

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 3085

ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS

Resolution Number 2005-01

A resolution of the Alaska Association of Harbormasters and Port Administrators for the Legislature to provide matching maintenance and repair funds to local government owned harbors.

Whereas, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and,

Whereas, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and,

Whereas, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and,

Whereas, local governments are willing to assume financial responsibility of their ownership roles;

Whereas, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and,

Whereas, many local governments may not be able to implement such dramatic moorage increases without financial assistance; and

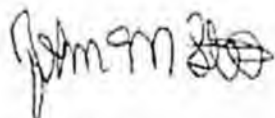
Whereas, local governments seek financial assistance from the Legislature to prevent Alaska's harbor facilities from disappearing; and

Whereas, local governments request the Legislature to provide 50% match funding program for the maintenance and repair of the transferred harbors.

THEREFORE, BE IT RESOLVED by the Alaska Association of Harbormasters and Port Administrators that it requests that the State of Alaska Legislature provide capital matching funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments to fund deferred port and harbor maintenance projects.

Section 1. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the Alaska Association of Harbormasters and Port Administrators, this 12th day of October, 2005.



John M. Stone, P.E., President
Alaska Association of Harbormasters and Port Administrators

ALASKA STATE LEGISLATURE

News From The House & Senate Majority

web site: <http://www.akrepublicans.org>

House Majority Press
Renee Limoge (907) 465-5446
3803



Senate Majority Press
Jeff Turner (907) 465-

For Immediate Release: February 14, 2005

Lawmakers Team Up to Maintain Safe Harbors *Companion Bills Create Harbor Grant Fund*

(Juneau) – Sen. Bert Stedman (R – Sitka) and Rep. Bill Thomas (R – Haines) have introduced legislation in the House and Senate to establish a new Municipal Harbor Facility Grant Fund.

HB 478 and SB 291 create a program to achieve capital improvements for harbor facilities through a one-time 50/50 matching grant to municipalities. The program, administered by the Department of Transportation and Public Facilities, will fund major maintenance and capital improvements of harbor facilities using a portion of the watercraft fuel tax.

"As a commercial fisherman I know how important harbors are to the towns in my district. These harbors are the center of business for most of the towns in my district and they need repairs because the state ignored them for years. This is a very reasonable way for the state and local governments to get these facilities into better working condition," said Rep. Thomas.

Harbor facilities were transferred to municipalities but it became clear that the state had not kept up on the maintenance. State funding at the time of the transfer was inadequate to cover the deferred maintenance. As a result, many harbors are in disrepair and are unable to safely and effectively fulfill their purpose in our communities.

The idea for the matching fund program in HB 478 and SB 291 came from the Statewide Harbormasters Association. Its members realized it was going to take about \$100 million dollars to bring Alaska's harbors back to proper condition and the Association brought forward a commitment to maintain the harbors facilities in the future.

"The importance of harbors in small coastal communities can't be overstated. Quality harbors make Alaska's abundant natural resources accessible and that stimulates the state's economy in a way that benefits all Alaskans. Harbors are our roads to resources," said Sen. Stedman.

SB 291 has been referred to the Senate Community & Regional Affairs and Finance committees.

HB 478 has been referred to the House Community & Regional Affairs and Finance committees.

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**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 2/14/06

FURTHER: Finance

Date of 5-Day Notice: 3/2/06
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/10/2006

Community and Regional Affairs Committee considered

SENATE BILL NO. 291

SB 291 MUNICIPAL HARBOR FACILITY GRANTS

"An Act relating to the municipal harbor facility grant program; and providing for an effective date."

and recommends:

- be replaced with C CS SB 291 (CRA)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

CS Senate Bill:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
SCS House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DotPF	3/2			✓	1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
Wagoner	<i>Thomas N. Wagoner</i>	✓			
G. Stevens	<i>[Signature]</i>	✓			
Koolesh	<i>Alvin Koolish</i>	✓			
Stedman	CHAIR: <i>[Signature]</i>	✓			

SB

303

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
 MAR 14 2006
 SENATE FINANCE COMMITTEE

DATE: 3/3/06

FURTHER:

DATE TURNED
 IN TO OFFICE: 14 March 2006

Finance Committee considered

SENATE BILL NO. 303

SB 303 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 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."

and recommends:

- be replaced with _____ CS SB 303 (FIN)
- adopt previous _____ CS _____ (_____)
- 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#
DOTPF	3/26/06			✓	#1
DNR	4/28/06			✓	#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

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 303(TRA)
 (S) Publish Date: 3/3/06

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
 Title KABATA Bond Authority/Drivers' Licenses RDU Commissioner's Office
 Component Administration & Support
 Sponsor Senate Transportation Committee
 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						
-----------------------------	--	--	--	--	--	--

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)

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

Phone 465-8994
 Date/Time 2/27/06 at 11:30 am
 Date 2/27/06

FISCAL NOTE

REPORTED OUT
MAR 14 2006
 SENATE FINANCE COMMITTEE

STATE OF ALASKA
 2006 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSSB 303(TRA)
 (S) Publish Date: 3/3/06

Revision Date/Time (Note if correction): 02-28-06 Dept. Affected: Natural Resources
 Title: Knik Arm Bridge and Toll Authority RDU: Resource Development
 Component: Claims, Permits & Leases
 Sponsor: State Trans Committee
 Requester: (S) 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						
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 2/28/2006
 Approved by: Michael Menge, Commissioner Date 2/28/2006
 Agency: Natural Resources

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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~~⁶⁰ 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 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



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 14 March 2006 TIME: 10:00am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 2

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

NOTES: Final Please

CS SB 303 (FIN)

24-LS1671\4

plus 1 amendment - attached

Thanks

Mindy

CS FOR SENATE BILL NO. 303(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE TRANSPORTATION COMMITTEE

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 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 60 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,

Amendment #1

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 reinstate 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 (5) [(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 (6) [(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 (7) [(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 19.75.015(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).



KABATA

KNIK ARM CROSSING

DOT&PF



KNIK 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

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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)

<u>Bill</u> <u>Sec.</u>	<u>ANALYSIS</u>
Sec. 1.	Clarifies the powers of the Knik Arm Bridge and Toll Authority ("Authority"). Also clarifies 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. 2.	Specifies that assets, funds and revenue of the Authority shall be held and accounted for separate from other assets, funds and revenue of the State.
Sec. 3.	Clarifies that the Authority may refund as well as issue revenue bonds and may secure the repayment of the bonds with any revenue it receives.
Sec. 4.	Establishes the maximum interest rate that may be paid on the Authority's bonds and the 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. 5.	Provides the Authority with the general power to establish funds and reserves for the issuance of its revenue bonds and the conduct of its business and specifies that interest from such funds and reserves belong to the Authority.
Sec. 6.	Adds a requirement that the Authority's bond documents contain a notation that they are documents of the authority to underscore that they are not obligations of the State.
Sec. 7.	Adds a requirement that the Authority's bond documents contain a notation that they are 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. 8.	Adopts relevant sections of the existing statute in AS 37.15 governing toll facilities and toll revenue bonds generally to precisely define the authorities and mechanisms that apply to revenue bonds issued by the Authority distinct from other toll facilities.
Sec. 9.	Establishes liability for the payment of tolls and provides authority for collection of tolls and other obligations owing the Authority.
Sec. 10.	Incorporates relevant statutory definitions.
Sec. 11.	Makes conforming amendments in AS 28.15.031(b) to permit payment of unpaid and past due tolls to be a prerequisite to obtaining any driver's license.
Sec. 12.	Makes conforming amendments to AS 43.23.065(b) to permit collection of unpaid and past due tolls from Permanent Fund dividends.
Sec. 13.	Provides for an immediate effective date to permit the Authority to immediately complete 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 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 (c) 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 reinstate 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 (5) [(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 (6) [(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 (7) [(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 CSHB 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 CSHB 471 are set out at the end.

2. Amendments by CSSB 303 and CSHB 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 [THE] 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 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 CSHB 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 19.75.915(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)

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 2/17/06

FURTHER: Finance

Date of 5-Day Notice: 2/23/06
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/3/06

Transportation Committee considered SFNATE BILL NO. 303

SB 303 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 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."

and recommends:

- be replaced with _____ CS Senate Bill 303 (TRA)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

CS Senate Bill:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
SCS House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DOT	2/27/06			X	1
DNR	2/28/06			X	2

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>John Cowdey</i> Cowdey	X			
<i>French</i> French			X	
<i>Kokesh</i> Kokesh			X	
CHAIR: <i>Huggins</i> Huggins	X			

SB

304

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 304
(S) Publish Date: 3/10/06

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title: Airport Parking Shuttles/Charges RDU: Aviation
Component: International Airport System Office
Sponsor: Senate Transportation Committee
Requester: _____ Component No.: 1649

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 ()						
-------------------------------	--	--	--	--	--	--

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)

This bill will not have a fiscal impact on the operations of the Department; however, its likely effect will be to shift a cost burden of between \$150,000 and \$200,000 from the off-site businesses to the signatory airlines that use the facilities of the International Airport System at Anchorage and Fairbanks. This is because, under the residual agreement between the airlines and the Department, the operations of the airports are revenue-neutral. Signatory airlines are obligated to pay the cost of operating the airports. Some of those costs are off-set by other airport users, such as car rental agencies and gift shops, which obtain their leases at a fair market value. If some of those sources of funds are eliminated, then the cost will be shifted to higher landing fees and terminal rental rates, and downstream to the ticket purchaser. The bill would undermine changes the Legislature enacted last year to AS 02.15.090(h) and (1) to provide the financing mechanism (customer facility charge) for the Anchorage airport rental car facility, currently under construction. The 8 percent Airport Parking Service fee is currently under administrative appeal.

Prepared by: John Manly
Division: Commissioner's Office DOT&PF
Approved by: Mike Barton, commissioner
Agency: DOT&PF

Phone: 465-8994
Date/Time: 2/28/06 at 11 am
Date: 2/28/06

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 10, 2006

FURTHER REFERRALS:

Date of Committee Action: 4/21/06

The FINANCE Committee considered:

SB 304

SENATE BILL NO. 304

AIRPORT PARKING SHUTTLES/AIRPORT CHARGES

"An Act relating to the privileges of airport parking shuttles and to fees or charges imposed on a person who is not a lessee or holder of a privilege to use the property or a facility of an airport."

Recommends it be replaced with HCS or CS for SB 304 (TRA)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 HSS
 LEG
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
<u>DOT</u>				<input checked="" type="checkbox"/>

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<u>Miles Hawk</u>	Hawker			<input checked="" type="checkbox"/>	
<u>Paul E. Moses</u>	Kelly MOSES			<input checked="" type="checkbox"/>	
<u>Bill Starke</u>	STARKE	<input checked="" type="checkbox"/>			
<u>Bette Kerttula</u>	KERTTULA			<input checked="" type="checkbox"/>	
<u>Joule</u>	Joule			<input checked="" type="checkbox"/>	
Chair: <u>K. Meyer</u>	Meyer	<input checked="" type="checkbox"/>			
Chair:					

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HCS SB 304 (TRA)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title Airport Parking Shuttles/Surcharge RDU Aviation
Component International Airport System Office
Sponsor Senate Transportation
Requester House Finance Committee Component No. 1649

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						
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)

This bill will not have a fiscal impact on the Department of Transportation and Public Facilities

Prepared by: House Finance Committee Phone 465-4945
Division _____ Date/Time 4/21/2006 1:48 p.m.
Approved by: Representative Meyer Date _____
Representative Chenault

pld 4/21

24-LS1678\Y

HOUSE CS FOR SENATE BILL NO. 304(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered: 4/10/06

Referred: Finance

Sponsor(s): SENATE TRANSPORTATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the privileges of airport parking shuttles and to fees or charges
2 imposed on a person who is not a lessee or concessionaire of an airport."

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

4 * Section 1. AS 02.15.090(a) is amended to read:

5 (a) In operating an airport or air navigation facility owned or controlled by the
6 state, the department may enter into contracts, leases, and other arrangements covering
7 periods not exceeding 55 years with a person, municipality, or the United States,
8 granting the privilege of using or improving an airport or air navigation facility or a
9 portion of it or space in it for commercial, governmental, or other public purposes,
10 including private plane tie down, or conferring the privilege of supplying goods,
11 commodities, services, or facilities at an airport or air navigation facility. The
12 department may establish the terms and conditions and fix the charges, rentals, and
13 fees for the privileges or services that are reasonable and uniform for the same class of
14 privilege or service. Charges, rentals, or fees authorized by this subsection may be

1 fixed for the international airports by order of the commissioner or by negotiated or
 2 competitively offered contract. Notwithstanding AS 37.10.050(a), the fixing of
 3 charges, rentals, or fees as permitted under this subsection is not subject to the
 4 adoption of regulation provisions of AS 44.62 (Administrative Procedure Act). The
 5 terms, conditions, charges, rentals, and fees shall be established with due regard to the
 6 property and improvements used and the expense of operation to the state. A charge,
 7 rental, or fee imposed on a person who is not a lessee or concessionaire of the
 8 airport may not have the effect of charging a percentage of the gross revenue of
 9 the person as a condition of on-site access to customers who use the airport
 10 facility, unless the charge, rental, or fee was in existence before January 1, 2006,
 11 and this exception is not affected if the department amends, increases, or
 12 decreases a charge, rental, or fee that was in effect before January 1, 2006. Use
 13 [HOWEVER, USE] of state land and buildings by the Alaska Wing, Civil Air Patrol
 14 and its squadrons shall be permitted without rental charges. If the department permits
 15 space in state-owned or state-controlled airports to be used as lounges for members of
 16 the United States armed forces, the Alaska National Guard, the Alaska Naval Militia,
 17 or the Alaska State Defense Force, and if the lounges are operated by persons exempt
 18 from taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code), rent may not be
 19 charged for the use of the space. The department shall provide for public notice and an
 20 opportunity to comment before a charge, rental, or fee is fixed by order of the
 21 commissioner as permitted under this subsection. The public may not be deprived of
 22 its rightful, equal, and uniform use of the airport, air navigation facility, or a portion of
 23 them.

24 * Sec. 2. AS 02.15.095 is amended to read:

25 Sec. 02.15.095. Courtesy cars and airport parking shuttles.
 26 Notwithstanding the provisions of AS 02.15.090(a), the department may not exclude
 27 from the streets, roads, highways, parking facilities, or other portions of a state-
 28 operated airport designated for operation or parking of ground transportation vehicles,
 29 nor may the department prohibit from picking up and discharging passengers [,] those
 30 motor vehicles commonly known as "courtesy cars," which are owned or operated by
 31 hotels, motels, or other similar places of public accommodation for the transportation

1 of their guests to and from the airport at the request of the guest and for which service
2 no charge is made to the guest, and "airport parking shuttles," which provide
3 transportation services between the airport and off-airport rental car offices and
4 remote vehicle parking locations.

ALASKA STATE LEGISLATURE

SENATE TRANSPORTATION COMMITTEE

Committee Members

Senator Huggins, Chairman
Senator Cowdery, Vice-Chair
Senator Thierriault
Senator Kookesh
Senator French



State Capitol, Room 417
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265

Sponsor Statement

Senate Bill 304

"An Act relating to the privileges of airport parking shuttles and to fees or charges imposed on a person who is not a lessee or holder of a privilege to use the property or a facility of an airport."

Under Alaska law, commercial vehicles that deliver people to the airport fall into one of six general categories: limos, tour buses, standard bus service, off airport shuttles, off airport car rental shuttles and courtesy vehicles. Depending upon the vehicle's classification, a fee is charged for what is essentially use of the airport's curb and roadway. The authority for the setting of these specific rates can be found in AS 02.15.090 which requires the fees charged to be "reasonable and uniform for the same class of privileges and services... and [to be established] with due regard to the property and improvements used and the expense of operation by the state."

At present, the rates charged by the Department of Transportation for these different vehicles to utilize the airport curb at the Anchorage International Airport varies from \$50.00 per year for a courtesy vehicle, taxi, or limo, to \$100 per year for a tour passenger vehicle, up to a maximum of \$1000.00 per year for a regularly scheduled bus.

In early 2005, the Department of Transportation proposed regulations, which would charge "off-airport valet parking services" a tax equal to 8% of their gross revenues. This change would constitute a drastic shift from the statutory language, which requires that the fees charged be "reasonable and uniform for the same class of privileges and services." While other courtesy services such as free hotel shuttles are charged a \$50 per vehicle fee, the proposal would charge free parking shuttles 8% of gross sales or \$250 annual minimum (whichever is greater). The two services are essentially the same class because both are "a free courtesy"; both offer an airport patron an off-site service and both require the same amount of accommodations on part of the Airport.

The purpose of SB304 is to clarify the law with regard to the charging of off-airport businesses who simply drop patrons at the curb or pick them up upon return and reflects the sentiment that the Department should set rates, which are based on use and not as a percentage of gross revenues. SB304 simply and specifically directs the Department that charges for usage must be consistent with other services that receive similar privileges and accommodations, may not be on a gross revenue basis and shall not have the effect of singling out one type of accommodations because it may currently or in the future compete with the airport.

ALASKA STATE LEGISLATURE

SENATE TRANSPORTATION COMMITTEE

Committee Members
Senator Huggins, Chairman
Senator Cowdery, Vice-Chair
Senator Therriault
Senator Kookesh
Senator French



State Capitol, Room 417
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265

MEMORANDUM

To: Representative Kevin Meyer
Co-Chair, House Finance Committee

From: Senator John Cowdery

Date: April 10, 2006

Re: Request for Hearing, SB 304 "An Act relating to the privileges of airport parking shuttles and to fees or charges imposed on a person who is not a lessee or holder of a privilege to use the property or a facility of an airport."

HCSSB 304 replaces:

A charge, rental, or fee imposed on a person who is not a lessee or person holding a privilege to use the property or facility may not have the effect of charging a percentage of the gross revenue of the person. Use

With:

A charge, rental, or fee imposed on a person who is not a lessee or concessionaire of the airport may not have the effect of charging a percentage of the gross revenue of the person as a condition of on-site access to customers who use the airport facility, unless the charge, rental, or fee was in existence before January 1, 2006, and this exception is not affected if the department amends, increases, or decreases a charge, rental, or fee that was in effect before January 1, 2006. Use

This change was made to allow "Off- Airport Rental Car Facilities" to be charged a percentage of gross revenue because they are currently paying fees to the airport through an 8% of gross revenue mechanism. This bill is intended to exempt off airport facilities from gross revenue fees if they have not historically been charged them, but wasn't intended to change current practice for this segment of off airport business.

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES



SB 304 INFORMATION SHEET

Below is a timeline of issues associated with DOT&PF's enactment of fee regulations at the Ted Stevens Anchorage International Airport.

- June 14, 2005 DOT adopts fees for airport and valet parking services with an effective date of Aug. 1, 2005
- July 1, 2005, Diamond Airport Parking files a protest to the fee adoption
- July 15, 2005 DOT denies the protest request
- Aug. 1, 2005 fees are put in place
- Aug. 4, 2005 Diamond Parking appeals the denial of protest.

Recently a hearing officer has been appointed.

The three attachments provide background information and are summarized below:

1. Concession - summarizes concession fees charged by the Airport for various business activities. These fees are standard throughout the Airport industry.
2. Parking Revenue - summarizes Airport Parking Revenues from FY03 to FY05. This is a summary of Airport Parking Revenues from on-airport parking at ANC for FY03 to FY05. These revenue figures serve as additional context, indicating that vehicle parking fees are a material part of an airport's revenue picture, ranging between 3.4 to roughly 4% of total AIAS operating revenues over the past few years.
3. Airport Ground Transportation Association (AGTA) Fee Survey - describes the fees charged by 85 airports for various ground transportation classes. (Please note the various categories and how the fees vary depending upon category.)

Ted Stevens Anchorage International Airport Concessions

Anchorage Airport Concessions	Percentage Rent*
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*Most concessionaires pay the greater of a minimum annual guarantee or a percentage of gross sales

Food & Beverage (HMSHost)	
Food	10.00%
Alcohol	15.00%
Vending/Starbucks Merchandise	15.00%
Employee Cafeteria	5.00%

News & Gifts (Hudson News)	
Books, Magazines, Newspapers	14.00%
Health & Beauty Aides/Sundries/Food	18.00%
Gifts/Retail	24.00%

Specialty Retail (Sourdough Mercantile)	
Books	11.00%
Gifts/Retail	17.00%
Alaska Made Products	13.00%
Seasonal Kiosks	10.00%

DVD Rental/Sales (InMotion)	
DVD Rentals	13.00%
Retail	10.00%

Public Pay Phones (GCI)	
Pay Phones & Long Distance	15.00%

Luggage Carts (FSS)	
	10.00%

Duty Free/ North Terminal News & Gifts	
General Merchandise	12.50%
Books/Magazines	13.00%

On-Airport Rental Car Permit	10.00%
Off-Airport Rental Car Permit	8.00%
Relaxation Center (The Right Touch)	5.00%
Display Advertising (Interspace)	40.00%

Alaska Railroad Consideration & Rent	
Constructed \$2 million tunnel for Airport	
Land Rent (\$.08/sf/yr * 27,350 sf = \$2,188/yr for first 24yrs)	
Passenger Access Fees* After first 5 years	

TED STEVENS ANCHORAGE INTERNATIONAL AIRPORT PARKING REVENUES

FY03

Gross	\$4,817,000	Concession Agreement ¹
Net	\$2,204,000	Concessionaire's check to the Airport

FY04

Gross	\$4,456,000	Concession Agreement ¹
Net	\$2,009,000	Concessionaire's check to the Airport

FY05

Gross	\$4,686,000	Concession Agreement ¹
Net	\$2,462,000	Concessionaire's check to the Airport ²

*FY06

*Note: July and August were under the concession agreement, i.e., all expenses were paid by the concessionaire. Beginning September 1, 2005, the concession agreement was replaced with a management agreement. Under the management agreement, the Airport pays all operating expenses and a management fee but retains all parking revenues.

¹ Garage and Shuttle Expenses paid by Concessionaire out of gross revenues.

² Concessionaire percentage rent increased during this year from 46% to 55%.

Dated: 4/3/06

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AIRPORT GROUND TRANSPORTATION ASSOCIATION

**2003
Airport Ground Transportation
Fees and Fares Survey
Summary**

February 2004



AIRPORT GROUND TRANSPORTATION ASSOCIATION

2003 Airport Ground Transportation Fees and Fares Survey Participants

1. Albuquerque International Sunport
2. Ted Stevens Anchorage International Airport
3. Hartsfield Atlanta International Airport
4. Austin - Bergstrom International Airport
5. Bradley International Airport
6. Boise Air Terminal
7. Logan International Boston
8. Birmingham Airport / Birmingham Airport Authority
9. Burbank-Glendale-Pasadena Airport
10. Baltimore Washington International Airport
11. Port Columbus International Airport
12. Cleveland Hopkins International Airport
13. Charlotte / Douglas International Airport
14. Colorado Springs Airport
15. Cincinnati / Northern Kentucky International Airport
16. Daytona Beach International Airport
17. Dayton International Airport
18. Ronald Reagan Washington National Airport
19. Denver International Airport
20. Dallas / Ft. Worth International Airport
21. Newark International Airport
22. Fort Lauderdale Int'l Airport
23. Spokane International Airport
24. Gullport-Biloxi International Airport
25. Grand Rapids Int'l Airport / Kent County International Airport
26. Piedmont Triad International Airport
27. Honolulu
28. Huntsville International Airport
29. Metro Washington Airport Authority Dulles Airport
30. Indianapolis Airport Authority
31. John F. Kennedy International Airport
32. McCarran International Airport (Las Vegas, NV)
33. City of Los Angeles Department of Airports
34. La Guardia Airport
35. Little Rock National Airport
36. Kansas City International Airport
37. Orlando International Airport
38. Harrisburg International Airport
39. Chicago Midway Airport
40. Memphis International Airport
41. Miami Dade Aviation Department
42. General Mitchell International Airport
43. Minneapolis/St. Paul International Airport
44. New Orleans Aviation Board
45. Oakland International Airport
46. Will Rogers World Airport
47. Omaha Airport Authority
48. Ontario (CA) International Airport
49. Chicago O'Hare International Airport
50. Norfolk Airport Authority
51. Philadelphia International Airport
52. Phoenix Sky Harbor International Airport
53. Pittsburgh International Airport
54. Portland International Airport
55. Raleigh-Durham International Airport
56. Richmond International Airport
57. Reno - Tahoe Int'l Airport
58. Greater Rochester International Airport
59. Southwest Florida International Airport Lee County (Ft. Myers, FL)
60. San Diego Int'l Lindberg Field
61. City of San Antonio Department of Aviation
62. Savannah International Airport
63. Louisville International Airport
64. Seattle - Tacoma Int'l Airport
65. City / County of San Francisco Airports
66. San Jose International Airport
67. Salt Lake City International Airport
68. Sacramento International Airport
69. Santa Ana - John Wayne Airport
70. Lambert - St. Louis International Airport
71. Tampa International Airport
72. Tulsa International Airport
73. Metropolitan Knoxville Airport Authority
74. Edmonton Regional Airport Authority
75. Halifax International Airport
76. Ottawa International Airport
77. Toronto - Lester B. Pearson Int'l Airport
78. Montreal (Dorval) International Airport
79. Vancouver International Authority
80. Winnipeg Airports Authority Inc.

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Ground Transportation Vehicle Fees Paid to Airports

On Airport Rental Car Fee

86.25% of respondents charge this type of fee.

- ✓ 82.25% base this fee strictly on a percentage of gross.
Range: 4% - 12.75%
Average 9.87%
Std. Dev: 1%
- ✓ 13.75% base this fee on a percentage of gross in addition to a Minimum Agreement Guarantee.
- ✓ 6.25% base this fee on a percentage of gross in addition to counter space rental.
Range: \$20 - \$35
Average \$26.54
Std. Dev: \$7.68
- ✓ 2.50% base this fee on a percentage of gross in addition to a transaction fee.
Range: \$1.50 - \$2.00
Average \$1.75
Std. Dev: \$0.35
- ✓ 1.25% base this fee on a percentage of gross in addition to Parking Lane Rental
- ✓ 1.25% base this fee on a percentage of gross in addition to a Contract Fee
- ✓ 1.25% base this fee on a percentage of gross in addition to a Facility Charge
- ✓ 1.25% base this fee on a percentage of gross in addition to a per Vehicle Fee

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Ground Transportation Vehicle Fees Paid to Airports

Off Airport Rental Car Fee

78.75% of respondents charge this type of fee.

- ✓ 65.00% base this fee strictly on a percentage of gross.
 - Range: 4% - 11.00%
 - Average 8.10%
 - Std. Dev: 1.84%
- ✓ 5.00% base this fee on a percentage of gross in addition to a per trip fee.
 - Range: \$.75 - \$1
 - Average \$.92
 - Std. Dev: \$.14
- ✓ 7.50% base this fee on a percentage of gross in addition to a per vehicle charge.
 - Range: \$50- \$400
 - Average 2.17
 - Std. Dev: \$175.59
- ✓ 3.75% base this fee on a percentage of gross in addition to a contract fee.
 - Range: \$3.95 - \$5.00
 - Average \$4.32
 - Std. Dev: \$.59
- ✓ 5.00% base this fee on a percentage of gross in addition to an annual fee.
 - Range: \$150 - \$500
 - Average \$312.50
 - Std. Dev: \$165.20
- ✓ 1.25% base this fee on a percentage of gross in addition to a Monthly Fee.

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Ground Transportation Vehicle Fees Paid to Airports

Off Airport Parking Fee

67.5% of respondents charge this type of fee.

- ✓ 25.00% base this fee strictly on a percentage of gross.
Range: 2% - 10.00%
Average 7.40%
Std. Dev: 2.62%
- ✓ 23.75% base this fee on an annual fee.
Range: \$120 - \$660
Average \$382
Std. Dev: \$175
- ✓ 23.75% base this fee on a per trip basis in addition to a percentage of gross or an annual fee.
Range: \$.20 - \$4
Average \$1.37
Std. Dev: \$.93
- ✓ 12.50% base this fee on a per vehicle fee in addition to a percentage of gross and annual fee.
Range: \$100 - \$1,883
Average \$773
Std. Dev: \$777
- ✓ 6.25% base this fee on a decal or monthly fee in addition to a percentage of gross, annual fee, or per trip fee.
Range: \$3.95 - \$5
Average \$4.32
Std. Dev: \$.59
- ✓ 3.75% base this fee on a per day fee.
Range: \$.15 - \$12
Average \$4.17
Std. Dev: \$6.78
- ✓ 2.50% base this fee on a per company basis.
Range: \$25 - \$3,930
Average \$1,998
Std. Dev: \$2,761

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Ground Transportation Vehicle Fees Paid to Airports

Charter Bus Fee

73.75% of respondents charge this type of fee.

- ✓ 38.75% base this fee on a per trip basis.

Range: \$1 - \$10.50
Average \$3.28
Std. Dev: \$2.40

- ✓ 5.00% base this fee on a percentage of gross.

Range: 2.00% - 10.00%
Average 6.25%
Std. Dev: 3.30%

- ✓ 2.50% charge this fee on a per passenger basis.

Range: \$.15 - \$.25
Average \$.20
Std. Dev: \$.07

- ✓ 23.75% charge this fee on a per vehicle basis.

Range: \$5 - \$41
Average \$18.40
Std. Dev: \$12.03

- ✓ 2.50% charge this fee on a monthly basis.

Range: \$25 - \$75
Average \$50
Std. Dev: \$35.36

- ✓ 1.25% charge this fee on a weekly basis.

- ✓ 22.50% charge this fee on an annual basis.

Range: \$60 - \$660
Average \$220
Std. Dev: \$161

- ✓ 2.50% charge this fee on a per company basis.

Range: \$25 - \$200
Average \$112.50
Std. Dev: \$123.74

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Ground Transportation Vehicle Fees Paid to Airports

Limo Fee

81.25% of respondents charge this type of fee.

- ✓ 48.75% base this fee on a per trip basis.
 - Range: \$50 - \$10
 - Average \$2.45
 - Std. Dev: \$1.94
- ✓ 36.25% charge this fee on an annual basis.
 - Range: \$100- \$660
 - Average \$292
 - Std. Dev: \$166
- ✓ 22.50% charge this fee on a per vehicle basis.
 - Range: \$100- \$660
 - Average \$276
 - Std. Dev: \$170
- ✓ 3.75% base this fee on a percentage of gross.
 - Range: 2.00% - 10.00%
 - Average 6.00%
 - Std. Dev: 4.00%
- ✓ 3.75% charge a minimum agreement guarantee.
- ✓ 3.75% charge this fee on a monthly basis.
 - Range: \$25 - \$75
 - Average \$50
 - Std. Dev: \$25
- ✓ 3.75% charge this fee on a per company basis.
 - Range: \$10 - \$30
 - Average \$21.67
 - Std. Dev: \$10.41
- ✓ 2.50% charge this fee on a daily basis.

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Ground Transportation Vehicle Fees Paid to Airports

Shared Ride Van Fee

76.25% of respondents charge this type of fee.

- ✓ 38.75% charge this fee on a per trip basis.
 - Range:* \$1 - \$11.30
 - Average* \$2.98
 - Std. Dev:* \$2.47
- ✓ 11.25% base this fee on a percentage of gross.
 - Range:* 2.00% - 15.00%
 - Average* 9.16%
 - Std. Dev:* 4.19%
- ✓ 1.25% charge this fee on a per company basis.
- ✓ 1.25% charge this fee on a per sit/year basis.
- ✓ 27.50% charge this fee on an annual basis.
 - Range:* \$100 - \$1,000
 - Average* \$302
 - Std. Dev:* \$241
- ✓ 5.00% charge a minimum agreement guarantee.
 - Range:* \$120,000 - \$500,000
 - Average* \$255,000
 - Std. Dev:* \$172,530
- ✓ 15.00% charge this fee on an per vehicle basis.
 - Range:* \$100- \$1,436
 - Average* \$562
 - Std. Dev:* \$499
- ✓ 3.75% charge this fee on a monthly basis.
 - Range:* \$25 - \$30
 - Average* \$28.33
 - Std. Dev:* \$2.89

AIRPORT GROUND TRANSPORTATION ASSOCIATION

Airport Hotel/Motel Courtesy Vehicles

Access Fee

23.75% of respondents charge this type of fee.

- ✓ 10.00% charge this fee on a per trip basis.
Range: \$1.10 - \$4.30
Average \$2.24
Std. Dev: \$1.39
- ✓ 6.25% charge this fee on a per vehicle basis.
- ✓ 6.25% charge this fee on a per room basis.

Permit Fee

55% of respondents charge this type of fee.

- ✓ 37.50% charge this fee on an annual basis.
Range: \$100- \$1,959
Average \$510
Std. Dev: \$467
- ✓ 15.00% charge this fee on a per vehicle basis.
Range: \$210- \$1,1959
Average \$799
Std. Dev: \$606
- ✓ 10.00% charge this fee based on miscellaneous methods.

Per Trip Fee

40% of respondents charge usage on a per trip fee.

Range: \$.20 - \$6.00
Average \$1.66
Std. Dev: \$1.37

Dwell Time Fee

30.00% charge for usage through dwell time fees.

Range: \$.10 – \$1.90
Average: \$.94 per
 minute
Exclusion: Up to 45
 minutes
Exclusion Avg.: 7 minutes

GROUND TRANSPORTATION FEES 17 AAC 42.095

COURTESY VEHICLE, TAXI CAB	\$50 PER VEHICLE PER YEAR
LIMOUSINE	\$500 FOR THE FIRST VEHICLE AND \$50 FOR EACH THEREAFTER PER YEAR
TOUR BUS	\$100 PER VEHICLE PER YEAR OR \$50 PER VEHICLE PER YEAR IF LESS THAN 10 TRIPS
SCHEDULED BUS SERVICE	\$1,000 PER VEHICLE PER YR.
OFF AIRPORT SHUTTLE	\$500 FOR THE FIRST VEHICLE AND \$50 FOR EACH VEHICLE THEREAFTER PER YEAR
OFF AIRPORT CAR RENTAL	GREATER OF 8% OF GROSS SALES OR \$250 ANNUAL MINIMUM

Finance Committee

Chairman

1. SignUpToTestify

Thank you Mr. Chairman for allowing me to testify concerning Senate Bill 304. My name is Mike Neely and I am the Regional Vice President Alaska for Diamond Parking. I am testifying in favor of this bill. A situation has been hanging over our heads since we opened Diamond Airport Parking facility near the Ted Stevens International Airport in Anchorage.

In a complicated land trade & purchase involving the Municipality of Anchorage and private business, Diamond Parking owns the former Spenard Community dump and has developed it into a facility with a capacity to park nearly 1200 vehicles at a cost of \$12,000,000. We sell service. People park their cars at our facility, we pick them up at their car and transport them to the airport, and pick them up again when they return. We are open 24 hours a day 365 days a year employing 25 to 30 people with an annual payroll of half a million dollars. To do business at the Airport we are currently required to have ramp passes for each of our shuttle buses to drive onto airport property. We purchase 5 annual passes at \$500 each. In addition to the ramp passes expense, the airport seeks a percentage of our gross revenue. Based on our projections for 2006, this amount could be as high as \$120,000, which would be the difference between profit and loss.

I do not think this is fair. All other businesses that pick up and drop off customers from off airport facilities are charged a flat fee. The fees range from \$50 to \$1000.

We have been trying to come to an agreement, but our attempts to reach an equitable solution have been rebuffed. Diamond Parking believes it should pay a fair fee for our usage of the Airport.

We have proposed 2 solutions.

Our first proposal, is to pay a per car fee. A customer only uses the airport once when they leave Anchorage and again once when they return. So charging for their usage seems like a fair way to go.

The second proposal is a per trip fee for each time one of our buses went to the airport. This is based on several large airports outside, Seattle, Portland and Salt Lake City. We offered to install the equipment needed and have our fees be deducted from the expense until we were whole. Then we would pay our fair share going forward. In the cities mentioned above, all commercial vehicles paid for their usage as well. This included taxis, shuttle buses and passenger buses for tourists.

Both of these proposals were rejected.