

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2940

RD

amended

CS FOR HOUSE BILL NO. 447(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 3/24/06
Referred: Finance

Sponsor(s): REPRESENTATIVE MCGUIRE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the use of broadcasting to promote charitable classics or charitable
2 raffles and lotteries."

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

4 * Section 1. AS 05.15.640(a) is amended to read:

5 (a) A person may not use broadcasting to promote or conduct a charitable
6 gaming activity under this chapter except that a person may use (1) broadcasting to
7 promote a fish derby or a type of classic, other than animal classics, [OR
8 SWEEPSTAKES] defined in AS 05.15.690, or (2) radio or television broadcasting
9 to promote a charitable raffle and lottery. In this subsection, "broadcasting"
10 includes television and radio transmission by 2,500 megahertz, microwave video and
11 audio programming, slow-scan television programming, and programming by way of
12 [VIA] satellite, cable, teletype, or facsimile transmission and distribution methods;
13 "raffle and lottery" has the meaning given in AS 05.15.690.

THE
FOLLOWING
DOCUMENT(S)
ARE
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ORIGINAL
COPIES

House & Senate Finance

The most feared words in Juneau today are no oil deal, education cuts and gay benefits. Gambling would be. But the one you all hate to hear is "its not fair"

And that describes HB 447 and S282.

Whoever labeled them did broadcasting no favors as it is not about gambling it is about broadcast (and cable) rights to advertise games of chance for non-profits.

It is not about increasing the number of gambling opportunities; it is about first amendment rights

You approve print for all gambling, you approve some lotteries like Nenana Ice Classic and you approve advertising silent auctions. But if you think about it a silent auction is no different, it has a prize, it has chance (you pay to attend the affair at which the auction occurs, you must travel to a single location, and you must wish the value to place on an item), and of course there is chance. Yet other similar lotteries for non-profits can not be advertised on broadcast.

The media playing field has changed and the reasons for not permitting this advertising on broadcast are no longer valid. Fractionalization and the Internet have changed viewing patterns. In Fairbanks alone we now have 4 TV, 9 radio and 17 cable networks accepting advertising. But we are a single daily paper town.

These bills cost the state nothing, and in fact save the state money. How? The more money you allow non-profits to raise the more self-sufficient they become and the less money they ask the state for. And do not forget the non-profits are your MOST IMPORTANT RESOURCE FOR REDUCING STATE COSTS.

HB 447 AND SB 282 COST THE STATE NOTHING

THEY LEVEL THE PLAYING FIELD

THEY HELP NON-PROFITS RAISE MONEY

THEY DO NOT EXPANDING GAMBLING

. ARE CONSISTENT WITH FIRST AMENDMENT RIGHTS

IT IS THE FAIR THING TO DO

*Carsten Crawford 107 Maple
FBXS 99709
1752-1395*

*Chris Fay - 70 TV
3650 Breakfast FBXS AK 99701 374-1505*

Craig Johnson

From: Ric Schmidt [rschmidtknom@nome.net]
Sent: Wednesday, February 15, 2006 4:30 PM
To: Craig Johnson
Cc: Alaska Broadcasters Association
Subject: ABA letter of support for amendment



PO Box 102424 Anchorage AK 99510 P: 907-258-2424 F: 907-258-2414

February 15, 2006

The Honorable Lesil McGuire
House of Representatives
State Capitol Room 118,
Juneau, AK 99801-1182

Dear Representative McGuire:

Alaskan Broadcasters provide millions of dollars in community service annually to the citizens of Alaska. As TV and Radio professionals, we continually pledge an unwavering dedication to the communities we serve. Our support for nonprofit organizations and projects can help guarantee a successful campaign; building a wing on a Children's Clinic, raising awareness for breast cancer detection, or spearheading a critical blood drive.

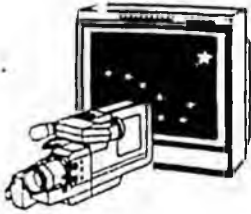
There exists, however, a great many community service projects in which we, as broadcasters, are prohibited. By State Law, we may not promote ANY form of charitable gaming despite the fact that the State of Alaska *allows* the print media to do so.

This misguided law means that local VFW raffles cannot be promoted by local radio and TV stations—local Girl Scout fundraisers may not be included in public service announcements—Non-profit groups such as the Boys and Girls Club are unfairly excluded from promoting fundraisers involving games of chance using Radio and TV. This State of Alaska statute limits worthy fundraising efforts and impedes positive governmental interests. ABA member stations cannot assist deserving not-for-profit organizations in their efforts to raise money to meet their goals.

On behalf of all broadcasters in Alaska, I ask that Alaska Statute §05.15.640(a) be amended in order to allow each of us to better serve our communities fundraising efforts through the power of radio and television broadcasting.

Regards,

Ric Schmidt
President



ALASKA COMMUNICATIONS CENTER

520 Lake Street, Sitka, Alaska 99835

(907) 747-8200 FAX (907) 747-8440 (800) 490-8488 foxnet@ptialaska.net

"Bringing Rural and Urban Alaska Together"

February 16, 2006

The Honorable Lesil McGuire
House of Representatives
State Capitol Room 118
Juneau, Alaska 99801-1182

Dear Representative McGuire:

Alaska Communications Center, headquartered in Anchorage, is acquiring TV channel 38 construction permit to produce and to broadcast Alaska programming primarily for rural Alaskans. KACN, featuring these Alaska broadcasts, will initially be presented in Anchorage for the 20,000 plus rural Alaskans. As soon as services are available, the programming will be broadcast statewide via satellite and Internet.

To assist our endeavors to provide interesting and informative Alaska programming for our rural Alaskans, our staff is requesting you to sponsor HB 447. This legislation will amend Alaska Statute 05.15.640 (a) to allow over-the-air broadcasts to air spots or include fund raising information in Public Service Announcements for charitable gaming. This modification will allow KACN (Alaska Community Network) staff to assist many rural non-profits by enhancing their capacity to raise funds for their many projects.

Please let us know how we can be helpful as you in this process. If you would like to have additional information, please give me a call at (907) 747-8200.

With best regards,

Dan Etulain Ph.D.

Dr. Dan Etulain President
Alaska Community Network
Anchorage/Sitka

DRE/d

P. S.: As the owner of KATH-TV, Juneau, and KSCT-TV, Sitka, our local staff is also in support of your sponsoring HB 447.



PUBLIC BROADCASTING
FROM ALASKA'S CAPITAL

February 15, 2006

The Honorable Lesil McGuire
House of Representatives
State Capitol Room 118
Juneau, Alaska 99801-1182

Dear Representative McGuire:

I am writing in support of your bill HB 447, which would lift the ban on promoting charitable gaming on radio and television stations in Alaska.

We know that many Alaska charities depend substantially on the proceeds of charitable gaming to fund their operations and provide needed services to their local communities. The ban on advertising these activities on radio and television limits the effectiveness of the charities' efforts, especially in places where radio and television provides the best opportunity at an affordable cost to get the message out.

Even though I'm a long-time public broadcaster in Alaska, I know that our commercial radio and television stations in the state could provide an enormous public service if your bill passes. There's no public policy reason that I can think of that would support this ban. Lifting the restriction would allow charities a choice of media for promoting their fundraising activities.

Thank you for your interest and for all of your efforts to help Alaska's non-profit groups.

Sincerely,

Bill Legere
President and General Manager



Kodiak Island Broadcasting Co., Inc
P.O. Box 708 1315 Mill Bay Road Kodiak, Alaska 99615
(907) 486-5159 Fax (907) 486-3044

February 1, 2006

The Honorable Lesil McGuire
House of Representatives
State Capitol Room 118,
Juneau, AK 99801-1182

Dear Representative McGuire:

As a Kodiak Broadcaster we provide thousand's of dollars in community service annually to the residents of Kodiak. As Radio professionals, we continually pledge an unwavering dedication to the island of Kodiak that we serve. Our support for nonprofit organizations and projects can help guarantee a successful campaign; supporting local high school programs, raising awareness for local community events, or spearheading a fundraiser for the Salvation Army.

However, there are many community service projects in which we, as Kodiak broadcasters, are prohibited. By State Law, we may not promote ANY form of charitable gaming despite the fact that the State of Alaska *allows* the print media to do so.

This misguided law means that local non-profit raffles cannot be promoted by our local radio station—local Girl Scout fundraisers may not be included in public service announcements—Non-profit groups such as the Special Olympics are unfairly excluded from promoting fundraisers involving games of chance using Radio. This State of Alaska statute limits worthy fundraising efforts and impedes positive governmental interests. We cannot assist deserving not-for-profit organizations in their efforts to raise money to meet their goals.

On behalf of the staff of KVOK / KRXX, I ask that Alaska Statute §05.15.640(a) be amended in order to allow each of us throughout the state to better serve our communities fundraising efforts through the power of radio and television broadcasting.

Regards,

Matt Wilson
General Manager
ABA Board Member
KVOK-AM/KRXX-FM
Kodiak, Alaska



KUAC FM/TV
University of Alaska Fairbanks
P.O. Box 755820
Fairbanks, Alaska 99775-5620
Phone (907) 474-7491
Fax (907) 474-5064
www.kuac.org

February 15, 2006

The Honorable Lesil McGuire
House of Representatives
State Capitol Room 118
Juneau, Alaska 99801-1182

Dear Representative McGuire:

I am writing in support of your bill HB 447, which would lift the ban on promoting charitable gaming on radio and television stations in Alaska.

Alaskan charities provide greatly needed services to their local communities. Critical to the charities' success, however, is the operational revenue derived from the proceeds of charitable gaming. The current ban on advertising charitable gaming activities on radio and television unnecessarily limits an organizations' effectiveness, especially in places where broadcast media provides the best opportunity for informing the public with regard to their service missions.

Broadcasters are always eager to help through service to their local communities; and even though I work at a public broadcast station, I support your efforts to give commercial radio and television stations in the state an opportunity to extend their service back to the communities they serve. By lifting this restriction, it will allow Alaskan charities a choice of media for promoting their fundraising activities.

Thank you for your interest and for all of your efforts to help Alaska's non-profit groups.

Sincerely,

A handwritten signature in black ink that reads 'Greg Petrowich'.

Greg Petrowich
General Manager & CEO

Craig Johnson

From: Al Bramstedt [bramstedt@ktuu.com]
Sent: Thursday, February 16, 2006 9:36 AM
To: Craig Johnson
Cc: akba@gci.net; dianna@ktuu.com; Laura Swen
Subject: HB477

Craig,

If you would pass this e-mail on to Representative Lesil McGuire I would be grateful.

The Honorable Lesil McGuire, House of Representatives,

Dear Representative McGuire,

I submit this letter of support for your HB 477. Thank you very much for creating this bill. Its passage is important for two reasons:

- by allowing radio and television stations to broadcast promotions for non profit organizations that constitute a lottery or game of chance will help Alaska's non profits increase needed income in a decreasingly unstable funding environment. The increase in funding resulting from the inclusion of radio and television in the promotion of these fund raising lotteries for non profits is clearly in the public interest.
- your bill creates fairness. Unlike radio and television, Newspaper in Alaska has always been allowed to run advertising for non profits involved in promotional lotteries. This discrimination should never have been allowed to happen and should be stopped. Your bill stops this unfair treatment.

In the public interest, in service to Alaska's non profits, who desperately need to maximize their funding opportunities, and to finally eliminate an unfairness to Alaska Broadcasters, I urge swift adoption of your HB 477. Again, on behalf of Alaska Broadcasters and non profits, thank your for proposing this legislation.

Sincerely,
Al Bramstedt, Jr.
General Manager
KTUU-TV Channel 2

Alpine Alternatives

and

Spinnell HOMES

present

The Tenth Annual

Who Wants A New Home?

RAFFLE

DRAWING SUNDAY MARCH 19TH, 2006 - 4:00PM
AHBA HOME AND REMODELING SHOW - SULLIVAN ARENA

LESS THAN
900
TICKETS
LEFT!

Proceeds to benefit Alpine Alternatives

Tickets \$100 or Book of Ten for \$800 ~ only 3500 printed Home located at 1590 N. Heather Meadows Loop

OPEN HOUSE TODAY & TOMORROW from 12 noon - 4pm
For directions, call Chemene at 952-6518

Tickets available at the Open House or by calling 561-6655 or at any of our Ticket Locations →

Permit #657

Prudential



Jack White/Vista Real Estate

An Independently Owned & Operated Member of the Prudential Real Estate Affiliates, Inc.

Inlet Tower Hotel & Suites

Anchorage Daily News DELIVERING HOME



Specialty Home Services

HABITAT Housewares

Thad & Seana Charlen

ahba

Alaska Airlines

Alaska Railroad

stewart



~ Ticket ~ Locations

Thru March 12th

Habitat Housewares
University Center - 561-1856

Spinnell Homes
1900 W.N.Lights #200 - 344-5678
Palmer
8620 E. Westside Dr. - 745-1976

Prudential Jack White/Vista Real Estate
3801 Centerpoint Dr #200 - 562-6464

Northwind Kites
5th Ave Mall - 279-4386

Stewart Title of Alaska
2600 Denali - 274-2562

Excallbur Sports Stuff
Northway Mall - 277-7467

Heritage Art & Frames
5915 Lake Otis - 563-7535

Douleys Athletic
3203 Arctic Blvd - 272-5669

Hair By Geneva
4973 E. 6th Ave - 338-6211

AWSEM Enterprises
Diamond Center - 3121 Arctic Blvd.
171 Muldoon Road
1014 W. Northern Lights

Natural Wonders Gallery
The Mall at Sears - 277-2266

After March 12th
call 561-6655

Alpine Alternatives

3 DAYS LEFT

Spinnell HOMES

The Tenth Annual Raffle

WIN A NEW HOME!

*Home located at 1590 N. Heather Meadows Loop

OPEN HOUSE Sat. 10am until all Open House Tickets are sold

Call Chemene at 952-6518 for directions

Tickets available at the Open House or by calling 561-6655

Tickets \$100 ~ Proceeds to benefit Alpine Alternatives

Drawing Sunday March 19, 2006 - AHBA Home & Remodeling Show, Sullivan Arena 4pm

Permit #657

Bridge a new culinary experience

ENTER TO WIN Airfare for Two to Hawaii!!
Drawing to be held April 28th

Spanning scenic & historic Ship Creek. Our decor and cuisine bridging both Asian and European cultures, brings a new taste to Anchorage.

The Bridge Restaurant
221 W. Ship Creek Avenue
Conveniently located downtown by Railroad Depot, behind Ulu Factory.

677-6773
RESERVATIONS
Monday-Friday 5:30pm-10pm
Saturday 5:00pm-10pm
FREE PARKING!

come in & enter to win a trip to AUSTRALIA

guess how many CROCODILES are in our SUPER CAPACITY OI WASHER, guess right and IT'S YOURS!

guessing you are automatically entered in the DRAWING FOR THE TRIP FOR TWO TO AUSTRALIA!

come to any location to enter!

Craig Johnson

From: clark gruening [clarkg@alaska.net]
Sent: Tuesday, April 04, 2006 3:12 PM
To: Craig Johnson
Subject: Support for the HB 447 file

FYI, Clark

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Story last updated at 7:06 PM on Wednesday, March 22, 2006

Fishing for funding replaces cooking for cash

By McKibben Jackinsky
 Staff writer

Time was, schools held bake sales to raise money for uniforms. Or to pay a team's travel expenses. Or to hold a science fair.

But Ninilchik School has something that exceeds the same old same old — a raffle for the "Alaskan Dream Trip," an 11-day adventure for two that includes airfare, accommodations, sightseeing, halibut and king salmon fishing and bear viewing.

"The whole idea comes back to my wife making cookies, me carrying the cookies to school, my daughter buying them, multiplied throughout the households here in town," Ninilchik School Principal Terry Martin said of typical fund-raising efforts that repeatedly involve families in this small Kenai Peninsula community of 800. "How could we get past that? What was the grand slam going to be? For us, (the raffle) is it."



Tickets began selling for \$25 each in 2005; the winning ticket will be drawn April 3. In addition to round-trip airfare, the vacation package includes fishing

Calendar

April				
S	M	T	W	
2	3	4	5	
9	10	11	12	:
16	17	18	19	:
23	24	25	26	:
30				

Local Weather

Last update
 Tue, 04-Apr-2006
 Temperature
 43° F
 Rel. Humid
 76%
 Wind:
 from the SW at
 Pressure
 29.5 in. H
 Visibility
 10 miles
 Condition
 overcast

Choose Your

Online Poll

Yes (53%)

No (47%)

TO1



• Tourism Guide

with Lucky Pierre Charters in Homer; Niniichik charter businesses Captain Steve's Saltwater Charters and Lodge, Chihuly's Charters and Butt Chasers; fishing on the Kenai River with Harry Gaines Kenai River Fishing Guides; fishing, accommodations and fly-out bear-viewing with Timber Wolf Lodge in Soldotna; and processing of catch at Deep Creek Custom Packing in Niniichik. Other support has been donated by Niniichik Traditional Council, USA Fishing, Fish Alaska Magazine and Tesoro Alaska Company.

"(Ticket) sales are starting to wind down and the odds are way better than they should be," Martin said, referring to the learning process the school has faced in sponsoring the event.



Originally, plans for marketing the raffle included a Web site to advertise and to sell tickets, an e-mail address and fax number the public could use to order tickets and Web casting of the ticket draw. However, Alaska's gaming rules altered those plans.

"The statute allows certain organizations to advertise using broadcasting, which includes television, radio,

satellite cable, facsimile and the Internet," said Jeff Prather, the state's gaming manager.

Among the events having legislative approval for such advertising are the Nenana Ice Classic, Fairbanks' Goose Classic and Petersburg's Canned Salmon Classic. However, misunderstanding of Alaska's gaming laws is evident by the number of organizations using the Internet, radio and television to advertise such things as raffles for new vehicles.

"The organizations that are doing that are violating gaming laws," Prather said.

Careful to stay within the law, the school recalled brochures advertising the raffle so that a sticker could be placed over the e-mail address and fax number. When Martin was asked to do a radio interview about the raffle, he also politely declined.

"As the obstacles came up, we just kept working through them and figuring out what we needed to do," Martin said.

In spite of the limitations, orders for 150 tickets have come in from across the country, helped by distribution of brochures through the Soldotna Chamber of Commerce and the Kenai Visitors and Convention Bureau.

"We've got wonderful letters in the mail from people saying this is a great idea," Martin said. "One gentleman, a retired schoolteacher in California, said he thought it was a fantastic idea. And everybody loves Alaska and has a story related to it, whether they visited Fairbanks once or have an aunt in Soldotna."

HB

470

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB470-DPS-ACT-2-21-06
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
Title: "An Act relating to the mandatory use of motor vehicle headlights." RDU: Alaska State Troopers
Sponsor: Representative Eikins Component: AST Detachments
Requester: House Transportation Committee Component No.: 2325

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

It is predictable that passage of this bill will result in an increase in the amount of traffic stops performed on the motoring public as well as the number of citations issued. These traffic stops would be performed by available law enforcement who were on patrol. It is reasonable to expect an increase in the amount of time spent at traffic court as a result. This increase cost in court time is not predictable. Enforcement of this legislation would be absorbed using existing resources within the Department of Public Safety.

Prepared by: Lieutenant James Helgoe Phone 907-269-4532
Division: Alaska State Troopers Date/Time 2/21/06 11:48 AM
Approved by: Commissioner William Tandeske Date 2/21/2006
Agency: Department of Public Safety

ALASKA STATE LEGISLATURE

INTERIM

50 Front St.
Suite #203
Ketchikan, Alaska 99901
Phone: (907) 247-4672
Fax: (907) 225-7157



SESSION

Suite 416
State Capitol Building
Juneau, Alaska 99801
Phone: (907) 465-3424
Fax: (907) 465-3793

REPRESENTATIVE JIM ELKINS

House Bill 470 Sponsor Statement

"An Act relating to the mandatory use of motor vehicle headlights."

House Bill 470 will mandate motor vehicle operators to use their headlights at all times between September 16 through April 30. The requirement of headlights during the dark winter months in Alaska will provide safety to those on and off the roads. We ask for your support on HB 470.

ALASKA STATE LEGISLATURE

INTERIM

50 Front St.
Suite #203
Ketchikan, Alaska 99901
Phone: (907) 247-4672
Fax: (907) 225-7157



SESSION

Suite 416
State Capitol Building
Juneau, Alaska 99801
Phone: (907) 465-3424
Fax: (907) 465-3793

REPRESENTATIVE JIM ELKINS

House Bill 470 Sectional Analysis

Section 1 Adds AS.25.165; Mandatory use of headlights. Requiring all motor vehicle operators to have headlights illuminated during the period of September 16 through April 30.

HB

471

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB471-DOT-530-03-01-06
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title KABATA Bond Authority/Drivers' Licenses RDU 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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB471-DNR-CP&L-02-22-06
() Publish Date: _____

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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)

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

*adopted
3-14-06*

24-LS1670Y
Kane
3/3/06

CS FOR HOUSE BILL NO. 471()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE STOLTZE

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 making conforming
4 changes to statutes relating to issuance, renewal, or reinstatement of driver's licenses
5 and to levy on permanent fund dividends; and providing for an effective date."

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

7 * Section 1, AS 19.75.111 is amended to read:

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

13 (1) own, acquire, construct, develop, create, reconstruct, equip,

1 operate, maintain, extend, and improve the Knik Arm bridge and its appurtenant
2 facilities;

3 (2) sue and be sued;

4 (3) adopt a seal;

5 (4) adopt, amend, and repeal regulations under AS 44.62 and establish
6 bylaws;

7 (5) make and execute agreements, contracts, and all other instruments
8 with any public or private person, governmental unit or agency, corporation, or
9 other business entity lawfully conducting business in the United States for the
10 exercise of its powers and functions under this chapter and for the financing, design,
11 construction, maintenance, improvement, or operation of facilities, properties, or
12 projects of the authority, including making and executing contracts with any
13 person, firm, corporation, governmental agency, or other entity for the purpose of

14 (A) incurring indebtedness, obtaining investments in the
15 authority's projects, acquiring or granting lump sum payments for
16 services in advance or in arrears, grants, and other financing; and

17 (B) entering into public-private partnerships or service
18 contracts in any form;

19 (6) in its own name acquire, lease, rent, sell, or convey real and
20 personal property;

21 (7) issue and refund bonds [AND OTHERWISE INCUR
22 INDEBTEDNESS,] in accordance with this chapter [AS 19.75.211], in order to pay
23 the cost of the Knik Arm bridge and its appurtenant facilities; the authority may also
24 secure payment of the bonds [OR OTHER INDEBTEDNESS] as provided in this
25 chapter [AS 19.75.221];

26 (8) incur other indebtedness, including lines of credit and
27 indebtedness to the Federal Highway Administration, United States Department
28 of Transportation, under 23 U.S.C. 601 - 610 (Transportation Infrastructure
29 Finance and Innovation Act of 1998), as amended, and secure that indebtedness
30 as provided in this chapter;

31 (9) apply for and accept gifts, grants, or loans from a federal agency or

1 an agency or instrumentality of the state, or from a municipality, private organization,
2 or other source, including obtaining title to state, local government, or privately
3 owned land, directly or through a department of the state having jurisdiction of
4 the land:

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

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

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

19 (13) [(11)] deposit or invest its funds, subject to agreements with
20 bondholders;

21 (14) [(12)] procure insurance against any loss in connection with its
22 operation;

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

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

29 (17) [(15)] perform reconnaissance studies and engineering, survey,
30 and design studies with respect to the Knik Arm bridge and its appurtenant facilities;

31 (18) [(16)] exercise powers of eminent domain or file a declaration of

1 taking as necessary for the Knik Arm bridge and appurtenant facilities under
2 AS 09.55.240 - 09.55.460 to acquire land or an interest in land;

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

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

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

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

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

29 (b) The board may delegate to the authority's executive director the authority
30 to approve final principal maturities and dates, interest rates, redemption rights, and
31 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.** (a) The owner of a vehicle
11 using a facility owned, controlled, or managed by the authority for which a toll or fee
12 is 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 (b) Unpaid tolls or fees due the authority by a person entitled to receive an
16 Alaska permanent fund dividend shall be a lien on and entitled to payment from the
17 permanent fund dividend of the person from the date the authority notifies the
18 Department of Revenue of the amount due and owing. The notice required under this
19 subsection may not be given earlier than 30 days after the due date.

20 (c) Upon agreement between the authority and the commissioner of
21 administration, a vehicle owner liable for an unpaid toll or fee due the authority may,
22 after 30 days after the due date, be barred from obtaining or renewing a driver's license
23 or a vehicle registration or license, regardless of whether the vehicle was used at the
24 authority's facilities or incurred the toll or fee, until the toll or fee is paid in full.

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

29 * **Sec. 10.** AS 19.75.980 is amended to read:

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

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- (1) "authority" means the Knik Arm Bridge and Toll Authority;
- (2) "board" means the board of directors of the authority;
- (3) "department" means the Department of Transportation and Public Facilities;
- (4) "state bond committee" means the state bond committee created by AS 37.15.110.

* Sec. 11. AS 28.15.031(b) is amended to read:

(b) The department may not issue an original or duplicate driver's license to, nor renew or reinstate the driver's license of, a person

(1) whose license is suspended or revoked, except as otherwise provided in this chapter;

(2) who fails to appear in court for the adjudication of a certain vehicle, driver, or traffic offense when the person's appearance is required by statute, regulation, or court rule;

(3) who is an habitual user of alcohol or another drug to such a degree that the person is incapable of safely driving a motor vehicle;

(4) [REPEALED]

(5) when the department, based upon medical evidence, has determined that because of the person's physical or mental disability the person is not able to drive a motor vehicle safely;

(5) [(6)] who is unable to understand official traffic control devices as displayed in this state or who does not have a fair knowledge of traffic laws and regulations, as demonstrated by an examination;

(6) [(7)] who has knowingly made a false statement in the person's application for a license or has committed fraud in connection with the person's application for, or in obtaining or attempting to obtain, a license, or who has not applied under oath on the form provided for the purpose of obtaining or attempting to obtain a license or permit; [OR]

(7) [(8)] who is required under AS 28.20 to furnish proof of financial responsibility and who has not done so; or

(8) who is liable for an unpaid toll or fee under AS 19.75.915(c).

1 * Sec. 12. AS 43.23.065(b) is amended to read:

2 (b) An exemption is not available under this section for permanent fund
3 dividends taken to satisfy

4 (1) child support obligations required by court order or decision of the
5 child support services agency under AS 25.27.140 - 25.27.220;

6 (2) court ordered restitution under AS 12.55.045 - 12.55.051,
7 12.55.100, or AS 47.12.120(b)(4);

8 (3) claims on defaulted education loans under AS 43.23.067;

9 (4) court ordered fines;

10 (5) writs of execution under AS 09.35 of a judgment that is entered

11 (A) against a minor in a civil action to recover damages and
12 court costs;

13 (B) under AS 34.50.020 against the parent, parents, or legal
14 guardian of an unemancipated minor;

15 (6) a debt owed by an eligible individual to an agency of the state,
16 including the University of Alaska, unless the debt is contested and an appeal is
17 pending, or the time limit for filing an appeal has not expired;

18 (7) a debt owed to a person for a program for the rehabilitation of
19 perpetrators of domestic violence required under AS 12.55.101, AS 18.66.100(c)(15),
20 AS 25.20.061(3), or AS 33.16.150(f)(2);

21 (8) an unpaid toll or fee under AS 19.75.915(b).

22 * Sec. 13. This Act takes effect immediately under AS 01.10.070(c).

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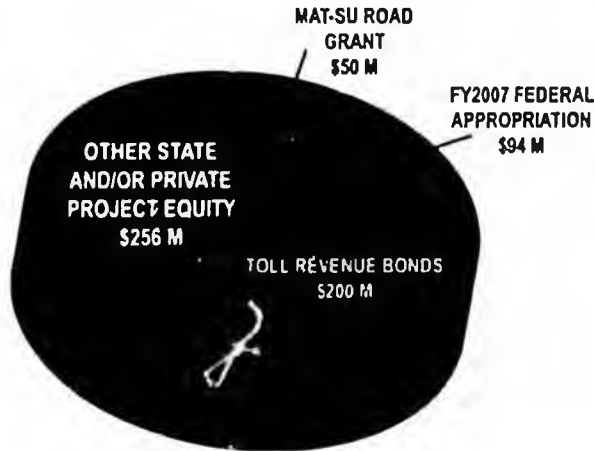
Wilder Smith + Associates

Fund Sources

I'll email this

Construction cost for the Knik Arm Crossing Project is estimated at approximately \$600 million in opening day dollars. As discussed, the WSA analysis indicates \$200 million of that cost could be funded by toll revenue bonds, or other toll-backed debt financing sources. Congress allocated over \$2.1 billion of Federal Highway funds to Alaska in the SAFETEA-LU transportation bill, to be paid out over five federal fiscal years. In the administration's FY2007 budget submission, Governor Murkowski has requested of the legislature that \$94 million of this federal transportation funding be committed to the Knik Arm Crossing Project, representing 4% of Alaska's federal transportation allocation. KABATA has also suggested that a separate grant of approximately \$50 million be provided to the Mat-Su Borough to upgrade and pave the Port MacKenzie Road to provide a modern, safe and convenient connection to the west side of the project. This is included in the \$600 million estimate. An additional \$256 million would need to be generated from other State or private equity sources in order to complete project funding.

PRO FORMA PROJECT FUNDING - \$600 MILLION



Current Authorizations and Annual Expenditures
January 1, 2005 to December 31, 2005

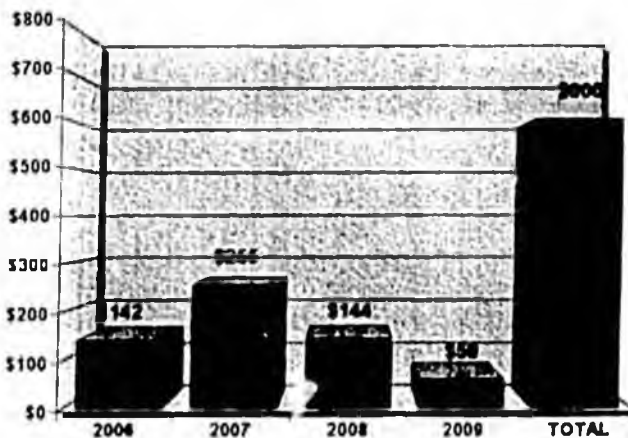
Category	Amount
Total Authorizations	\$ 1,202
EXPENDITURES	
2002/2003 Expenditures, Primarily by DOT&PF	\$ 1.1
2004 Expenditures, Primarily Contracted Professional Services	3.6
2008 Forecast Expenditures, Primarily Contracted Professional Services	12.1
Total Expenditures	\$ 17.0
Estimated Project Cost Through Construction	\$ 600

HIGHLIGHTS of 2005 and 2004 EXPENDITURES

Contractor / Subcontractor	Thousands	
	Forecast 2005	Actual 2004
HDR Alaska, Inc.	\$ 4,058	\$ 811
URS Corporation	2,150	541
LGL Alaska Research Associates, Inc.	1,278	505
PNO Incorporated	1,184	615
Northern Economics	587	35
RISE Alaska, LLC	467	236
All Others (approximately 23 in 2005, 12 in 2004)	1,666	600
Sub-Total Contractors	11,388	3,143
KABATA General and Administrative Costs	750	619
Total Expenditures	\$ 12,138	\$ 3,762

DRAFT STATE TRANSPORTATION PLAN (STIP)
Anticipated Project Spending by Federal Fiscal Year

The draft State Transportation Improvement Plan (STIP) for the Knik Arm Crossing Project has anticipated \$600 million to be spent over the next four federal fiscal years ending September 30, 2009. The STIP for the Knik Arm Crossing Project is a planning document of the Alaska Department of Transportation and Public Facilities. Actual funding of the project is subject to State and Federal budget appropriations and the ability of KABATA to issue bonds or other debt financing backed by toll revenues. The chart below depicts the anticipated spending by federal fiscal year.



2005 YEAR IN REVIEW

ALASKA STATE LEGISLATURE

Vice Chair:
House Finance Committee

Chair:
House Finance Subcommittee on Law
Department of Public Safety
Department of Law



Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: 907-465-4958
Fax: 907-465-4928

Intern:
PO Box 464
Juneau, AK 99801

BILL STOLTZE State Representative

Representative_Bill_Stoltze@legis.state.ak.us

House Bill 471 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.

DISTRICT 16

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KNIK RIVER ROAD • LAZY MOUNTAIN • PALMER • PETERS CREEK

ALASKA STATE LEGISLATURE

Vice Chair:
House Finance Committee

Chair:
House Finance Subcommittees for:
Department of Public Safety
Department of Law



Session:
Alaska State Capitol, Rm 501
Juneau, AK 99801-1182
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Fax: (907) 465-4928

District:
600 F Railroad Ave
Wasilla, AK 99654

BILL STOLTZE
STATE REPRESENTATIVE
Representative_Bill_Stoltze@legis.state.ak.us

House Bill 471 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. 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 the Knik Arm Bridge and Toll Authority shall be held and accounted for separate from other assets, funds and revenue of the State.
- Sec. 3** Clarifies that the Knik Arm Bridge and Toll Authority may refund as well as issue non-recourse revenue bonds, may secure the repayment of the bonds with any revenue it receives, and establishes the maximum amount of revenue bonds it may issue.
- Sec. 4** Adopts relevant sections of the existing, general statute in AS 37.15 governing toll facilities and toll revenue bonds to precisely define the authorities and mechanisms that apply to revenue bonds issued by the Knik Arm Bridge and Toll Authority distinct from other toll facilities.
- Sec. 5** Provides the Knik Arm Bridge and Toll Authority with the general power to establish funds and reserves for the issuance of its revenue bonds and the conduct of its authorized business and specifies that interest revenue from such funds and reserves shall belong to the Knik Arm Bridge and Toll Authority.

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- Sec. 6 Adds the requirement of certain notations on Knik Arm Bridge and Toll Authority bond documents to underscore that their bonds are non-recourse bonds and that the State is not otherwise liable for their repayment.
- Sec. 7 Establishes methods means by which the Knik Arm Bridge and Toll Authority may collect its tolls, that the owner of a vehicle using the facility is liable for payment of the tolls, that tolls may become a lien on Permanent Fund dividends, and that unpaid tolls may, subject to agreement of the Commissioner of the Department of Administration, be cause for the denial of driver and vehicle registration and licenses.
- Sec. 8 Establishes that liberal interpretation shall be given AS 19.75 to carry out the purposes of the chapter.
- Sec. 9 Amends and makes applicable relevant statutory definitions.
- Sec. 10 Provides for an immediate effective date.

DISTRICT 16

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KNİK ARM CROSSING



KNİK ARM BRIDGE AND TOLL AUTHORITY PRESENTATION

CSSB No. 303

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION
BY THE SENATE TRANSPORTATION COMMITTEE
Introduced: 2/17/06
Referred: Transportation, Finance
CSSB 303 BY THE SENATE TRANSPORTATION
COMMITTEE 3/03/06

CSHB No. 471 (DRAFT)

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION
BY REPRESENTATIVE STOLTZE
Introduced: 2/13/06
Referred: Transportation, Finance
CSHB 471 (Draft) BEFORE THE HOUSE FINANCE
COMMITTEE

Table of Contents

	<u>Page</u>
Purpose of CSSB 303 and CSHB 471	2
Sectional Analysis.....	3
CSSB 303 and CSHB 471 (Draft).....	4 - 15
Knik Arm Bridge and Toll Authority Act with CSSB 303 & CSHB 471 Incorporated.....	16 - 31

PURPOSE of
CS for SENATE BILL 303 and CS for HOUSE BILL 471

“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 making conforming changes to statutes relating to issuance, renewal, or reinstatement of driver's licenses and to levy on permanent fund dividends; and providing for an effective date.”

In 2003 the Legislature created the Knik Arm Bridge and Toll Authority (KABATA) 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 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.

CSSB 303 and CSHB 471 are fundamentally housekeeping bills designed to clarify and make more specific the powers and authority of KABATA for the purpose of assuring the public and private sectors that KABATA has adequate authority to obtain the necessary supplemental financing.

CSSB 303 and CSHB 471 reflect advice provided KABATA by the U.S. 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 the participation of both the public and private sectors in financing of this project.

The provisions of CSSB 303 and CSHB 471:

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

SB 303 and HB 471 will provide KABATA authority to finalize arrangements to complete financing for the construction, operation and maintenance of the bridge.

SECTIONAL ANALYSIS OF CSSB 303 and CSHB 471 (Proposed)

Bill
Sec.

ANALYSIS

- Sec. Clarifies the powers of the Knik Arm Bridge and Toll Authority ("Authority"). Also clarify
1. that the general tolling statutes in AS 37.15 do not apply. Clarifies KABATA'S authority to refund bonds, incur other debt, obtain TIFIA loans and enter into public-private partnership and other financing arrangements with both public and private entities for the construction, maintenance and operation of the toll bridge, and to exclusively fix tolls for use of the bridge, acquire real estate and collect its tolls.
- Sec. Specifies that assets, funds and revenue of the Authority shall be held and accounted for
2. separate from other assets, funds and revenue of the State.
- Sec. Clarifies that the Authority may refund as well as issue revenue bonds and may secure the
3. repayment of the bonds with any revenue it receives.
- Sec. Establishes the maximum interest rate that may be paid on the Authority's bonds and the
4. maximum amount of revenue bonds the Authority may issue. Specifies that refunding bonds are not counted in the maximum amount of bonds the Authority may issue.
- Sec. Provides the Authority with the general power to establish funds and reserves for the
5. issuance of its revenue bonds and the conduct of its business and specifies that interest from such funds and reserves belong to the Authority.
- Sec. Adds a requirement that the Authority's bond documents contain a notation that they are
6. documents of the authority to underscore that they are not obligations of the State.
- Sec. Adds a requirement that the Authority's bond documents contain a notation that they are
7. documents of the authority 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. Adopts relevant sections of the existing statute in AS 37.15 governing toll facilities and toll
8. revenue bonds generally to precisely define the authorities and mechanisms that apply to revenue bonds issued by the Authority distinct from other toll facilities.
- Sec. Establishes liability for the payment of tolls and provides authority for collection of tolls and
9. other obligations owing the Authority.
- Sec. Incorporates relevant statutory definitions.
- 10.
- Sec. Makes conforming amendments in AS 28.15.031(b) to permit payment of unpaid and past
11. due tolls to be a prerequisite to obtaining any driver's license.
- Sec. Makes conforming amendments to AS 43.23.065(b) to permit collection of unpaid and past
12. due tolls from Permanent Fund dividends.
- Sec. Provides for an immediate effective date to permit the Authority to immediately complete
13. financing arrangements for construction, operation and maintenance of the bridge.

CS

BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred: Finance

Sponsor(s):

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 making conforming
4 changes to statutes relating to issuance, renewal, or reinstatement of driver's licenses
5 and to levy on permanent fund dividends; and providing for an effective date."

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

7 * Section 1. AS 19.75.111 is amended to read:

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

13 (1) own, acquire, construct, develop, create, reconstruct, equip,

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

1 an agency or instrumentality of the state, or from a municipality, private organization,
2 or other source, including obtaining title to state, local government, or privately
3 owned land, directly or through a department of the state having jurisdiction of
4 the land;

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

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

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

19 (13) [(11)] deposit or invest its funds, subject to agreements with
20 bondholders;

21 (14) [(12)] procure insurance against any loss in connection with its
22 operation;

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

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

29 (17) [(15)] perform reconnaissance studies and engineering, survey,
30 and design studies with respect to the Knik Arm bridge and its appurtenant facilities;

31 (18) [(16)] exercise powers of eminent domain or file a declaration of

1 taking as necessary for the Knik Arm bridge and appurtenant facilities under
2 AS 09.55.240 - 09.55.460 to acquire land or an interest in land;

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 the
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

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

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

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

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

29 (b) The board may delegate to the authority's executive director the authority
30 to approve final principal maturities and dates, interest rates, redemption rights, and
31 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.** (a) The owner of a vehicle
11 using a facility owned, controlled, or managed by the authority for which a toll or fee
12 is 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 (b) Unpaid tolls or fees due the authority by a person entitled to receive an
16 Alaska permanent fund dividend shall be a lien on and entitled to payment from the
17 permanent fund dividend of the person from the date the authority notifies the
18 Department of Revenue of the amount due and owing. The notice required under this
19 subsection may not be given earlier than 30 days after the due date.

20 (c) Upon agreement between the authority and the commissioner of
21 administration, a vehicle owner liable for an unpaid toll or fee due the authority may,
22 after 30 days after the due date, be barred from obtaining or renewing a driver's license
23 or a vehicle registration or license, regardless of whether the vehicle was used at the
24 authority's facilities or incurred the toll or fee, until the toll or fee is paid in full.

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

29 * **Sec. 10.** AS 19.75.980 is amended to read:

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

- 1 (1) "authority" means the Knik Arm Bridge and Toll Authority;
- 2 (2) "board" means the board of directors of the authority;
- 3 (3) "department" means the Department of Transportation and Public
- 4 Facilities;
- 5 (4) "state bond committee" means the state bond committee
- 6 created by AS 37.15.110.

7 * Sec. 11. AS 28.15.031(b) is amended to read:

8 (b) The department may not issue an original or duplicate driver's license to,
9 nor renew or reinst the driver's license of, a person

10 (1) whose license is suspended or revoked, except as otherwise
11 provided in this chapter;

12 (2) who fails to appear in court for the adjudication of a certain
13 vehicle, driver, or traffic offense when the person's appearance is required by statute,
14 regulation, or court rule;

15 (3) who is an habitual user of alcohol or another drug to such a degree
16 that the person is incapable of safely driving a motor vehicle;

17 (4) [REPEALED

18 (5)] when the department, based upon medical evidence, has
19 determined that because of the person's physical or mental disability the person is not
20 able to drive a motor vehicle safely;

21 ~~(6)~~ [(6)] who is unable to understand official traffic control devices as
22 displayed in this state or who does not have a fair knowledge of traffic laws and
23 regulations, as demonstrated by an examination;

24 ~~(7)~~ [(7)] who has knowingly made a false statement in the person's
25 application for a license or has committed fraud in connection with the person's
26 application for, or in obtaining or attempting to obtain, a license, or who has not
27 applied under oath on the form provided for the purpose of obtaining or attempting to
28 obtain a license or permit; [OR]

29 ~~(8)~~ [(8)] who is required under AS 28.20 to furnish proof of financial
30 responsibility and who has not done so; or

31 (8) who is liable for an unpaid toll or fee under AS 19.75.915(c).

1 * Sec. 12. AS 43.23.065(b) is amended to read:

2 (b) An exemption is not available under this section for permanent fund
3 dividends taken to satisfy

4 (1) child support obligations required by court order or decision of the
5 child support services agency under AS 25.27.140 - 25.27.220;

6 (2) court ordered restitution under AS 12.55.045 - 12.55.051,
7 12.55.100, or AS 47.12.120(b)(4);

8 (3) claims on defaulted education loans under AS 43.23.067;

9 (4) court ordered fines;

10 (5) writs of execution under AS 09.35 of a judgment that is entered

11 (A) against a minor in a civil action to recover damages and
12 court costs;

13 (B) under AS 34.50.020 against the parent, parents, or legal
14 guardian of an unemancipated minor;

15 (6) a debt owed by an eligible individual to an agency of the state,
16 including the University of Alaska, unless the debt is contested and an appeal is
17 pending, or the time limit for filing an appeal has not expired;

18 (7) a debt owed to a person for a program for the rehabilitation of
19 perpetrators of domestic violence required under AS 12.55.101, AS 18.66.100(c)(15),
20 AS 25.20.061(3), or AS 33.16.150(f)(2);

21 (8) an unpaid toll or fee under AS 19.75.915(b).

22 * Sec. 13. This Act takes effect immediately under AS 01.10.070(c).

ALASKA STATUTES¹

WITH CSSB 303 and CSIB 471 INCORPORATED²

Title 19. Highways and Ferries. Chapter 75. Knik Arm Bridge and Toll Authority.

Effective dates. - Section 1, ch. 77, SLA 2003, which enacted this chapter, took effect on September 10, 2003. For Governor's transmittal letter *see* 2003 Senate Journal 1183 - 1884.

Article 1. Establishment and Organization.

Sec. 19.75.011 Purpose.

The purpose of the authority created by this chapter is 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 with construction of a bridge to span Knik Arm and connect the Municipality of Anchorage and the Matanuska-Susitna Borough.

Sec. 19.75.021 Establishment of authority.

(a) There is established the Knik Arm Bridge and Toll Authority. The authority is a public corporation and an instrumentality of the state within the Department of Transportation and Public Facilities, but the authority has a separate and independent legal existence from the state. The exercise by the authority of the powers in this chapter is considered an essential governmental function of the state.

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

Sec. 19.75.031 Board of directors of authority.

(a) The authority shall be governed by a board of directors consisting of the following:

- (1) the commissioner of transportation and public facilities or the commissioner's designee;
- (2) the commissioner of revenue or the commissioner's designee;
- (3) one public member, appointed by the governor, who is a state resident and United States citizen;
- (4) one public member, appointed by the governor, who is a resident of the Municipality of Anchorage and who has knowledge of local transportation issues;

1. Amendments to other statutes by CSSB 303 and CSIB 471 are set out at the end.

2. Amendments by CSSB 303 and CSIB 471 are set out in blue. *New Text Underlined*
[DELETED TEXT BRACKETED].

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

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

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

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

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

Sec. 19.75.041 Operation of authority.

(a) The powers of the authority are vested in the board.

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

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

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

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

(f) The members of the board serving under AS 19.75.031(a)(1), (2), (6), and (7) serve without compensation but are entitled to per diem and travel expenses authorized by law under AS 39.20.180.

Sec. 19.75.051 Executive director.

The authority shall employ an executive director who may not be a member of the board. The executive director shall serve at the pleasure of the board. The board shall establish the duties and compensation of the executive director.

Sec. 19.75.061 Employment of personnel.

The executive director may hire employees of the authority. The board shall prescribe the duties and compensation of authority employees.

Sec. 19.75.071 Personnel exempt from State Personnel Act.

The executive director and employees of the authority are in the exempt service under AS 39.25 (State Personnel Act).

Sec. 19.75.081 Legal advisor.

The attorney general is the legal counsel for the authority. The attorney general shall advise the authority in legal matters and represent it in suits.

Sec. 19.75.111 Powers and duties of the authority.

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

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

(2) sue and be sued;

(3) adopt a seal;

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

(5) make and execute agreements, contracts, and all other instruments with any public or private person, governmental unit or agency, corporation or other business entity lawfully conducting business within the United States for the exercise of its powers and functions under this chapter and for the financing, design, construction, maintenance, improvement, or operation of facilities, properties, or projects of the authority, including making and executing contracts with any person, firm, corporation, governmental agency, or other entity for the purpose of

(A) incurring indebtedness, obtaining investments in the authority's projects, acquiring or granting lump sum payments for services in advance or in arrears, grants, and other financing; and

(B) entering into public-private partnerships or service contracts in any form;

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

(7) issue and refund bonds [AND OTHERWISE INCUR INDEBTEDNESS,] in accordance with this chapter [AS 19.75.211], in order to pay the cost of the Knik Arm bridge and its appurtenant facilities; the authority may also secure payment of the bonds [OR OTHER INDEBTEDNESS] as

provided in this chapter [AS 19.75.221];

(8) incur other indebtedness, including lines of credit and indebtedness to the Federal Highway Administration, United States Department of Transportation, under 23 U.S.C. 601 - 610 (Transportation Infrastructure Finance and Innovation Act of 1998), as amended, and secure that indebtedness as provided in this chapter;

(9) apply for and accept gifts, grants, or loans from a federal agency or an agency or instrumentality of the state, or from a municipality, private organization, or other source, including obtaining title to state, local government, or privately owned land, directly or through a department of the state having jurisdiction of the land;

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

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

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

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

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

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

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

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

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

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

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

(b) The authority shall

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

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

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

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

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

(6) have the exclusive authority to determine and fix fees, rents, tolls, rates, and other charges, including the tolls for the use of the bridge and appurtenant facilities and for the use of all other properties under the control of or owned or managed by the authority.

Sec. 19.75.113. Assets, funds, and revenue of the authority.

(a) The Department of Revenue shall separately account for all funds, assets, and revenue of the authority.

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

Article 2. Powers and Duties.

Sec. 19.75.211. Bonds of the authority.

(a) Notwithstanding any other provision of law, the [111] authority may borrow money and issue and refund bonds on which the principal and interest are paid out of and secured by the gross revenue derived

by the authority from the ownership, use, and operation of its toll facilities, including [PAYABLE FROM] money derived from the fees, rents, tolls, rates, charges, and other revenue of the authority under this chapter and any other revenue or money that the legislature may appropriate, except a state tax or license. Before issuing bonds for the Knik Arm bridge, the authority shall submit to the state bond committee a description of the bond issue and a preliminary prospectus, offering circular, or official statement relating to the bond issue. Bonds may not be issued unless the state bond committee finds, based upon the information submitted by the authority under this section and other information that is reasonably available to the committee, that the Knik Arm bridge revenue and other revenue available to the authority can be reasonably expected to be adequate for payment of the principal of and interest on the bonds to be issued and that issuance of the bonds by the authority would not be expected to adversely affect the ability of the state or its political subdivisions to market bonds. [BONDS MAY NOT BE ISSUED UNLESS THE PRINCIPAL AMOUNT OF THE BOND ISSUE IS AUTHORIZED BY LAW.]

(b) The bonds of the authority may be sold in the amounts or series and at the time determined by its board of directors. Bonds, or a series of bonds, may not be sold if the effective interest rate over the life of the bonds exceeds 11 percent a year or a rate of interest that is 125 percent of the rate of the Bond Buyer Index of 20 Municipal Bond Average Yields for the week previous to the date of the sale of the bonds, whichever is higher.

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

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

Sec. 19.75.221 Trust indentures and trust agreements.

(a) In the discretion of the authority, an issue of bonds may be secured by a trust indenture or trust agreement between the authority and a corporate trustee, by a secured loan agreement or other instrument, or by a resolution giving powers to a corporate trustee, by means of which the authority may

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

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

(i) the proceeds of bonds of the authority;

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

(iii) money or other property in which the authority has an interest;

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

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

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

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

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

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

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

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

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

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

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

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

(e) In computing the amount of a capital reserve fund for the purpose of this section, securities in which

all or a portion of the fund is invested shall be valued by some reasonable method established by the authority by resolution. Valuation on a particular date shall include the amount of any interest earned or accrued to that date.

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

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

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

Sec. 19.75.231 Validity of pledge.

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

Sec. 19.75.241 Nonliability on bonds.

(a) Neither the members of the board nor a person executing the bonds of the authority is liable personally on the bonds or is subject to personal liability or accountability by reason of the issuance of the bonds.

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

(c) The authority may not pledge the faith or credit of the state or of a political subdivision of the state other than the authority, and the issuance of a bond by the authority does not directly, indirectly, or

contingently obligate the state or a political subdivision of the state to apply money from, levy, or pledge any form of taxation to the payment of the bond or to make payments due on the bonds from any source of funds not pledged for repayment of the bonds.

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

Sec. 19.75.251 Pledge of the state.

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

Sec. 19.75.261 Exemption from taxation.

The real and personal property of the authority and its assets, income, and receipts are declared to be the property of a political subdivision of the state and are exempt from all taxes and special assessments of the state or a political subdivision of the state. All bonds of the authority are declared to be issued by a political subdivision of the state and for an essential public and governmental purpose. The bonds, the interest on the bonds, the income from the bonds and the transfer of the bonds, and all assets, income, and receipts pledged to pay or secure the payment of the bonds or interest on the bonds are, at all times, exempt from taxation by or under the authority of the state, except for inheritance and estate taxes and taxes on transfers by or in contemplation of death. Nothing in this section affects or limits an exemption from license fees, property taxes, or excise, income, or other taxes provided under any other law, nor does it create a tax exemption with respect to the interest of any business enterprise or other person, other than the authority, in any property, assets, income, receipts, project, or lease, regardless of whether financed under this chapter.

Sec. 19.75.271 Bonds legal investments for fiduciaries.

The bonds of the authority are securities in which all public officers and bodies of the state and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, savings associations, including savings and loan associations and building and loan associations, investment companies, and other persons carrying on banking business, all administrators, guardians, executors, trustees, and other fiduciaries, and other persons who are now or may afterward be authorized to invest in bonds or other obligations of the state may properly and legally invest money, including capital in their control or belonging to them. Notwithstanding any other provision of law, the bonds of the authority are also securities that may be deposited with and may be received by all public officers and bodies of the

state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of the state is now or may afterward be authorized.

Sec. 19.75.281. Audit.

The legislative auditor annually shall audit, or cause to have audited, the financial records of the authority. The legislative auditor may prescribe the form and content of the financial records of the authority and shall have access to these records at any reasonable time.

Sec. 19.75.291 State appropriations for Knik Arm bridge and appurtenant facilities not affected.

This chapter does not prevent the state from making appropriations for or in aid of the acquisition, design, construction, or operation of the Knik Arm bridge and its appurtenant facilities.

Sec. 19.75.301 Insurance.

The authority shall keep in force public liability insurance in an amount reasonably calculated to cover potential claims for bodily injury, death or disability, and property damage that may arise from or be related to its operation and activities, naming the state as an additional insured.

Sec. 19.75.311 Safeguarding of money.

The authority shall maximize revenue from and deposit all money in depositories acceptable to the commissioner of revenue and otherwise safeguard the money under instructions as the commissioner of revenue may from time to time issue.

Sec. 19.75.321 Fidelity bond.

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

Sec. 19.75.330. Bond terms.

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

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

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

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

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

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

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

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

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

(e) 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 the 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 resolution.

Sec. 19.75.334. Enforcement by holder.

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

Sec. 19.75.336. Bond negotiability.

The bonds and the coupons attached to them are fully negotiable instruments under the laws of the state.

Sec. 19.75.338. Refunding.

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

(b) The board shall adopt the resolution authorizing refunding and all other documents and proceedings necessary for the issuance, exchange or sale, and delivery of the bonds. All

provisions of AS 19.75.211 - 19.75.271, except AS 19.75.211(c), and AS 19.75.330 - 19.75.340 applicable to revenue bonds are applicable to the refunding bonds and to the issuance, sale, or exchange of the bonds, except as otherwise provided in this section.

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

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

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

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

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

Sec. 19.75.340. Bonds as legal investments.

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

Article 3. General Provisions.

Sec. 19.75.911. Exemption from local regulation.

Notwithstanding any contrary provision of law, the activities of the authority are exempt from land use planning, zoning, permitting, or other similar governmental powers of political subdivisions of the state.

Sec. 19.75.915. Liability for payment of tolls.

(a) The owner of a vehicle using a facility owned, controlled, or managed by the authority for which a toll or fee is imposed is liable for the payment of the toll or fee solely because of the

vehicle ownership, unless the vehicle, except a rental vehicle, is used without the owner's knowledge and incurs the toll or fee during operation.

(b) Unpaid tolls or fees due the authority by a person entitled to receive an Alaska permanent fund dividend shall be a lien on and entitled to payment from the permanent fund dividend of the person from the date the authority notifies the Department of Revenue of the amount due and owing. The notice required under this subsection may not be given earlier than 30 days after the due date.

(c) Upon agreement between the authority and the commissioner of administration, a vehicle owner liable for an unpaid toll or fee due the authority may, after 30 days after the due date, be barred from obtaining or renewing a driver's license or a vehicle registration or license, regardless of whether the vehicle was used at the authority's facilities or incurred the toll or fee, until the toll or fee is paid in full.

Sec. 19.75.920. Statutory construction.

This chapter shall be liberally construed in order to carry out the purposes for which it was enacted. All existing laws in conflict with this chapter are superseded as necessary to accomplish the purposes of this chapter

Sec. 19.75.980. Definitions.

In this chapter, except as otherwise provided and unless the context requires otherwise,

- (1) "authority" means the Knik Arm Bridge and Toll Authority;
- (2) "board" means the board of directors of the authority;
- (3) "department" means the Department of Transportation and Public Facilities;
- (4) "state bond committee" means the state bond committee created by AS 37.15.110.

Sec. 19.75.990. Short title.

This chapter may be cited as the Knik Arm Bridge and Toll Authority Act.

CSSB 303 AND CSIB 471 CONFORMING AMENDMENTS to OTHER STATUTES

Title 28. Motor Vehicles
Chapter 15. Drivers' Licenses;
Article 1. Issuance, Expiration and Renewal of Licenses.

Sec. 28.15.031 Persons not to be licensed.

(a) The department may not issue a driver's license to a person who is

(1) under the age of 16 years, except that the department may issue a permit under AS 28.15.051 or a restricted license under AS 28.15.121; or

(2) at least 16 years of age but not yet 18 years of age unless the person meets the requirements of AS 28.15.057.

(b) The department may not issue an original or duplicate driver's license to, nor renew or reinstate the driver's license of, a person

(1) whose license is suspended or revoked, except as otherwise provided in this chapter;

(2) who fails to appear in court for the adjudication of a certain vehicle, driver, or traffic offense when the person's appearance is required by statute, regulation, or court rule;

(3) who is an habitual user of alcohol or another drug to such a degree that the person is incapable of safely driving a motor vehicle;

(4) [REPEALED]

(5) when the department, based upon medical evidence, has determined that because of the person's physical or mental disability the person is not able to drive a motor vehicle safely;

(5) [(6)] who is unable to understand official traffic control devices as displayed in this state or who does not have a fair knowledge of traffic laws and regulations, as demonstrated by an examination;

(6) [(7)] who has knowingly made a false statement in the person's application for a license or has committed fraud in connection with the person's application for, or in obtaining or attempting to obtain, a license, or who has not applied under oath on the form provided for the purpose of obtaining or attempting to obtain a license or permit; [OR]

(7) [(8)] who is required under AS 28.20 to furnish proof of financial responsibility and who has not done so; or

(8) who is liable for an unpaid toll or fee under AS 19.75.015(c).

**Title 43. Revenue and Taxation.
Chapter 23. Permanent Fund Dividends.**

Sec. 43.23.065 Exemption of and levy on permanent fund dividends.

(a) Except as provided in (b) of this section, 20 percent of the annual permanent fund dividend payable to an individual is exempt from levy, execution, garnishment, attachment, or any other remedy for the collection of debt. No other exemption applies to a dividend. Notwithstanding other laws, a writ of execution upon a dividend that has not been delivered to the debtor may be served on the commissioner by certified mail, return receipt requested. Upon receipt of a writ by certified mail, return receipt requested, the commissioner shall deliver that portion of the dividend executed upon to the court along with the case name and number.

(b) An exemption is not available under this section for permanent fund dividends taken to satisfy

(1) child support obligations required by court order or decision of the child support services agency under AS 25.27.140 - 25.27.220;

(2) court ordered restitution under AS 12.55.045 - 12.55.051, 25 12.55.100, or AS 47.12.120(b)(4);

(3) claims on defaulted education loans under AS 43.23.067;

(4) court ordered fines;

(5) writs of execution under AS 09.35 of a judgment that is entered

(A) against a minor in a civil action to recover damages and 30 court costs;

(B) under AS 34.50.020 against the parent, parents, or legal guardian of an unemancipated minor;

(6) a debt owed by an eligible individual to an agency of the state, including the University of Alaska, unless the debt is contested and an appeal is pending, or the time limit for filing an appeal has not expired;

(7) a debt owed to a person for a program for the rehabilitation of perpetrators of domestic violence required under AS 12.55.101, AS 18.66.100(c)(15), AS 25.20.061(3), or AS 33.16.150(f)(2);

(8) an unpaid toll or fee under AS 19.75.915(b).

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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
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>	✓			

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
 Title Knik Arm Bridge and Toll Authority

Dept. Affected: Natural Resources
 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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()						
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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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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
 Division: Mining, Land & Water
 Approved by: Michael Menge, Commissioner
 Agency: Natural Resources

Phone 907-269-8625
 Date/Time 2/22/2006
 Date 2/22/2006

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

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

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

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

(b) The authority shall

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

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

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

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

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

(6) have the exclusive authority to determine and fix fees, rents, 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