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SENATOR JERRY WARD

ALASKA STATE LEGISLATURE

MEMORANDUM

TO: Senator John Cowdery, Chair
Senate Transportation Committee

FROM: Senator Jerry Ward 

DATE: March 1, 2001

SUBJECT: SB 44 and SB 45 Request for Hearing

I respectfully request you hear SB 44 and SB 45 bills relating to the establishment of an Alaska Toll Bridge and Causeway Authority and appropriation for the design for the Knik Arm Crossing. Enclosed is a Sponsor Statement for these bills.

Thank you for your consideration of this request. If you or your staff should have any questions, please contact me at 465-4940.

JW/lrb



SENATOR JERRY WARD
ALASKA STATE LEGISLATURE

SPONSOR STATEMENT FOR SB 44 AND SB 45

**Establishment of an Alaska Toll Bridge and Causeway Authority and
appropriation for the Design of Knik Arm Crossing**

The proposed legislation would appropriate \$1 million in state general funds to form the authority, and to design a crossing that will span Cook Inlet from the Port of Anchorage to Point McKenzie. Eighty percent of the construction costs will be covered by federal funds. The Causeway Authority will issue transportation bonds for up to 20% of the costs, and collect tolls to re-pay the bonds.

I introduced the same legislation during the 13th legislature. Now with Congressman Young's leadership we can finally cross the Knik Arm. When Congressman Don Young was elected to chair the U.S. House Transportation Committee, he announced two priorities that he would be working on. One was providing federal funds to help build the Knik Arm Crossing. The Alaska Toll Bridge and Causeway Authority created in this proposed bill has been intended for decades in various legislation and would oversee the use of federal funds appropriated for this project.

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: SB 44
 Publish Date: 01/17/2001

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
 Title: SB 44: An Act establishing an Alaska Toll BRU: _____
Bridge and Causeway Authority Component: _____
 Sponsor: Senator Jerry Ward
 Requester: _____ Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	435.0	448.0	461.0	474.0	488.0	502.0
Travel	40.0	40.0	40.0	40.0	40.0	40.0
Contractual	100.0	50.0	50.0	50.0	50.0	50.0
Supplies	20.0	5.0	5.0	5.0	5.0	5.0
Equipment	50.0	5.0	5.0	25.0	5.0	5.0
Land & Structures						
Grants & Claims						
Miscellaneous	48.0	48.0	48.0	48.0	48.0	48.0
TOTAL OPERATING	693.0	596.0	609.0	642.0	636.0	650.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	693.0	596.0	609.0	642.0	636.0	650.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	693.0	596.0	609.0	642.0	636.0	650.0

Estimate of any current year (FY2001) cost: 693.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time	6	6	6	6	6	6
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED.

Prepared by: Kurt Parkan, Deputy Commissioner Phone 465-6977
 Division: Commissioner's Office Date/Time 3/28/01 5:00 PM
 Approved by: Joseph L. Perkins, Commissioner Date _____
 Agency: DOT&PF

For distribution information, call the Governor's Legislative Office

The Following assumptions were used:

Personal Services: The Bridge and Causeway Authority would require at least six staff, including an Executive Director and engineering, budget/financial, program, and clerical support. Staffing to be filled at the following levels:

- Executive Division Director - Range 24A including benefits: \$106,415 annually
- Financial officer - Range 20A including benefits: \$80,101 annually
- Engineering Assistant III - Range 20A including benefits: \$80,101 annually
- Planner III - Range 19A including benefits: \$74,962 annually
- Admin Manager I, Range 15A including benefits: \$56,588 annually
- Admin Clerk II, Range 8A including benefits: \$36,669 annually

Total on-going professional services: \$434,836 annually. Three percent salary increases yearly over the six-year interval.

Travel: Travel and per diem expenses calculated based on 4 of 6 appointed Board members traveling to Anchorage from Juneau and/or Fairbanks once monthly for Board meetings. Standard per diem rates were used. The travel budget also includes in-state staff travel, lodging and meal allowances; no inflationary increases included.

Contractual: Contractual items to include extensive legal services in the first year (necessary to set up the Authority), and ongoing computer office system support. This does not include costs associated with appointment of any other consultants or advisors.

Equipment: Equipment would include a computer system with server, office copiers, fax machine, phones and cell phones. Computer system upgrades to occur every third year.

Miscellaneous: Assumes the necessity of leased office space at \$4000.00/month including utilities.



Alaska State Legislature

Please enter into the record my testimony to the State Transportation
 committee name
 committee on Knik Crossing SB 44,45, dated 7/3/01
 bill/subject

drove 42 miles to testify in support
 of the Knik Crossing only to hear the
 meeting adjourn.

I am on the Mat-Su Assembly
 and believe this project will solve a lot
 of problems in both Anchorage and the valley,
 and also believe it is not nearly as
 expensive nor ~~even~~ impossible as previously
 thought.

Signed: Larry McWilbriss
 Testifier

Representing (Optional)
#C04-9302 Palmer, AK 99645
 Address
745-6591
 Phone No.

Subject: SB 44 & 45 (Knik Crossing Bill) , ITG Funding Issues

Date: Sun, 18 Mar 2001 14:47:39 -0900

From: Jeffrey Schmitz <jschmitz@gci.net>

To: Drue Pearce <Senator_Drue_Pearce@legis.state.ak.us>,
Norm Rokeberg <Representative_Norman_Rokeberg@legis.state.ak.us>

CC: Senator John Cowdery <Senator_John_Cowdery@legis.state.ak.us>,
Senator Jerry Ward <Senator_Jerry_Ward@legis.state.ak.us>,
Senator Kim Elton <Senator_Kim_Elton@legis.state.ak.us>,
Senator Robin Taylor <Senator_Robin_Taylor@legis.state.ak.us>,
Senator Gary Wilken <Senator_Gary_Wilken@legis.state.ak.us>

Jeff Schmitz
911 Fairwood Driv
Anchorage, Alaska 99518
907 344 0991

Ladies and Gentlemen of the Legislature,

Our collective time is valuable so I will combine the issues that concern me and try to be short.

First, SB 44 and it's companion, the \$1,000,000 SB 45 are cause for concern. Before embarking on the politically sexy projects like this, the ones that are boring, ugly and politically risky have to be addressed. While I am aware of many of the fortuitous conditions vis a vis our congressional delegation and the funding possibilities, I am also concerned that we have not addressed any of the underlying financial issues here at home. We have, among many other problems, a State transportation, communication and physical plant infrastructure that is crumbling for lack of adequate funding, an education system that is lacking, a 500 million dollar CBR draw, and to top it all off, no plan at all for balancing income and expenditures. The prospect of bridge crossings of either Knik or Turnagain Arms are marvelous. The Knik proposal would give me personally far speedier access to our family cabin than what I have now. But at the same time I look beyond the free Federal lunch to life afterwards and the costs entailed. Things like all the needs that go with access and development of an area that has little or nothing. Roads, EMS, Police, Fire, Schools, Transportation Maintenance stations, Search and Rescue obligations and the communications needs to support all that, to mention only a few. Another issue to consider here is the infrastructure in Anchorage. First, there is none to support a bridge crossing. Looking beyond that, the present road system in Anchorage is back to it's usual status of being at least ten years behind the demands placed on it. All the present traffic that would utilize a crossing would flow through a presently non existent road system in the Port of Anchorage area in addition to the bulk of that resulting from commercial and residential development in the Point McKenzie area. APD, AFD and the EMS services for Anchorage are already strained; where would the money come from to staff up for the already mentioned increases? The list goes on much further if one really digs into it. But the bottom line is we cannot afford the bargain until we figure out how to effectively provide for what we already have in place and dig ourselves out of the hole we find ourselves in now. One only has to look at past "Authorities" created by the State and see what the prospects are likely to entail. While there have been a few successes, the body count of the failures still litter the landscape. If a Knik bridge were commercially viable the private sector would be knocking the doors down to build it and we as a State would be left only with the far side governmental obligations that go with development. No one is knocking that door down so we are not only going to find ourselves in another Alaska Power Authority, Barley or Dairy bind but a Point McKenzie one as well when we have to provide the above mentioned needs.

Next, as a State communication worker, I am intimately involved with trying to maintain a viable system that serves all the agencies charged with providing the services mandated by their missions. Fire, EMS, DOT, Troopers, Fish and Wildlife, DOA, DMV and a host of others depend on the communications resources of the State as provided by the Information Technology Group. (ITG) As with much of the rest of the State infrastructure, the last ten years has been something of a disaster. The combination of a failed funding scheme in the form of an ISF (Internal Service Fund or more popularly known as chargeback) and budget cuts have left our asset base reeling. Adding to this list is the damage

inflicted by last two years of attempting to contract out to the private sector those services currently provided in the form of the Telecommunications RFP. My purpose here is not to advocate one way or another on that issue. We have to let the process play out to one conclusion or another. What can be done is to take the knowledge gained so far and put it to work. Whether we continue as we are now or contract, financially the results are going to have similar prospects. While not privy to the proposals as submitted by prospective contractors, we will find in that scenario that cheaper is not going to be part of the package and the Legislature is going to be tapped for funding the result. Conversely, if the State continues to provide services we are going to have to change how we do business and we are going to have to increase funding. Either way, more funding is going to be required simply to dig out of the ten year hole and then maintain what we have. This is where you as legislators have the unenviable task of getting the fundamentals in place to enable us as a State to once again look to a progressive future. Those fundamentals include realistic, viable funding methods for State agencies and revenue plans to support them. Then spending a million bucks to establish a Bridge Authority has a chance of making some sense.

Jeff Schmitz

BILL ID: SB 44

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SENATE BILL NO. 44

01 "An Act establishing an Alaska Toll Bridge and Causeway Authority; and providing for
02 an effective date."

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

04 * Section 1. AS 44.42 is amended by adding new sections to read:

05 Article 2. Alaska Toll Bridge and Causeway Authority.

06 Sec. 44.42.110. Establishment of authority. There is established the Alaska
07 Toll Bridge and Causeway Authority. The authority is a public corporation of the
08 state in the department but with separate and independent legal existence.

09 Sec. 44.42.120. Membership of authority. The authority consists of the
10 commissioners of transportation and public facilities, community and economic
11 development, and revenue, or their designees, and four public members who are
12 residents appointed by the governor. The public members of the authority serve at the
13 pleasure of the governor for staggered terms of five years. A vacancy among the
14 public members of the authority is filled by appointment by the governor. A person
01 selected to fill a vacancy among the public members holds office for the balance of the
02 term for which the member's predecessor is appointed.

03 Sec. 44.42.130. Officers and quorum. The members shall elect officers they
04 determine desirable. The powers of the authority are vested in the members, and four
05 members of the authority constitute a quorum. Action may be taken and motions and
06 resolutions adopted by the authority at a meeting by the affirmative vote of at least
07 four members. The public members of the authority serve without compensation but
08 are entitled to per diem and travel expenses authorized by law under AS 39.20.180.

09 Sec. 44.42.140. Staff. The authority shall employ an executive director who
10 may, with the approval of the authority, employ additional staff as necessary. In
11 addition to its staff of regular employees, the authority may contract for and engage
12 the services of legal and bond counsel, consultants, experts, and financial and
13 technical advisors the authority considers necessary for the purpose of conducting
14 studies, investigations, hearings, or other proceedings. The members of the authority
15 shall establish the compensation of the executive director, who is subject to the
16 provisions of AS 39.25.

17 Sec. 44.42.150. Powers and duties of the authority. (a) In furtherance of its
18 corporate purposes and in addition to its other powers, the authority may

19 (1) sue and be sued;

20 (2) have a seal and alter the seal at the pleasure of the authority;

21 (3) make and alter bylaws for its organization and internal

22 management;

23 (4) acquire real or personal property, whether by purchase, gift, lease,
24 or exchange, where, in the judgment of the authority, the action is in furtherance of its
25 corporate purposes;

26 (5) adopt regulations governing the exercise of its corporate powers;

27 (6) issue bonds to carry out any of its corporate purposes and powers,
28 including the acquisition, design, or construction of a project to be owned or leased, as
29 lessor or lessee, by the authority, or the acquisition of an interest in a project or the
30 establishment or increase of reserves to secure or to pay the bonds or interest on them,
31 and the payment of all other costs or expenses of the authority incident to and
01 necessary or convenient to carry out its corporate purposes and powers;

02 (7) sell, lease as lessor or lessee, exchange, donate, convey, or
03 encumber in any manner, by mortgage or by creation of any other security interest,
04 real or personal property owned by the authority or in which the authority has an
05 interest when, in the judgment of the authority, the action is in furtherance of its
06 corporate purposes;

07 (8) accept gifts or grants and enter into contracts or other transactions
08 with any person;

09 (9) deposit or invest its funds, subject to agreements with bondholders;

10 (10) enter into contracts with the United States or a person and, subject
11 to the laws of the United States, with a foreign country or its agencies for the
12 financing, design, construction, acquisition, operation, and maintenance of all or any
13 part of a toll bridge or causeway, either inside or outside the state, and for the security
14 of any bonds of the authority issued or to be issued for the project;

15 (11) apply to the appropriate agencies of the state, the United States, a
16 foreign country, and any other proper agency for the permits, licenses, or approvals as
17 may be necessary; may design, construct, maintain, and operate toll bridges and
18 causeways in accordance with licenses and permits; and may obtain, hold, and use the
19 licenses and permits in the same manner as any other person;

20 (12) perform reconnaissance studies, feasibility studies, and
21 engineering, survey, and design with respect to toll bridges and causeways;

22 (13) enter into contracts or agreements with respect to the exercise of
23 any of its powers, and do all things necessary or convenient to carry out its corporate
24 purposes and exercise its powers;

25 (14) maintain complete and separate financial account of each toll
26 bridge and causeway;

27 (15) utilize a design and construction contract for projects over
28 \$100,000,000; in this paragraph "design and construction contract" means one contract
29 for both design and construction of a toll bridge or causeway;

30 (16) establish, levy, and collect tolls and other charges it considers
31 necessary for a project sufficient to pay costs of operation, maintenance, rehabilitation,
01 and improvement; may pay the cost of acquisition, design, or construction, including
02 the payment, amortization, and retirement of bonds or other securities or obligations
03 assumed, issued, or incurred by the authority, together with interest; and may provide
04 reserves for those purposes;

05 (17) pledge the tolls and other revenues, subject to prior pledges, as
06 security for the repayment with interest of money borrowed by the authority or
07 advanced to the authority for its authorized purposes and as security for the
08 satisfaction of any other obligations assumed by the authority in regard to loans or
09 advances;

10 (18) receive and accept funds from the state or the federal government
11 or a municipality upon a cooperative or other basis for the design and construction of a
12 toll bridge or causeway authorized under AS 44.42.110 - 44.42.290.

13 (b) The authority shall coordinate the exercise of its powers to plan, design,
14 construct, operate, and maintain toll bridges and causeways with the department.

15 Sec. 44.42.160. Limitation on powers. The authority has only those powers
16 expressly granted or reasonably implied under AS 44.42.110 - 44.42.290 or reasonably

17 necessary or convenient to carry out its corporate purposes and to exercise the powers
18 expressly granted in or reasonably implied under AS 44.42.110 - 44.42.290. The
19 authority does not have powers of eminent domain, taxation, land use planning,
20 zoning, permitting, or other similar governmental powers.

21 Sec. 44.42.170. Bonds for the authority. The authority may borrow money
22 and may issue bonds on which the principal and interest are payable from money
23 derived from the tolls, fees, charges, and other revenue from projects financed under
24 AS 44.42.110 - 44.42.290. Before issuing bonds for a project, the authority shall
25 submit to the state bond committee a description of the bond issue and an independent
26 economic feasibility analysis of the project and expected revenues. This information
27 may be contained in a preliminary prospectus, offering circular, or official statement
28 relating to the bond issue. Bonds may not be issued unless the state bond committee
29 finds, based upon the information submitted by the authority under this section and
30 other information that is reasonably available to the committee, that the project
31 revenues can be reasonably expected to be adequate for payment of the principal and
01 interest on the bonds to be issued and that issuance of the bonds by the authority
02 would not be expected to adversely affect the ability of the state or its political
03 subdivisions to market bonds. Bonds may not be issued unless approved by law.

04 Sec. 44.42.180. Trust indentures and trust agreements. (a) At the
05 discretion of the authority, an issue of bonds may be secured by a trust indenture or
06 trust agreement between the authority and a corporate trustee, by a secured loan
07 agreement or other instrument, or by a resolution giving powers to a corporate trustee,
08 by means of which the authority may

09 (1) make agreements with the trustee or the holders of the bonds that
10 the authority determines to be necessary or desirable, including agreements as to the

11 (A) application, investment, deposit, use, and disposition of
12 (i) the proceeds of bonds of the authority;
13 (ii) money or other property of the authority; or
14 (iii) money or other property in which the authority has
15 an interest;

16 (B) fixing and collecting of tolls, charges, fees, or other
17 consideration for and the other terms to be incorporated in contracts with
18 respect to a project;

19 (C) assignment by the authority of its rights in contracts with
20 respect to a project or in a mortgage or other security interest created with
21 respect to a project to a trustee for the benefit of bondholders;

22 (D) terms and conditions under which the authority may issue
23 additional bonds;

24 (E) vesting in a trustee of rights, powers, duties, funds, or
25 property in trust for the benefit of bondholders, including the right to enforce
26 payment, performance, and all other rights of the authority or of the
27 bondholders, under a lease, power of contract, contract of sale, mortgage,
28 security agreement, or trust agreement with respect to a project by injunction
29 or other proceeding or by taking possession of by agent or otherwise and
30 operating a project and collecting rents or other consideration and applying the
31 same in accordance with the trust agreement;

01 (2) pledge, mortgage, or assign money, leases, agreements, property,
02 or other rights or assets of the authority either presently in hand or to be received in
03 the future, or both; and

04 (3) provide for any other matters that affect the security or protection
05 of the bonds.

06 (b) Notwithstanding any other provisions of AS 44.42.110 - 44. 42.290, the
07 trust agreement must contain an agreement by the authority that the authority will at
08 all times maintain rates, tolls, fees, or charges sufficient

09 (1) to pay the costs of operation and maintenance of the project and the
10 principal of and interest on bonds issued under the trust agreement as the bonds
11 severally become due and payable;

12 (2) to provide for debt service coverage as considered necessary by the
13 authority for the marketing of its bonds; and

14 (3) to provide for renewals, replacements, and improvements of the
15 project, and to maintain reserves required by the terms of the trust agreement.

16 (c) For the purpose of securing one or more issues of its bonds, the authority
17 may establish one or more special funds, called "capital reserve funds," and shall pay
18 into those capital reserve funds the proceeds of the sale of its bonds and any other
19 money that may be made available to the authority for the purposes of those funds.
20 The funds shall be established only if the authority determines that the establishment
21 would enhance the marketability of the bonds. All money held in a capital reserve
22 fund, except as provided in this section, shall be used as required solely for (1) the
23 payment of the principal of and interest on bonds or of the sinking fund payments with
24 respect to those bonds, (2) the purchase or redemption of bonds, or (3) the payment of
25 a redemption premium required to be paid when those bonds are redeemed before
26 maturity. However, money in a fund may not be withdrawn from the fund at any time
27 in an amount that would reduce the amount of the fund to less than the capital reserve
28 requirement set out in (d) of this section, except for the purpose of making, with
29 respect to those bonds, payment, when due, of principal, interest, redemption
30 premiums, and the sinking fund payments for the payment of which other money of
31 the authority is not available. Income or interest earned by or increment to a capital
01 reserve fund due to the investment of the fund or any other amounts in the fund may
02 be transferred by the authority to other funds or accounts of the authority to the extent
03 that the transfer does not reduce the amount of the capital reserve fund below the
04 capital reserve fund requirement.

05 (d) If the authority decides to issue bonds secured by a capital reserve fund,
06 the bonds may not be issued if the amount in the capital reserve fund is less than the
07 amount that may be established by resolution of the authority, called the "capital
08 reserve fund requirement," unless the authority, at the time of issuance of the
09 obligations, deposits in the capital reserve fund from the proceeds of the obligations to
10 be issued or from other sources an amount that, together with the amount then in the
11 fund, will not be less than the capital reserve fund requirement.

12 (e) In computing the amount of a capital reserve fund for the purpose of this
13 section, securities in which all or a portion of the funds are invested shall be valued by
14 some reasonable method established by the authority by resolution. Valuation on a
15 particular date shall include the amount of any interest earned or accrued to that date.

16 (f) The chair of the authority shall annually, not later than January 2, deliver to
17 the governor and the legislature a certificate stating the sum, if any, required to restore
18 any capital reserve fund to the capital reserve fund requirement. The legislature may
19 appropriate a sum, and all sums appropriated during the then current fiscal year by the
20 legislature for restoration shall be deposited by the authority in the proper capital
21 reserve fund.

22 (g) Nothing in this section creates a debt or liability of the state.

23 (h) If the authority decides to issue bonds secured by a capital reserve fund,
24 the bonds may not be issued until 30 days after the authority has mailed notification to
25 the state bond committee and the Legislative Budget and Audit Committee by certified
26 mail of its intention to establish a capital reserve fund to secure the bond issue. The
27 notification must include the amount of the capital reserve fund to be established, the
28 amount of bonds proposed to be issued, and the total cost of the project for which the
29 bonds are to be issued. The notification shall be accompanied by an estimate by the
30 authority of the need to withdraw money from the capital reserve fund during the term
31 of the bond issue, the amount that may be necessary to withdraw, and the time at
01 which withdrawals are estimated to be needed. The authority shall annually prepare a
02 revised estimate, considering the same factors, and a statement of all withdrawals that
03 have occurred from the date of issuance of the bonds to the end of the calendar year.
04 The revised estimate and statement shall be submitted to the state bond committee and
05 the Legislative Budget and Audit Committee by January 30 of the succeeding year.

06 Sec. 44.42.190. Validity of pledge. It is the intention of the legislature that a

07 pledge made in respect of bonds shall be perfected and shall be valid and binding from
08 the time the pledge is made, that the money or property so pledged and thereafter
09 received by the authority shall immediately be subject to the lien of the pledge without
10 physical delivery or further act, and that the lien of the pledge shall be valid and
11 binding against all parties having claims of any kind in tort, contract, or otherwise
12 against the authority irrespective of whether the parties have notice. Neither the
13 resolution, trust agreement, nor any other instrument by which a pledge is created need
14 be recorded or filed under the provisions of the Uniform Commercial Code to be
15 perfected or to be valid, binding, or effective against the parties. This section does not
16 affect title to or conveyances of real property, and does not limit the applicability of
17 AS 40.17.080(b).

18 Sec. 44.42.200. Nonliability on bonds. (a) Neither the members of the
19 authority nor a person executing the bonds is liable personally on the bonds or is
20 subject to personal liability or accountability by reason of the issuance of the bonds.

21 (b) The bonds issued by the authority do not constitute an indebtedness or
22 other liability of the state or of a political subdivision of the state, but shall be payable
23 solely from the income and receipts or other funds or property of the authority. The
24 authority may not pledge the faith or credit of the state or of a political subdivision of
25 the state, except the authority, to the payment of a bond, and the issuance of a bond by
26 the authority does not directly or indirectly or contingently obligate the state or a
27 political subdivision of the state to apply money from, levy, or pledge any form of
28 taxation to the payment of the bond.

29 Sec. 44.42.210. Pledge of the state. The state pledges to and agrees with the
30 holders of bonds issued under AS 44.42.110 - 44.42.290 and with the federal agency
31 that loans or contributes funds in respect to a project that the state will not limit or
01 alter the rights and powers vested in the authority under AS 44.42.110 - 44.42.290 to
02 fulfill the terms of a contract made by the authority with the holders or federal agency
03 or in any way impair the rights and remedies of the holders until the bonds, together
04 with the interest on them with interest on unpaid installments of interest, and all costs
05 and expenses in connection with an action or proceeding by or on behalf of the
06 holders, are fully met and discharged. The authority is authorized to include this
07 pledge and agreement of the state, insofar as it refers to holders of bonds of the
08 authority, in a contract with the holders and, insofar as it relates to a federal agency, in
09 a contract with the federal agency.

10 Sec. 44.42.220. Exemption from taxation. The real and personal property of
11 the authority and its assets, income, and receipts are declared to be the property of a
12 political subdivision of the state and, together with any project financed under
13 AS 44.42.110 - 44.42.290, are exempt from all taxes and special assessments of the
14 state or a political subdivision of the state. All bonds of the authority are declared to
15 be issued by a political subdivision of the state and for an essential public and
16 governmental purpose and to be a public instrumentality. The bonds, the interest on
17 the bonds, the income from the bonds and the transfer of the bonds, and all assets,
18 income, and receipts pledged to pay or secure the payment of the bonds or interest on
19 the bonds shall at all times be exempt from taxation by or under the authority of the
20 state, except for inheritance and estate taxes and taxes on transfers by or in
21 contemplation of death. Nothing in this section affects or limits an exemption from
22 license fees, property taxes, or excise, income, or other taxes provided under any other
23 law, nor does it create a tax exemption with respect to the interest of any business
24 enterprise or other person, other than the authority, in any property, assets, income,
25 receipts, project, or lease, whether or not financed under AS 44.42.110 - 44.42.290.

26 Sec. 44.42.230. Bonds legal investments for fiduciaries. The bonds of the
27 authority are securities in which all public officers and bodies of the state and all
28 municipalities and municipal subdivisions, all insurance companies and associations
29 and other persons carrying on an insurance business, all banks, bankers, trust
30 companies, savings banks, savings associations, including savings and loan
31 associations and building and loan associations, investment companies and other
01 persons carrying on banking business, all administrators, guardians, executors,

02 trustees, and other fiduciaries, and other persons who are now or may afterward be
03 authorized to invest in bonds or other obligations of the state may properly and legally
04 invest money including capital in their control or belonging to them. Notwithstanding
05 any other provision of law, the bonds of the authority are also securities that may be
06 deposited with and may be received by all public officers and bodies of the state and
07 all municipalities and municipal subdivisions for any purpose for which the deposit of
08 bonds or other obligations of the state is now or may afterward be authorized.

09 Sec. 44.42.240. Audit. The legislative auditor shall audit or cause to have
10 audited annually the financial records of the authority. The legislative auditor may
11 prescribe the form and content of the financial records of the authority and shall have
12 access to these records at any reasonable time.

13 Sec. 44.42.250. State appropriations for toll bridges and causeways not
14 affected. AS 44.42.110 - 44.42.290 do not prevent the state from making
15 appropriations for or in aid of the acquisition, design, or construction under
16 AS 44.42.110 - 44.42.290 of a toll bridge or causeway, or property, franchise, or right
17 appurtenant to a toll bridge or causeway, or the transportation facilities of a toll bridge
18 or causeway, or for the purpose of making preliminary surveys, plans, and estimates of
19 the cost of a toll bridge or causeway and meeting other preliminary expenses the
20 legislature considers proper.

21 Sec. 44.42.290. Definitions. In AS 44.42.110 - 44.42.290,

22 (1) "authority" means the Alaska Toll Bridge and Causeway Authority;

23 (2) "toll bridge or causeway" or "project" means a bridge or causeway
24 constructed or acquired under AS 44.42.110 - 44.42.290 on which tolls are charged,
25 together with all appurtenances, additions, alterations, improvements, replacements,
26 approaches, lands, and interests therein used, and buildings and improvements as may
27 be determined by the authority.

28 * Sec. 2. AS 39.50.200(b) is amended by adding a new paragraph to read:

29 (57) Alaska Toll Bridge and Causeway Authority (AS 44.42.110).

30 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
31 read:

01 INITIAL TERMS. The governor shall designate the terms of the public members of
02 the authority first appointed under AS 44.42.120 as follows: one public member shall serve a
03 term of two years, one public member shall serve a term of three years, one public member
04 shall serve a term of four years, and one public member shall serve a term of five years.

05 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

BILL ID: SB 45

00 SENATE BILL NO. 45

01 "An Act making an appropriation for the design of the Knik Arm crossing; and
02 providing for an effective date."

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

04 * Section 1. The sum of \$1,000,000 is appropriated from the general fund to the Alaska
05 Toll Bridge and Causeway Authority for the design of the Knik Arm crossing in Cook Inlet.

06 * Sec. 2. The appropriation made by this Act is for a capital project and lapses under
07 AS 37.25.020.

08 * Sec. 3. This Act takes effect on the effective date of an Act passed by the Twenty-Second
09 Alaska State Legislature and enacted into law that establishes the Alaska Toll Bridge and
10 Causeway Authority.

SITE: Mat-Su LIO

COMMITTEE: STRA

DATE: 04-03-01

SUBJECT OF MEETING:

SB 45

SB 44

UPDATE #:update: Added SB 44

PLEASE SIGN IN

PLEASE PRINT:

NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

DO YOU WANT

TO TESTIFY?

Y or N

NAME	ADDRESS (MAILING & ZIP)	REPRESENTING	DO YOU WANT TO TESTIFY? Y or N
Larry DeVilbiss			YES HB 45 & 44

llo

We faxed and mailed this to Senate Transportation this afternoon.
The participant was surprised to have driven 42 miles to hear
the committee adjourn.

We might not have been able to catch him before he left home, but we
could have tried.

Charlotte