

SB

213

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 5/7/03

FURTHER:

REPORTED OUT

MAY 13 2003

SENATE FINANCE COMMITTEE

DATE TURNED IN TO OFFICE: 13 May 2003

Finance Committee considered

SENATE BILL NO. 213

SB 213 KNIK ARM BRIDGE AND TOLL AUTHORITY

"An Act establishing the Knik Arm Bridge and Toll Authority and relating to that authority; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 213 (FIN)
- adopt previous _____ CS CS Forthcoming _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DOT & PF	7/5/02	523.7		#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>John H. ...</i>	✓			
<i>...</i>			✓	
<i>...</i>			✓	
<i>...</i>			✓	
<i>...</i>	✓			
COCHAIR				
COCHAIR: <i>...</i>	✓			

MAY 13 2003

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 213
(S) Publish Date: 5/6/03

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title An act establishing the Knik Arm Bridge BRU Knik Arm Bridge
and Toll Authority Component Knik Arm Bridge
Sponsor Rules by Request of the Governor
Requester Rules by Request of the Governor Component No. 2715

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	187.7	193.3	199.1	205.1	211.2	217.5
Travel	30.0	30.0	30.0	30.0	30.0	30.0
Contractual	200.0	200.0	200.0	200.0	200.0	200.0
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	36.0	36.0	36.0	36.0	36.0	36.0
TOTAL OPERATING	523.7	469.3	475.1	501.1	487.2	493.5

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (CIP Receipts)	523.7	469.3	475.1	501.1	487.2	493.5
TOTAL	523.7	469.3	475.1	501.1	487.2	493.5

Estimate of any current year (FY2003) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time	3	3	3	3	3	3
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Dennis R. Poshard
Division: Commissioner's Office
Approved by: Mike Barton, Commissioner
Agency: Department of Transportation and Public Facilities

Phone 465-3900
Date/Time 5/5/03 3:22 PM
Date 5/5/2003

FISCAL NOTE #1

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. SB 213

ANALYSIS CONTINUATION

FISCAL NOTE CONTINUATION SHEET PAGE 2 OF 2
Knik Arm Bridge and Toll Authority

The Following assumptions were used:

Personal Services: The Bridge and Toll Authority will start with three staff, including an Executive Director, administrative, and clerical support. Staffing will be filled at the following levels:

- Executive Division Director - Range 26A including benefits: \$97,474 annually
 - Admin Manager I, Range 15A including benefits: \$53,090 annually
 - Admin Clerk II, Range 8A including benefits: \$37,089 annually
- Total on-going personal services: \$187,653 annually. Three percent salary increases yearly over the six-year interval.

Travel: Travel and per diem expenses calculated based on 2 of 3 appointed Board members traveling to Anchorage 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), ongoing computer office system support, and costs associated with financial, engineering, and planning consultants and advisors.

Equipment: The authority will need 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 \$3000.00/month including utilities.

SENATE FINANCE COMMITTEE
5/4/2003 COMMITTEE ACTION

Bill Number	
Amendment	SB 213
Motion	Rescind Action Reporting out
<u>Motion by</u>	Taylor
<u>Objection by</u>	Bunde
<u>Removed</u>	
<u>Second Objection by</u>	
<u>Committee Member</u>	Y Vote N
Senator Bunde	
Senator Hoffman	
Senator Olson	
Senator Stevens	
Senator Taylor	
Co-Chair Green	
Co-Chair Wilken	
<u>Tally</u>	
Yea	1
Nay	5
Absent	1
<u>MOTION</u>	FAIL

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

May 14, 2003

SUBJECT: CSSB 213(FIN) Knik Arm Bridge and Toll Authority
(Work Order No. 23-GS1149\D)

TO: Senator Lyda Green
Senator Gary Wilken
Co-chairs Senate Finance Committee

FROM: George Utermohle *GU*
Legislative Counsel

Enclosed is the final of CSSB 213(FIN), An Act establishing the Knik Arm Bridge and Toll Authority as passed out of the Senate Finance Committee.

The CS passed by the Finance Committee adds two legislative members to the board of directors of the authority. The board is an executive branch agency charged with administering the authority. Though the legislative members of the board are non-voting members, their presence on the board of an executive branch agency implicates the prohibition against dual office holding by legislators under art. II, sec. 5 of the Alaska Constitution. The significance of the issue is unknown. The Department of Law has traditionally taken a firm position against legislative members serving on any board in the executive branch other than a board that serves only an advisory function.

If I may be of further assistance, please advise.

GU:med
03-532.med

Enclosure

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Senator Gary Wilken
Co-chairs Senate Finance Committee

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If I may be of further assistance, please advise.

GU:med
03-532.med

Enclosure

SENATE FINANCE
COMMITTEE

Amendment Number: #1
Bill Number: SB 213
Sponsor: Hoffman Date: 5/10/03
Logged In By: Kobin

23-GS1149\A.1
Utermohle
5/8/03

AMENDMENT

NOT OFFERED

OFFERED IN THE SENATE

TO: SB 213

1 Page 2, line 13, following "citizen":

2 Insert ";

3 (4) one public member, appointed by the governor from a list of 5
4 names submitted by the mayor of the Municipality of Anchorage, who is a state
5 resident, resident of the Municipality of Anchorage, and United States citizen;

6 (5) one public member, appointed by the governor from a list of 5
7 names submitted by the mayor of the Matanuska-Susitna Borough, who is a state
8 resident, resident of the Matanuska-Susitna Borough, and United States citizen"

9

10 Page 2, line 14:

11 Delete "member"

12 Insert "members"

13 Delete "a term"

14 Insert "staggered terms"

15

16 Page 2, line 15:

17 Delete "member"

18 Insert "members"

19

20 Page 2, line 17:

21 Delete "in the"

22 Insert "in a"

23

1 Page 2, line 18, following "appointment":

2 Insert "to fill the vacancy in the same manner as the previous appointment to that
3 seat"

4

5 Page 2, line 22:

6 Delete "Two"

7 Insert "Three"

8

9 Page 2, line 23:

10 Delete "The"

11 Insert "A"

12 Delete "serves"

13 Insert "shall serve"

14

15 Page 2, line 26:

16 Delete "two"

17 Insert "three"

18

19 Page 2, line 27:

20 Delete "The"

21 Insert "Each"

22

23 Page 12, following line 30:

24 Insert a new bill section to read:

25 **"* Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new
26 section to read:

27 APPOINTMENT OF THE INITIAL PUBLIC MEMBERS OF THE KNIK ARM
28 BRIDGE AND TOLL AUTHORITY. Notwithstanding AS 39.05.055 and
29 AS 44.90.031(b), added by sec. 1 of this Act, the governor shall appoint the initial public
30 members of the board of directors of the Knik Arm Bridge and Toll Authority to terms as
31 follows:

- 1 (1) one public member to a term of five years;
- 2 (2) one public member to a term of three years; and
- 3 (3) one public member to a term of one year."

4

5 Renumber the following bill section accordingly.

SENATE FINANCE
COMMITTEE
Amendment Number: #2
Bill Number: SB 213
Sponsor: Hoffman Date: 5/10/03
Logged In By: Rob.N

ADOPTED

23-GS1149A.2
Utermohle
5/8/03

AMENDMENT

OFFERED IN THE SENATE
TO: SB 213

1 Page 2, line 13, following "citizen":

2 Insert ";

3 (4) one nonvoting member who is a member of the state house of
4 representatives appointed by the speaker of the house and who serves at the
5 pleasure of the speaker of the house; the speaker of the house shall consider the
6 appointment of a legislator elected from a house district that lies entirely or
7 partially within the Municipality of Anchorage or the Matanuska-Susitna Borough
8 for appointment under this paragraph; and

9 (5) one nonvoting member who is a member of the state senate
10 appointed by the president of the senate and who serves at the pleasure of the
11 president of the senate; the president of the senate shall consider the appointment
12 of a senator elected from a senate district that lies entirely or partially within the
13 Municipality of Anchorage or the Matanuska-Susitna Borough for appointment
14 under this paragraph"

15
16 Page 2, line 22, following "Two":

17 Insert "voting"

18
19 Page 2, line 23:

20 Delete "Members"

21 Insert "The voting members of the board"

22
23 Page 2, line 26, following "two":

- 1 Insert "voting"
- 2
- 3 Page 2, line 29:
- 4 Delete "and (2)"
- 5 Insert ", (2), (4), and (5)"

ADOPTED
SENATE FINANCE
COMMITTEE
Amendment Number: #3
Bill Number: SB 213
Sponsor: Green Date: 5/13/03
Logged In By: Mindy

AMENDMENT

OFFERED IN THE SENATE FINANCE
COMMITTEE
TO: SB 213

BY SENATOR GREEN

- 1 Page 8, lines 16 - 20:
- 2 Delete all material.
- 3
- 4 Page 8, line 21:
- 5 Delete "(g)"
- 6 Insert "(f)"
- 7
- 8 Page 9, line 4:
- 9 Delete "(h)"
- 10 Insert "(g)"

SENATE FINANCE COMMITTEE
5/13/2003 COMMITTEE ACTION

Bill Number	SB 213		
Amendment	#3		
Motion	adopt		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	Wilken		
<u>Removed</u>	✓		
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Taylor			
Senator Bunde			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	Pass		

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

AMENDMENT

OFFERED IN THE SENATE FINANCE
COMMITTEE

BY SENATOR GREEN

TO: SB 213

Page 2, line 13:

Delete "."

Insert ";

Page 2, following line 13:

Insert the following new material:

"(4) one public member, appointed by the governor, who is a resident of the Matanuska-Susitna Borough and who has knowledge of local transportation issues;

(5) one public member, appointed by the governor, who is a resident of the Municipality of Anchorage and who has knowledge of local transportation issues."

Page 2, line 14:

Delete "member"

Insert "members"

Delete "a term"

Insert "staggered terms"

Page 2, line 15:

Delete "The"

Insert "A"

Page 2, line 17, following "occurs in":

Delete "the"

Insert "a"

Delete "member"

Insert "members"

Page 2, line 22:

Delete "Two"

Insert "Three"

Page 2, line 23:

Delete "public"

Insert "governor shall designate one"

Delete "serves"

Insert "to serve"

Page 2, line 26:

Delete "two"

Insert "three"

Page 2, line 27:

Delete "member"

Insert "members"

Page 12, following line 30:

Insert a new bill section to read:

"* Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to read:

APPOINTMENT OF THE INITIAL PUBLIC MEMBERS OF THE KNIK ARM BRIDGE AND TOLL AUTHORITY. Notwithstanding AS 39.05.055 and AS 44.90.031(b), added by sec. 1 of this Act, the governor shall appoint the initial public members of the board of directors of the Knik Arm Bridge and Toll Authority to terms as follows:

23-GS1149\A.1

- (1) one public member to a term of five years;
- (2) one public member to a term of three years; and
- (3) one public member to a term of one year."

Renumber the following bill section accordingly.

SENATE FINANCE COMMITTEE
5/13/2003 COMMITTEE ACTION

Bill Number	SB 213		
Amendment	#4		
Motion	adopt		
Motion by	Wilken		
Objection by	Wilken		
Removed	✓		
Second Objection by			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Bunde			
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Taylor			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	Pass		

Attention: Deb

Of Senator _____'s office

RE: CS SB 213 FIN

Date: 5/14/03 Time: 3:30 PM

The attached Senate Finance CS incorporates the amendment(s) your boss sponsored. Please review and approve so the bill can be forwarded to the Senate Secretary.

The CS is your copy.

Thanks,
Senate Finance Secretary
Mindy #4935

Robin #2618

Already delivered to Senate Secretary!
↓

Approved: _____
(please initial)

Return ASAP

* Per Sheila's OK

Attention: Tim
Of Senator Hoffman's office
RE: CS SB 213 FIN
Date: 5/14/03 Time: 3:35 PM

The attached Senate Finance ^{Per: Amend # 2} CS
incorporates the amendment(s) your boss
sponsored. Please review and approve so
the bill can be forwarded to the Senate
Secretary.

The CS is your copy.

Thanks,
Senate Finance Secretary
Mindy #4935
Robin #2618

Approved: T.D.
(please initial)

Return ASAP

*Pls. Note:
This has
already been
delivered to
Senate
Secretary.*
We proofed
it really
good
thought!

* Per Shelle's OK

CS FOR SENATE BILL NO. 213(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Knik Arm Bridge and Toll Authority and relating to that
2 authority; and providing for an effective date."

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

4 * Section 1. AS 44 is amended by adding a new chapter to read:

5 Chapter 90. Knik Arm Bridge and Toll Authority.

6 Article 1. Establishment and Organization.

7 Sec. 44.90.011. Purpose. The purpose of the authority created by this chapter
8 is to develop, stimulate, and advance the economic welfare of the state and further the
9 development of public transportation systems in the vicinity of the Upper Cook Inlet
10 with construction of a bridge to span Knik Arm and connect the Municipality of
11 Anchorage and the Matanuska-Susitna Borough.

12 Sec. 44.90.021. Establishment of authority. (a) There is established the
13 Knik Arm Bridge and Toll Authority. The authority is a public corporation and an
14 instrumentality of the state within the Department of Transportation and Public

1 Facilities, but the authority has a separate and independent legal existence from the
2 state. The exercise by the authority of the powers in this chapter is considered an
3 essential governmental function of the state.

4 (b) The authority may not be terminated as long as it has bonds, notes, or other
5 obligations outstanding. Upon termination of the authority, its rights and property
6 pass to the state.

7 **Sec. 44.90.031. Board of directors of authority.** (a) The authority shall be
8 governed by a board of directors consisting of the following:

9 (1) the commissioner of transportation and public facilities or the
10 commissioner's designee;

11 (2) the commissioner of revenue or the commissioner's designee;

12 (3) one public member, appointed by the governor, who is a state
13 resident and United States citizen;

14 (4) one public member, appointed by the governor, who is a resident of
15 the Municipality of Anchorage and who has knowledge of local transportation issues;

16 (5) one public member, appointed by the governor, who is a resident of
17 the Matanuska-Susitna Borough and who has knowledge of local transportation issues;

18 (6) one nonvoting member who is a member of the state house of
19 representatives appointed by the speaker of the house and who serves at the pleasure
20 of the speaker of the house; the speaker of the house shall consider the appointment of
21 a legislator elected from a house district that lies entirely or partially within the
22 Municipality of Anchorage or the Matanuska-Susitna Borough for appointment under
23 this paragraph; and

24 (7) one nonvoting member who is a member of the state senate
25 appointed by the president of the senate and who serves at the pleasure of the president
26 of the senate; the president of the senate shall consider the appointment of a senator
27 elected from a senate district that lies entirely or partially within the Municipality of
28 Anchorage or the Matanuska-Susitna Borough for appointment under this paragraph.

29 (b) The public members of the board shall serve for staggered terms of five
30 years and may be reappointed to a single successive five-year term. A public member
31 may only be removed for cause.

#4
#4
#2
#4
#4

1 (c) If a vacancy occurs in a public member's seat on the board, the governor #4
2 shall make an appointment, effective immediately, for the unexpired portion of that
3 member's term.

4 **Sec. 44.90.041. Operation of authority.** (a) The powers of the authority are #4
5 vested in the board. #2

6 (b) Three voting members of the board constitute a quorum.

7 (c) The governor shall designate one member of the board to serve as the chair #4
8 of the board. The voting members of the board shall elect other officers they #2
9 determine desirable.

10 (d) Action may be taken and motions and resolutions adopted by the board at a #4
11 meeting by the affirmative vote of at least three voting members. #2

12 (e) The public members of the board shall receive a stipend of \$300 a day #4
13 while performing business of the authority.

14 (f) The members of the board serving under AS 44.90.031(a)(1), (2), (6), and #2
15 (7) serve without compensation, but are entitled to per diem and travel expenses
16 authorized by law under AS 39.20.180.

17 **Sec. 44.90.051. Executive director.** The authority shall employ an executive
18 director who may not be a member of the board. The executive director shall serve at
19 the pleasure of the board. The board shall establish the duties and compensation of the
20 executive director.

21 **Sec. 44.90.061. Employment of personnel.** The executive director may hire
22 employees of the authority. The board shall prescribe the duties and compensation of
23 authority employees.

24 **Sec. 44.90.071. Personnel exempt from State Personnel Act.** The executive
25 director and employees of the authority are in the exempt service under AS 39.25
26 (State Personnel Act).

27 **Sec. 44.90.081. Legal advisor.** The attorney general is the legal counsel for
28 the authority. The attorney general shall advise the authority in legal matters and
29 represent it in suits.

30 **Article 2. Powers and Duties.**

31 **Sec. 44.90.111. Powers and duties of the authority.** (a) In furtherance of its

1 purposes, the authority may

2 (1) own, acquire, construct, develop, create, reconstruct, equip,
3 operate, maintain, extend, and improve the Knik Arm bridge and its appurtenant
4 facilities;

5 (2) sue and be sued;

6 (3) adopt a seal;

7 (4) adopt, amend, and repeal regulations under AS 44.62 and establish
8 bylaws;

9 (5) make and execute agreements, contracts, and other instruments for
10 the exercise of its powers and functions under this chapter, including contracts with
11 any person, firm, corporation, governmental agency, or other entity;

12 (6) in its own name acquire, lease, rent, or convey real and personal
13 property;

14 (7) issue bonds and otherwise incur indebtedness, in accordance with
15 AS 44.90.211, in order to pay the cost of the Knik Arm bridge and its appurtenant
16 facilities; the authority may also secure payment of the bonds or other indebtedness as
17 provided in AS 44.90.221;

18 (8) apply for and accept gifts, grants, or loans from a federal agency or
19 an agency or instrumentality of the state, or from a municipality, private organization,
20 or other source;

21 (9) fix and collect fees, rents, tolls, rates, or other charges for the use of
22 the Knik Arm bridge and appurtenant facilities, or for a service developed, operated,
23 or provided by the authority; notwithstanding AS 37.10.050(a), fees, rents, tolls, rates,
24 and other charges fixed and collected under this paragraph may exceed the actual
25 operating cost of the use of the bridge, facility, or service;

26 (10) pledge fees, rents, tolls, rates, charges, or other revenue of the
27 authority as security for bonds of the authority;

28 (11) deposit or invest its funds, subject to agreements with
29 bondholders;

30 (12) procure insurance against any loss in connection with its
31 operation;

1 (13) contract for and engage the services of consultants, experts, and
2 financial and technical advisors that the authority considers necessary for the exercise
3 of its powers and functions under this chapter;

4 (14) apply for, obtain, hold, and use permits, licenses, or approvals
5 from appropriate agencies of the state, the United States, a foreign country, and any
6 other proper agency in the same manner as any other person;

7 (15) perform reconnaissance studies and engineering, survey, and
8 design studies with respect to the Knik Arm bridge and its appurtenant facilities;

9 (16) exercise powers of eminent domain or file a declaration of taking
10 as necessary for the Knik Arm bridge and appurtenant facilities under AS 09.55.240 -
11 09.55.460 to acquire land or an interest in land;

12 (17) confer with municipal and other governments, metropolitan
13 planning organizations, and the department, concerning the Knik Arm bridge;

14 (18) do all acts and things necessary to carry out the powers expressly
15 granted or necessarily implied in this chapter.

16 (b) The authority shall

17 (1) prepare an annual report of its operations to include a balance
18 sheet, an income statement, a statement of changes in financial position, a
19 reconciliation of changes in equity accounts, a summary of significant accounting
20 principles, an auditor's report, comments regarding the year's business, and prospects
21 for the next year; the report shall be completed by the third day of each regular session
22 of the legislature, and the authority shall notify the governor, the commissioner of the
23 department, the presiding officers of each house of the legislature, and the Legislative
24 Budget and Audit Committee that the report is available;

25 (2) comply with the provisions of AS 37.07 (Executive Budget Act),
26 except that AS 37.07 does not apply to the activities of the authority that relate to the
27 authority's borrowing of money as provided in this chapter, including the issuing of its
28 obligations or evidence of that borrowing and the repayment of the debt obligation;

29 (3) establish a personnel management system for hiring employees and
30 setting employee-benefit packages;

31 (4) establish procedures, rules, and rates governing per diem and travel

1 expenses of the employees of the authority in substantial conformity to statutes,
2 procedures, rules, and rates applicable to state employees of similar state entities;

3 (5) coordinate the exercise of its powers to plan, design, construct,
4 opera: ., and maintain the Knik Arm bridge with the department, and with the mayors
5 of the Municipality of Anchorage and the Matanuska-Susitna Borough.

6 **Sec. 44.90.211. Bonds of the authority.** The authority may borrow money
7 and issue bonds on which the principal and interest are payable from money derived
8 from the fees, rents, tolls, rates, charges, and other revenue of the authority under this
9 chapter. Before issuing bonds for the Knik Arm bridge, the authority shall submit to
10 the state bond committee a description of the bond issue and a preliminary prospectus,
11 offering circular, or official statement relating to the bond issue. Bonds may not be
12 issued unless the state bond committee finds, based upon the information submitted by
13 the authority under this section and other information that is reasonably available to
14 the committee, that the Knik Arm bridge revenue and other revenue available to the
15 authority can be reasonably expected to be adequate for payment of the principal and
16 interest on the bonds to be issued and that issuance of the bonds by the authority
17 would not be expected to adversely affect the ability of the state or its political
18 subdivisions to market bonds. Bonds may not be issued unless the principal amount
19 of the bond issue is authorized by law.

20 **Sec. 44.90.221. Trust indentures and trust agreements.** (a) In the
21 discretion of the authority, an issue of bonds may be secured by a trust indenture or
22 trust agreement between the authority and a corporate trustee, by a secured loan
23 agreement or other instrument, or by a resolution giving powers to a corporate trustee,
24 by means of which the authority may

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

27 (A) application, investment, deposit, use, and disposition of

28 (i) the proceeds of bonds of the authority;

29 (ii) money or other property of the authority; or

30 (iii) money or other property in which the authority has

31 an interest;

1 (B) fixing and collecting of fees, rents, tolls, rates, or other
2 charges;

3 (C) assignment by the authority of its rights in any contract
4 with respect to the Knik Arm bridge or in a mortgage or other security interest
5 created with respect to the Knik Arm bridge to a trustee for the benefit of
6 bondholders;

7 (D) terms and conditions under which the authority may issue
8 additional bonds;

9 (E) vesting in a trustee of rights, powers, duties, money, or
10 property in trust for the benefit of bondholders, including the right to enforce
11 payment, performance, and all other rights of the authority or of the
12 bondholders, under a lease, power of contract, contract of sale, mortgage,
13 security agreement, or trust by injunction or other proceeding or by taking
14 possession by agent or otherwise, and operating the Knik Arm bridge and
15 collecting rents or other consideration and applying the same in accordance
16 with the trust agreement;

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

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

22 (b) Notwithstanding any other provisions of this chapter, the trust agreement
23 must contain an agreement by the authority that the authority will at all times maintain
24 fees, rents, tolls, rates, or other charges sufficient to

25 (1) pay the costs of operation and maintenance of the Knik Arm bridge
26 and its appurtenant facilities and the principal of and interest on bonds issued under
27 the trust agreement as the bonds severally become due and payable;

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

30 (3) provide for renewals, replacements, and improvements of the Knik
31 Arm bridge, and to maintain reserves required by the terms of the trust agreement.

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

21 (d) If the authority decides to issue bonds secured by a capital reserve fund,
22 the bonds may not be issued if the amount in the capital reserve fund is less than the
23 amount of the capital reserve fund requirement, if any, established by resolution of the
24 authority, unless the authority, at the time of issuance of the obligations, deposits in
25 the capital reserve fund from the proceeds of the obligations to be issued or from other
26 sources an amount that, together with the amount then in the fund, will not be less than
27 the capital reserve fund requirement.

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

Section
deleted
Per
Amend
#3

1 (f) If the authority decides to issue bonds secured by a capital reserve fund, the
2 bonds may not be issued until 30 days after the authority has mailed notification to the
3 state bond committee and the Legislative Budget and Audit Committee by certified
4 mail of its intention to establish a capital reserve fund to secure the bond issue. The
5 notification must include the amount of the capital reserve fund to be established, the
6 amount of bonds proposed to be issued, and the total cost for which the bonds are to
7 be issued. The notification shall be accompanied by an estimate by the authority of
8 the need to withdraw money from the capital reserve fund during the term of the bond
9 issue, the amount that may be necessary to withdraw, and the time at which
10 withdrawals are estimated to be needed. By January 30 of each year, the authority
11 shall prepare, and provide to the state bond committee and the Legislative Budget and
12 Audit Committee, a revised estimate, considering the same factors, and a statement of
13 all withdrawals that have occurred from the date of issuance of the bonds to the end of
14 the preceding calendar year.

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

16 **Sec. 44.90.231. Validity of pledge.** It is the intention of the legislature that a
17 pledge made in respect of bonds shall be perfected and shall be valid and binding from
18 the time the pledge is made, that the money or property so pledged and after that
19 received by the authority shall immediately be subject to the lien of the pledge without
20 physical delivery or further act, and that the lien of the pledge shall be valid and
21 binding against all parties having claims of any kind in tort, contract, or otherwise
22 against the authority irrespective of whether the parties have notice. Neither the
23 resolution, trust agreement, nor any other instrument by which a pledge is created need
24 be recorded or filed under the provisions of the Uniform Commercial Code in order to
25 be perfected or to be valid, binding, or effective against the parties. This section does
26 not affect title to or conveyances of real property, and does not limit the applicability
27 of AS 40.17.080(b).

28 **Sec. 44.90.241. Nonliability on bonds.** (a) Neither the members of the board
29 nor a person executing the bonds of the authority is liable personally on the bonds or is
30 subject to personal liability or accountability by reason of the issuance of the bonds.

31 (b) The bonds issued by the authority do not constitute an indebtedness or

1 other liability of the state or of a political subdivision of the state other than the
2 authority, but shall be payable solely from the income, receipts, or other money or
3 property of the authority.

4 (c) The authority may not pledge the faith or credit of the state or of a political
5 subdivision of the state other than the authority, and the issuance of a bond by the
6 authority does not directly, indirectly, or contingently obligate the state or a political
7 subdivision of the state to apply money from, levy, or pledge any form of taxation to
8 the payment of the bond.

9 (d) Each obligation issued under this chapter other than a state guaranteed
10 bond shall contain on its face a statement that the authority is not obligated to pay it
11 nor the interest on it except from the revenue or assets of the authority and that neither
12 the faith and credit nor the taxing power of the state or of any political subdivision of
13 the state is pledged to the payment of the principal of or the interest on the obligation.

14 **Sec. 44.90.251. Pledge of the state.** The state pledges to and agrees with the
15 holders of bonds issued under this chapter and with a federal agency that loans or
16 contributes money in respect to the Knik Arm bridge that the state will not limit or
17 alter the rights and powers vested in the authority under this chapter to fulfill the terms
18 of a contract made by the authority with the holders or federal agency or in any way
19 impair the rights and remedies of the holders until the bonds, together with the interest
20 on them, with interest on unpaid installments of interest, and all costs and expenses in
21 connection with an action or proceeding by or on behalf of the holders, are fully met
22 and discharged. The authority may include this pledge and agreement of the state,
23 insofar as it refers to holders of bonds of the authority, in a contract with the holders
24 and, insofar as it relates to a federal agency, in a contract with the federal agency.

25 **Sec. 44.90.261. Exemption from taxation.** The real and personal property of
26 the authority and its assets, income, and receipts are declared to be the property of a
27 political subdivision of the state and are exempt from all taxes and special assessments
28 of the state or a political subdivision of the state. All bonds of the authority are
29 declared to be issued by a political subdivision of the state and for an essential public
30 and governmental purpose. The bonds, the interest on the bonds, the income from the
31 bonds and the transfer of the bonds, and all assets, income, and receipts pledged to pay

1 or secure the payment of the bonds or interest on the bonds are, at all times, exempt
2 from taxation by or under the authority of the state, except for inheritance and estate
3 taxes and taxes on transfers by or in contemplation of death. Nothing in this section
4 affects or limits an exemption from license fees, property taxes, or excise, income, or
5 other taxes provided under any other law, nor does it create a tax exemption with
6 respect to the interest of any business enterprise or other person, other than the
7 authority, in any property, assets, income, receipts, project, or lease, regardless of
8 whether financed under this chapter.

9 **Sec. 44.90.271. Bonds legal investments for fiduciaries.** The bonds of the
10 authority are securities in which all public officers and bodies of the state and all
11 municipalities and municipal subdivisions, all insurance companies and associations
12 and other persons carrying on an insurance business, all banks, bankers, trust
13 companies, savings banks, savings associations, including savings and loan
14 associations and building and loan associations, investment companies and other
15 persons carrying on banking business, all administrators, guardians, executors,
16 trustees, and other fiduciaries, and other persons who are now or may afterward be
17 authorized to invest in bonds or other obligations of the state may properly and legally
18 invest money, including capital in their control or belonging to them. Notwithstanding
19 any other provision of law, the bonds of the authority are also securities that may be
20 deposited with and may be received by all public officers and bodies of the state and
21 all municipalities and municipal subdivisions for any purpose for which the deposit of
22 bonds or other obligations of the state is now or may afterward be authorized.

23 **Sec. 44.90.281. Audit.** The legislative auditor annually shall audit, or cause to
24 have audited, the financial records of the authority. The legislative auditor may
25 prescribe the form and content of the financial records of the authority and shall have
26 access to these records at any reasonable time.

27 **Sec. 44.90.291. State appropriations for Knik Arm bridge and**
28 **appurtenant facilities not affected.** This chapter does not prevent the state from
29 making appropriations for or in aid of the acquisition, design, construction, or
30 operation of the Knik Arm bridge and its appurtenant facilities.

31 **Sec. 44.90.301. Insurance.** The authority shall keep in force public liability

1 insurance in an amount reasonably calculated to cover potential claims for bodily
 2 injury, death or disability, and property damage that may arise from or be related to its
 3 operation and activities, naming the state as an additional insured.

4 **Sec. 44.90.311. Safeguarding of money.** The authority shall maximize
 5 revenue from and deposit all money in depositories acceptable to the commissioner of
 6 revenue and otherwise safeguard the money under instructions as the commissioner of
 7 revenue may from time to time issue.

8 **Sec. 44.90.321. Fidelity bond.** The authority shall obtain a fidelity bond in an
 9 amount determined by the board, for the members of the board and any official
 10 responsible for authority accounts and finances. A bond must be in effect for the
 11 tenure of the bonded person.

12 **Article 3. General Provisions.**

13 **Sec. 44.90.911. Exemption from local regulation.** Notwithstanding any
 14 contrary provision of law, the activities of the authority are exempt from land use
 15 planning, zoning, permitting, or other similar governmental powers of political
 16 subdivisions of the state.

17 **Sec. 44.90.980. Definitions.** In this chapter, unless the context requires
 18 otherwise,

19 (1) "authority" means the Knik Arm Bridge and Toll Authority;

20 (2) "board" means the board of directors of the authority;

21 (3) "department" means the Department of Transportation and Public
 22 Facilities.

23 **Sec. 44.90.990. Short title.** This chapter may be cited as the Knik Arm
 24 Bridge and Toll Authority Act.

25 * **Sec. 2.** AS 36.30.015(f) is amended to read:

26 (f) The board of directors of the Alaska Housing Finance Corporation,
 27 notwithstanding AS 18.56.088, and the board of directors of the Knik Arm Bridge
 28 and Toll Authority under AS 44.90.111, shall adopt regulations under AS 44.62
 29 (Administrative Procedure Act) and the board of trustees of the Alaska State Pension
 30 Investment Board shall adopt regulations under AS 37.10.240 to govern the
 31 procurement of supplies, services, professional services, and construction for the

1 respective public corporation and board. The regulations must reflect competitive
 2 bidding principles and provide vendors reasonable and equitable opportunities to
 3 participate in the procurement process and must include procurement methods to meet
 4 emergency and extraordinary circumstances. Notwithstanding the other provisions of
 5 this subsection, the Alaska Housing Finance Corporation, the Knik Arm Bridge and
 6 Toll Authority, and the Alaska State Pension Investment Board shall comply with
 7 AS 36.30.170(b).

8 * **Sec. 3.** AS 39.25.110 is amended by adding a new paragraph to read:

9 (39) the executive director and employees of the Knik Arm Bridge and
 10 Toll Authority under AS 44.90.051 and 44.90.061.

11 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
 12 read:

13 APPOINTMENT OF THE INITIAL PUBLIC MEMBERS OF THE KNIK ARM
 14 BRIDGE AND TOLL AUTHORITY. Notwithstanding AS 39.05.055 and AS 44.90.031(b),
 15 added by sec. 1 of this Act, the governor shall appoint the initial public members of the board
 16 of directors of the Knik Arm Bridge and Toll Authority to terms as follows:

- 17 (1) one public member to a term of five years;
 18 (2) one public member to a term of three years; and
 19 (3) one public member to a term of one year.

20 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 13 May 2003 TIME: 5:05 pm

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 7

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: Final Please!

SB 213 23-GS 1149 \ A

plus three attached amendments

(#2, #3 + #4)

Thanks

Mindy

Note: 3 members on the board

FRANK H. MURKOWSKI
GOVERNOR
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May 5, 2003

The Honorable Gene Therriault
President of the Senate
Alaska State Legislature
State Capitol, Room 107
Juneau, AK 99801-1182

Dear President Therriault:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill establishing the Knik Arm Bridge and Toll Authority and relating to that authority.

This bill establishes an independent authority to build and operate a toll bridge over Knik Arm. The authority would be able to receive federal money and issue revenue bonds to finance the toll bridge and its appurtenant facilities. The authority would design, construct, and operate the bridge and its facilities.

The authority would be a public corporation that, although an instrumentality of the state within the Department of Transportation and Public Facilities, would have a separate independent legal existence from the state. The revenue of the authority would not become part of the general fund and the property of the authority would be exempt from taxation.

The bill establishes a three-person board to govern the authority. The commissioners of revenue and transportation and public facilities would serve on the board, along with a member of the public appointed by the governor for a five-year term.

Construction of a Knik Arm bridge is a cornerstone of my public transportation development plan. A Knik Arm bridge will unite Anchorage and the Matanuska-Susitna Borough to enable growth throughout southcentral Alaska.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script that reads "Frank H. Murkowski".

Frank H. Murkowski
Governor

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 5/6/03

FURTHER: Finance

Date of 5-Day Notice: 24 Hour Rule in Effect
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 5/6/03

Transportation Committee considered SENATE BILL NO. 213

SB 213 KNIK ARM BRIDGE AND TOLL AUTHORITY

"An Act establishing the Knik Arm Bridge and Toll Authority and relating to that authority; and providing for an effective date."

and recommends:

be replaced with _____ CS _____ (_____)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to _____ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical title

new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DOT P&F	5/5	✓		1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:

	Do PASS	Do NOT PASS	NO REC	AMEND
Wagner			/	
Theriault			X	
Olsen			✓	
Lincoln				X
Cowdery CHAIR:	✓			

SENATE FINANCE COMMITTEE

SIGN-IN

SB 213-KNIK ARM BRIDGE AND TOLL AUTHORITY

NAME: John MacKinnon Subject/Bill No: SB 213

Co./Dept./Title: DOT Phone: 465-3901

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: Kathleen Shasburg Subject/Bill No: 213

Co./Dept./Title: Law Phone: 3600

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: Deven Mitchell Subject/Bill No: 213

Co./Dept./Title: Revenue/Debt Manager Phone: 3758

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SENATE FINANCE COMMITTEE

SIGN-IN

SB 213-KNIK ARM BRIDGE AND TOLL AUTHORITY

✓ NAME: Kathleen Strasbaugh Subject/Bill No: SB 213
Co./Dept./Title: Law Phone: 3600
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
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Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions