

**HB**

**471**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
 APR 20 2006  
 SENATE FINANCE COMMITTEE

DATE: 4/7/06

FURTHER:

DATE TURNED  
 IN TO OFFICE: 4/20/06

Finance Committee considered CS FOR HOUSE BILL NO. 471(FIN) am

## HB 471 KNIK ARM BRIDGE AND TOLL AUTHORITY

"An Act amending the Knik Arm Bridge and Toll Authority Act and the powers and authority of the authority to finance construction and maintenance of the Knik Arm Bridge, to set and collect tolls, and to carry out its duties; and providing for an effective date."

and recommends:

- be replaced with S CS CS HB 471 (FIN)
- adopt previous \_\_\_\_\_ CS CS Forthcoming (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**CS Senate Bill:**

- Same Title
- New Title

**SCS House Bill:**

- Same Title
- Technical Title Change
- New Title w/ SCR # \_\_\_\_\_

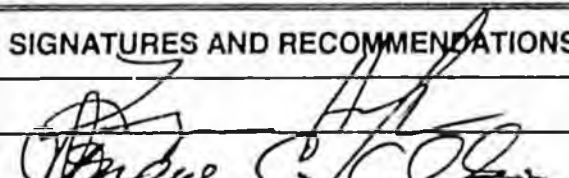
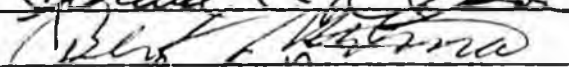
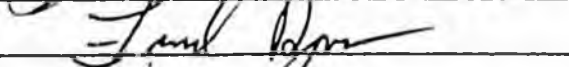

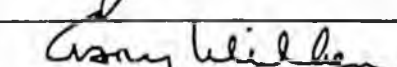

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Ind.	Zero	FN#
DNR	2/22/06			✓	1
DOT	3/1/06			✓	2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
			✓	
			✓	
	✓			
	✓			
COCHAIR: 			✓	
COCHAIR: 	✓			

# FISCAL NOTE

REPORTED OUT  
**APR 20 2006**  
 SENATE FINANCE COMMITTEE

STATE OF ALASKA  
 2006 LEGISLATIVE SESSION

Fiscal Note Number: 1  
 Bill Version: CSHB 471(FIN)  
 (H) Publish Date: 3/15/06

Revision Date/Time (Note if correction): 02-22-06 Dept. Affected: Natural Resources  
 Title Knik Arm Bridge and Toll Authority RDU Resource Development  
 Component Claims, Permits & Leases  
 Sponsor Rep. Stoltze  
 Requester (H) TRA Component No. 2460

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*

There is no anticipated fiscal impact to DNR associated with implementation of this legislation at this time.

Department expenditures that may result from this legislation would be funded through a reimbursable services agreement with the Knik Arm Bridge and Toll Authority.

Prepared by: Dick Mylius, Acting Director Phone 907-269-8625  
 Division Mining, Land & Water Date/Time 2/22/2006  
 Approved by: Michael Menge, Commissioner Date 2/22/2006  
 Agency Natural Resources

COMMITTEE COPY

# FISCAL NOTE

REPORTED OUT  
APR 20 2006  
SENATE FINANCE COMMITTEE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2  
 Bill Version: CSHB 471(FIN)  
 (H) Publish Date: 3/15/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DOT&PF  
 Title KABATA Bond Authority/Drivers' Licenses RDIJ Commissioner's Office  
 Component Administration & Support  
 Sponsor Representative Stoltze  
 Requester \_\_\_\_\_ Component No. 530

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*

Prepared by: John Manly  
 Division: Legislative Liaison, DOT&PF  
 Approved by: Mike Barton  
 Agency: Commissioner, DOT&PF

Phone: 465-8994  
 Date/Time: 3/01/06 at 11 a.m.  
 Date: 3/1/06

COMMITTEE COPY



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### FAX COVER SHEET

DATE: 4/20/06 TIME: 10:00 AM

TO: LEGAL

NUMBER OF PAGES, INCLUDING COVER SHEET: 1

FROM: ROBIN PAUL  
SENATE FINANCE CMTE. ASST. SECRETARY  
PHONE: 465-2618  
FAX: 465-2187

NOTES: Need Final Pls: SCS CS HB 471 (FIN)  
Version 24-LS1670L  
No changes

*Thank You!  
Robin*

24-LS1670L  
Kane  
4/19/06

SENATE CS FOR CS FOR HOUSE BILL NO. 471(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES STOLTZE, Elkins

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the Knik Arm Bridge and Toll Authority Act and the powers and  
2 authority of the authority to finance construction and maintenance of the Knik Arm  
3 Bridge, to set and collect tolls, and to carry out its duties; and providing for an effective  
4 date."

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

6 \* Section 1. AS 19.75.111 is amended to read:

7           Sec. 19.75.111. Powers and duties of the authority. (a) Except as otherwise  
8 explicitly made applicable to the authority, the performance of the authority's  
9 duties and the exercise of its powers, including its powers to issue bonds and  
10 otherwise incur debt, shall be governed exclusively by this chapter. In furtherance  
11 of its purposes, the authority may

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

- 1 (2) sue and be sued;
- 2 (3) adopt a seal;
- 3 (4) adopt, amend, and repeal regulations under AS 44.62 and establish
- 4 bylaws;
- 5 (5) make and execute agreements, contracts, and all other instruments
- 6 with any public or private person, governmental unit or agency, corporation, or
- 7 other business entity lawfully conducting business in the United States for the
- 8 exercise of its powers and functions under this chapter and for the financing, design,
- 9 construction, maintenance, improvement, or operation of facilities, properties, or
- 10 projects of the authority, including making and executing contracts with any
- 11 person, firm, corporation, governmental agency, or other entity for the purpose of
- 12 (A) incurring indebtedness, obtaining investments in the
- 13 authority's projects, acquiring or granting lump sum payments for
- 14 services in advance or in arrears, grants, and other financing; and
- 15 (B) entering into public-private partnerships or service
- 16 contracts in any form;
- 17 (6) in its own name acquire, lease, rent, sell, or convey real and
- 18 personal property;
- 19 (7) issue and refund bonds [AND OTHERWISE INCUR
- 20 INDEBTEDNESS.] in accordance with this chapter [AS 19.75.211], in order to pay
- 21 the cost of the Knik Arm bridge and its appurtenant facilities; the authority may also
- 22 secure payment of the bonds [OR OTHER INDEBTEDNESS] as provided in this
- 23 chapter [AS 19.75.221];
- 24 (8) incur other indebtedness, including lines of credit and
- 25 indebtedness to the Federal Highway Administration, United States Department
- 26 of Transportation, under 23 U.S.C. 601 - 610 (Transportation Infrastructure
- 27 Finance and Innovation Act of 1998), as amended, and secure that indebtedness
- 28 as provided in this chapter;
- 29 (9) apply for and accept gifts, grants, or loans from a federal agency or
- 30 an agency or instrumentality of the state, or from a municipality, private organization,
- 31 or other source, including obtaining title to state, local government, or privately

1 owned land, directly or through a department of the state having jurisdiction of  
2 the land:

3 (10) [(9)] fix and collect fees, rents, tolls, rates, or other charges for the  
4 use of the Knik Arm bridge and appurtenant facilities, or for a service developed,  
5 operated, or provided by the authority; notwithstanding AS 37.10.050(a), fees, rents,  
6 tolls, rates, and other charges fixed and collected under this paragraph may exceed the  
7 actual operating cost of the use of the bridge, facility, or service;

8 (11) bring civil actions, refer criminal actions to the appropriate  
9 authority, and take other actions or enter into agreements with law enforcement  
10 and collection agencies to enforce the collection of its fees, rents, tolls, rates, other  
11 charges, penalties, and other obligations:

12 (12) [(10)] pledge, encumber, transfer, or otherwise obligate  
13 revenue derived by the authority from the ownership, use, or operation of toll  
14 facilities, including fees, rents, tolls, rates, charges, or other revenue of the authority  
15 or money that the legislature may appropriate, except a state tax or license, as  
16 security for bonds or other indebtedness or agreements of the authority;

17 (13) [(11)] deposit or invest its funds, subject to agreements with  
18 bondholders;

19 (14) [(12)] procure insurance against any loss in connection with its  
20 operation;

21 (15) [(13)] contract for and engage the services of consultants, experts,  
22 and financial and technical advisors that the authority considers necessary for the  
23 exercise of its powers and functions under this chapter;

24 (16) [(14)] apply for, obtain, hold, and use permits, licenses, or  
25 approvals from appropriate agencies of the state, the United States, a foreign country,  
26 and any other proper agency in the same manner as any other person;

27 (17) [(15)] perform reconnaissance studies and engineering, survey,  
28 and design studies with respect to the Knik Arm bridge and its appurtenant facilities;

29 (18) [(16)] exercise powers of eminent domain or file a declaration of  
30 taking as necessary for the Knik Arm bridge and appurtenant facilities under  
31 AS 09.55.240 - 09.55.460 to acquire land or an interest in land: the authority's

1 exercise of powers under this paragraph may not exceed the permissible exercise  
2 of those powers by the state;

3 (19) [(17)] confer with municipal and other governments, metropolitan  
4 planning organizations, and the department, concerning the Knik Arm bridge:

5 (20) [(18)] do all acts and things necessary to carry out the powers  
6 expressly granted or necessarily implied in this chapter; nothing in this chapter  
7 limits the powers of the authority that are expressly granted or necessarily  
8 implied.

9 (b) The authority shall

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

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

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

24 (4) establish procedures, rules, and rates governing per diem and travel  
25 expenses of the employees of the authority in substantial conformity to statutes,  
26 procedures, rules, and rates applicable to state employees of similar state entities;

27 (5) coordinate the exercise of its powers to plan, design, construct,  
28 operate, and maintain the Knik Arm bridge with the department, and with the mayors  
29 of the Municipality of Anchorage and the Matanuska-Susitna Borough;

30 (6) have the exclusive authority to determine and fix fees, rents,  
31 tolls, rates, and other charges, including the tolls for the use of the bridge and

1 appurtenant facilities and for the use of all other properties under the control of  
2 or owned or managed by the authority.

3 \* Sec. 2. AS 19.75 is amended by adding a new section to read:

4 Sec. 19.75.113. Assets, funds, and revenue of the authority. (a) The  
5 Department of Revenue shall separately account for all funds, assets, and revenue of  
6 the authority.

7 (b) The deposit or investment of money in the authority's funds may be made  
8 as the board determines. The interest earned on or profits derived from the deposit,  
9 investment, or sale of an investment by the authority are funds of the authority.

10 \* Sec. 3. AS 19.75.211 is amended to read:

11 Sec. 19.75.211. Bonds of the authority. Notwithstanding any other  
12 provision of law, the [THE] authority may borrow money and issue and refund  
13 bonds on which the principal and interest are paid out of and secured by the gross  
14 revenue derived by the authority from the ownership, use, and operation of its  
15 toll facilities, including [PAYABLE FROM] money derived from the fees, rents,  
16 tolls, rates, charges, and other revenue of the authority under this chapter and any  
17 other revenue or money that the legislature may appropriate, except a state tax  
18 or license. Before issuing bonds for the Knik Arm bridge, the authority shall submit to  
19 the state bond committee a description of the bond issue and a preliminary prospectus,  
20 offering circular, or official statement relating to the bond issue. Bonds may not be  
21 issued unless the state bond committee finds, based upon the information submitted by  
22 the authority under this section and other information that is reasonably available to  
23 the committee, that the Knik Arm bridge revenue and other revenue available to the  
24 authority can be reasonably expected to be adequate for payment of the principal of  
25 and interest on the bonds to be issued and that issuance of the bonds by the authority  
26 would not be expected to adversely affect the ability of the state or its political  
27 subdivisions to market bonds. [BONDS MAY NOT BE ISSUED UNLESS THE  
28 PRINCIPAL AMOUNT OF THE BOND ISSUE IS AUTHORIZED BY LAW.]

29 \* Sec. 4. AS 19.75.211 is amended by adding new subsections to read:

30 (b) The bonds of the authority may be sold in the amounts or series and at the  
31 time determined by its board of directors. Bonds, or a series of bonds, may not be sold

1 if the effective interest rate over the life of the bonds exceeds 11 percent a year or a  
2 rate of interest that is 125 percent of the rate of the Bond Buyer Index of 20 Municipal  
3 Bond Average Yields for the week previous to the date of the sale of the bonds,  
4 whichever is higher.

5 (c) The authority may issue bonds in an aggregate amount not to exceed  
6 \$500,000,000, plus the cost of issuance.

7 (d) The amount of refunding bonds that may be issued by the authority and  
8 bond premiums may not be included in the aggregate amount, but may be in addition  
9 to the amount authorized by (c) of this section.

10 \* Sec. 5. AS 19.75.221 is amended by adding a new subsection to read:

11 (h) Notwithstanding any other provision of law, the authority may establish  
12 other funds and reserves as the board of directors may determine reasonable and  
13 prudent for the issuance of bonds or for the conduct of the business and affairs of the  
14 authority. The interest earned on or profit derived from these funds and reserves shall  
15 be the property of the authority.

16 \* Sec. 6. AS 19.75.241(b) is amended to read:

17 (b) The bonds issued by the authority do not constitute an indebtedness or  
18 other liability of the state or of a political subdivision of the state other than the  
19 authority, but shall be payable solely from the income, receipts, or other money or  
20 property of the authority. All documents published by the authority or to which the  
21 authority is a signatory and used in or for the issuance of bonds by the authority  
22 must state that they are prepared by or for the authority.

23 \* Sec. 7. AS 19.75.241(c) is amended to read:

24 (c) The authority may not pledge the faith or credit of the state or of a political  
25 subdivision of the state other than the authority, and the issuance of a bond by the  
26 authority does not directly, indirectly, or contingently obligate the state or a political  
27 subdivision of the state to apply money from, levy, or pledge any form of taxation to  
28 the payment of the bond or to make payments due on the bonds from any source of  
29 funds not pledged for repayment of the bonds.

30 \* Sec. 8. AS 19.75 is amended by adding new sections to article 2 to read:

31 **Sec. 19.75.330. Bond terms.** (a) The bonds of the authority mature at the time

1 fixed by the board. The bonds may be subject to redemption before their fixed  
2 maturities as determined by the board, or by the authority's executive director when  
3 delegated that responsibility under AS 19.75.332, and with the premium fixed by the  
4 board, but a bond may not be subject to redemption before its fixed maturity date  
5 unless the right to redeem that bond is expressly mentioned on the face of the bond.

6 The bonds

7 (1) may be in denominations determined by the board;

8 (2) may be issued in coupon form or in fully registered form, and may  
9 be registrable as to principal or both principal and interest, all under regulations and  
10 conditions the board provides;

11 (3) are payable as to principal and interest at the place determined by  
12 the board;

13 (4) shall be signed on behalf of the authority as the board may direct;  
14 the signatures may be facsimile signatures; each of the interest coupons, if any,  
15 attached to the bonds shall be signed by the facsimile signatures of the officials as the  
16 board may direct;

17 (5) shall have the seal of the authority impressed, printed, or  
18 lithographed on them; and

19 (6) shall be issued under and subject to the terms, conditions, and  
20 covenants, providing for the payment of the principal of and interest on the bonds and  
21 the other terms, conditions, covenants, and protective features safeguarding this  
22 payment and relating to the operations, maintenance, or capital improvements as found  
23 necessary by the board, which covenants may include a provision requiring the setting  
24 aside and maintenance of certain reserves to secure the payment of the principal and  
25 interest or for operations, maintenance, or capital improvements.

26 (b) The board may select a trustee or trustees for the holders of the bonds or  
27 any series of the bonds, for the safeguarding and disbursement of any of the money in  
28 any of the funds created under this chapter or for the duties of authentication, delivery,  
29 and registration of the bonds as the board may determine. The board shall fix the  
30 rights, duties, powers, and obligations of the trustee or trustees.

31 (c) In determining the matters and questions relating to the issuance and sale

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of the bonds and the fixing of the maturities, terms, conditions, covenants, and other subjects of the bonds as provided in (a) and (b) of this section, the decisions of the board shall be those found to be reasonably necessary for the best interests of the authority and the construction, operation, and maintenance of its facilities, and those that will accomplish the most advantageous sale of the bonds, giving due regard to (1) necessary or normal costs of maintenance and operation; (2) renewals and replacements of and repairs to the toll facilities; (3) all improvements to toll facilities and property of toll facilities owned, used, operated, or leased in connection with toll facilities; (4) the future growth and expansion of all of the facilities; and (5) the possibility of additional revenue bond financing for toll facilities purposes. A decision of the board as expressed in any bond resolution, is final when any bonds have been issued under the bond resolution.

(d) A bond resolution may provide that the bonds issued must contain a recital that the bonds are issued under this chapter, and any bonds containing this recital are conclusively considered to be valid and to have been issued in conformity with this chapter.

(c) The validity of the authorization and issuance of bonds is not affected by any proceeding for the acquisition or construction of the additions, improvements, or facilities for which the bonds have been issued or by any contract in connection with the acquisition or construction.

**Sec. 19.75.332. Bond resolution.** (a) When issuing bonds of the authority, the board shall adopt the bond resolution and approve all other documents and proceedings necessary for the issuance, sale, and delivery of the bonds or any part or series of them. The bond resolution shall fix the aggregate principal amount and denomination, date, maturities, place or places of payment, rights of redemption, if any, terms, form, conditions, and covenants of the bonds or each series of them. The board shall also determine and provide for the date and manner of sale of the bonds, and shall provide where the notice of sale, if any, is to be published.

(b) The board may delegate to the authority's executive director the authority to approve final principal maturities and dates, interest rates, redemption rights, and interest payment dates under the terms and conditions the board determines by

1 resolution.

2 **Sec. 19.75.334. Enforcement by holder.** The holder of any bonds or the  
3 trustee for the holders of the bonds or any series of them, may, by appropriate  
4 proceedings in state court, compel the transfer, setting aside, and payment of money  
5 and the enforcement of all of the terms, conditions, and covenants as required and  
6 provided in AS 19.75.330 and 19.75.332 and in the bond resolution.

7 **Sec. 19.75.336. Bond negotiability.** The bonds and the coupons attached to  
8 them are fully negotiable instruments under the laws of the state.

9 **Sec. 19.75.338. Refunding.** (a) The bonds or any part of them may be  
10 refunded at or before their maturity by the issuance of refunding revenue bonds of the  
11 authority if, in the opinion of the board, refunding is advantageous to and in the best  
12 interest of the authority.

13 (b) The board shall adopt the resolution authorizing refunding and all other  
14 documents and proceedings necessary for the issuance, exchange or sale and delivery  
15 of the bonds. All provisions of AS 19.75.211 - 19.75.271, except AS 19.75.211(c), and  
16 AS 19.75.330 - 19.75.340 applicable to revenue bonds are applicable to the refunding  
17 bonds and to the issuance, sale, or exchange of the bonds, except as otherwise  
18 provided in this section.

19 (c) Refunding bonds may be issued in a principal amount sufficient to provide  
20 money for the payment of all bonds to be refunded by them and, in addition, for the  
21 payment of all expenses incident to the calling, retiring, or paying of the outstanding  
22 bonds, and the issuance of the refunding bonds. These expenses include, without  
23 limitation,

24 (1) the difference in amount between the par value of the refunding  
25 bonds and any amount less than par for which the refunding bonds are sold;

26 (2) any amount necessary to be made available for the payment of  
27 interest on the refunding bonds from the date of sale of the bonds to the date of  
28 payment of the bonds to be refunded or to the date on which the bonds to be refunded  
29 will be paid under the call of the bonds or agreement with the holders of the bonds;

30 (3) the premium, if any, necessary to be paid in order to call or retire  
31 the outstanding bonds; and

1 (4) the interest accruing on the outstanding bonds to the date of the call  
2 or retirement and other costs of issuance and refunding.

3 **Sec. 19.75.340. Bonds as legal investments.** Bonds of the authority, including  
4 toll facilities bonds, are legal investments for all banks, trust companies, savings  
5 banks, savings and loan associations, and other persons carrying on a banking  
6 business, all insurance companies and other persons carrying on an insurance business,  
7 and all executors, administrators, trustees, and other fiduciaries. The bonds may be  
8 accepted as security for deposits of all money of the state and its political subdivisions.

9 \* **Sec. 9.** AS 19.75 is amended by adding new sections to read:

10 **Sec. 19.75.915. Liability for payment of tolls.** The owner of a vehicle using a  
11 facility owned, controlled, or managed by the authority for which a toll or fee is  
12 imposed is liable for the payment of the toll or fee solely because of the vehicle  
13 ownership, unless the vehicle, except a rental vehicle, is used without the owner's  
14 knowledge and incurs the toll or fee during operation.

15 **Sec. 19.75.920. Statutory construction.** This chapter shall be liberally  
16 construed in order to carry out the purposes for which it was enacted. All existing laws  
17 in conflict with this chapter are superseded as necessary to accomplish the purposes of  
18 this chapter.

19 \* **Sec. 10.** AS 19.75.980 is amended to read:

20 **Sec. 19.75.980. Definitions.** In this chapter, except as otherwise provided  
21 and unless the context requires otherwise,

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

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

24 (3) "department" means the Department of Transportation and Public  
25 Facilities;

26 (4) "state bond committee" means the state bond committee  
27 created by AS 37.15.110.

28 \* **Sec. 11.** This Act takes effect immediately under AS 01.10.070(c).

# ALASKA STATE LEGISLATURE

*Vice Chair:*  
House Finance Committee

*Chair:*  
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Department of Public Safety  
Department of Law



*Session:*  
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**BILL STOLTZE**  
STATE REPRESENTATIVE  
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## House Bill 471(FIN) am Sectional Analysis

- Sec. 1** Clarifies that chapter AS 19.75 is the exclusive source of the powers and authority of the Knik Arm Bridge and Toll Authority (KABATA). This eliminates potential confusion regarding the applicability of the general tolling statutes in AS 37.15 and other similar statutes. It also makes explicit the authority to refund bonds, enter into public-private partnerships and other financing arrangements with both public and private entities for the construction, maintenance and operation of the toll bridge, to exclusively fix tolls for use of the bridge, to acquire real estate and to collect its tolls.
- Sec. 2** Specifies that assets, funds and revenue of KABATA shall be held and accounted for separate from other assets, funds and revenue of the State.
- Sec. 3** Clarifies that KABATA may refund as well as issue revenue bonds and may secure the repayment of the bonds with any revenue it receives.
- Sec. 4** Establishes the maximum interest rate that may be paid on KABATA's bonds and the maximum amount of revenue bonds KABATA may issue. Specifies that refunding bonds are not counted in the maximum amount of bonds KABATA may issue.
- Sec. 5** Provides KABATA with the general power to establish funds and reserves for the issuance of its revenue bonds and the conduct of its business and specifies that interest from such funds and reserves belong to the Authority.

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- Sec. 6 Adds a requirement that KABATA's bond documents contain a notation that they are documents of KABATA to underscore that they are not obligations of the state.
- Sec. 7 Adds a requirement that KABATA's bond documents contain a notation that they are documents of KABATA to underscore that its bonds do not pledge any revenue of or obligate the state or any other political subdivision to repay the bonds.
- Sec. 8 Adopts relevant sections of the existing, statute in AS 37.15 governing toll facilities and toll revenue bonds generally to precisely define the authorities and mechanisms that apply to revenue bonds issued by KABATA distinct from other toll facilities.
- Sec. 9 Establishes liability for the payment of tolls and other obligations owing KABATA.
- Sec. 10 Incorporates relevant statutory definitions.
- Sec. 11 Provides for an immediate effective date.

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# ALASKA STATE LEGISLATURE

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## BILL STOLTZE State Representative

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### House Bill 471(FIN) am Knik Arm Bridge and Toll Authority

The Legislature created the Knik Arm Bridge and Toll Authority (KABATA) in 2003 to construct a toll bridge across the Knik Arm and connect the Municipality of Anchorage and the Matanuska-Susitna Borough to develop, stimulate, and advance the economic welfare of the state and further the development of public transportation systems in the vicinity of the Upper Cook Inlet. To accomplish the task assigned by the Legislature, KABATA must supplement the federal-aid funds authorized by Congress with significant additional public and private sector financing.

The changes to KABATA's statute reflects advice provided to KABATA from the Department of Transportation's Transportation Infrastructure Finance and Innovation Act (TIFIA) executives and other public and private financing experts that these clarifying amendments are essential for their participation in the financing of this project.

The provisions of HB 471:

- Provide exclusive authority to KABATA to set the amount of the bridge tolls.
- Provide explicit authority to enter into public-private partnerships for the construction, maintenance and operation of the toll bridge.
- Authorize obtaining non-recourse loans from the US DOT's TIFIA loan program.
- Set the dollar of non-recourse revenue bonds that may be issued and refunded.
- Provide means for the collection of tolls and other obligations owing KABATA in the operation of the toll bridge.

I ask for your support of HB 471 to give KABATA the authority to finalize financial arrangements to complete the financing of the construction, operation and maintenance of the bridge.

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### Explanation of Changes

### CSHB 471(FIN) to CSHB 471(FIN) am

#### Section 1:

- Page 3, Line 29
  1. Include language to require the Knik Arm Bridge and Toll Authority to obtain the approval of the governor to exercise their powers of eminent domain.
- Page 3, Line 31-Page 4, Line 2
  1. Insert language to state that the Knik Arm Bridge and Toll Authority's exercise of powers under this section does not exceed the permissible exercise of those powers by the state.

#### Section 9:

- Page 10, Lines 15-19
  1. Removed the language that would enable a lien be put on a person's Alaska permanent fund dividend for not paying a toll or fee 30 days after the due date.
- Page 10, Lines 20-24
  1. Removed the language that would prevent a vehicle owner from obtaining or renewing a driver's license or vehicle registration or license if the toll or fee is unpaid for 60 days after the due date.

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