all commercial and industrial real property in this state has to the true market value thereof. Such sales assessment ratio study shall be conducted by rail transportation companies.

(3) In the specific case of a railroad company which is not a private car line company, a railroad express company, or a sleeping car company, the administrator shall:

(a) Determine, as of December 31 of each year, the actual value of the rail transportation property of such company in the manner provided in section 39-4-102;

(b) Ascertain the total mileage of all railroad track of such company, wherever situated;

(c) Ascertain the total mileage of all railroad track of such company situated within this state and in the several counties thereof;

(d) Ascertain the total mileage of all railroad main track of such company situated within this state and in the several counties thereof;

(e) Allocate to this state that proportion of such actual value that the total mileage of all railroad track of such company situated within this state bears to the total mileage of all railroad track of such company, wherever situated;

(f) Compute the valuation for assessment of such company in this state by multiplying its allocated value, as determined pursuant to paragraph (e) of this subsection (3), by the assessment ratio, as determined for that year pursuant to subsection (2) of this section;

(g) [redacted]

(4) In the specific case of cars owned by a private car line company, a railroad express company, or a sleeping car company, the administrator shall:

(a) Ascertain the total railroad track miles made by all such cars within this state and in the several counties thereof during the preceding calendar year;

(b) Determine the actual value of all such cars, using commonly recognized methods of valuation;

(c) Compute the valuation for assessment of all such cars by multiplying their actual value, as determined pursuant to paragraph (b) of this subsection (4), by the assessment ratio determined for that year pursuant to subsection (2) of this section;

(d) Apportion the valuation for assessment of all such cars among the several counties of this state in such proportion as in his judgment will fairly represent the valuation for assessment within each such county.

Source: L. 81, p. 1850, § 1.

39-4.1-104. Schedules of property - confidential records. (1) (a) No later than April 15 of each year, each rail transportation company doing business in this state shall file with the administrator, on a form provided by the administrator, a statement, signed by an officer of such company under the penalties of perjury in the second degree, containing such information concerning itself and all of its property, wherever situated, as the administrator may reasonably require for the purpose of determining the actual value of the rail transportation property of such company in this state and for apportioning the valuation for assessment thereof among the several counties of this state.

(b) Such statement shall include a specific identification of each and every item of property owned, leased, or used which is not included in the rendition of the rail transportation property and the county in which each item is located.