

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004

8672

11106 SENATE COMMUNITY & REGIONAL AFFAIRS

The Interior Rivers Port Authority is structured to provide representation from the major land owning and economic development organizations in the region. The authority has the power to accept private, municipal, state and federal funds, to issue tax-exempt revenue bonds, to enter into land leases and acquisitions, and to contract for the provision of management services for authority facilities and operations.

The Interior Rivers Port Authority empowers the local people to determine their own development strategy and gives them the tools to implement it. Funding organizations will be more likely to provide funding because they will be able to see a coordinated program that has a strong likelihood of success with a minimum of duplication of services. They will view their contributions in the authority as investments in the self-sufficiency of the region.

Private sector business will also want to invest in the region because the authority will provide a source of stability and access to tax exempt bonding for necessary infrastructure.

ALASKA RAILROAD CORPORATION



Corporate Address: P.O. Box 107500, Anchorage, Alaska 99510
327 W. Ship Creek Avenue, Anchorage, Alaska 99501

May 1, 2004

Representative Carl Morgan
State Capitol
M/S 3100
Juneau, Alaska
99801-1182

Re: Interior Rivers Port Authority

Honorable Representative Morgan:

The Alaska Railroad Corporation is pleased to support the endeavor of forming an Interior Rivers Port Authority.

This initiative would greatly enhance the interior's opportunity for economic growth by paving the way for infrastructure development. Specifically, it would contribute to the state's overall transportation system and provide an important link, through the City of Nenana, with the Alaska Railroad.

Best regards,

A handwritten signature in cursive script that reads "Wendy Lindskoog". The signature is written in dark ink and is positioned above the typed name and title.

Wendy Lindskoog
Director, External Affairs
Alaska Railroad Corporation

Calista Corporation

301 Calista Court, Suite A • Anchorage, Alaska 99518-3028 • (907) 279-5516 • Facsimile (907) 272-5060 • Website: www.calistacorp.com

Senator Stedman	
Rec on: _____	
Read Copy	
SENATOR	<i>Office of the President</i>
MILES	_____
IAN	_____
DICK	_____
Note: _____	

May 3, 2004

The Honorable Bert Stedman
Alaska State Legislature
State Capital, Room 30
Juneau, Alaska 99801-1182

Re: Proposed Interior Rivers Port Authority

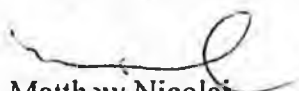
Dear Senator Stedman:

Calista Corporation favors the development of an Interior Rivers Port Authority within the unorganized borough to facilitate economic development. Specifying such a port authority is the first of its kind in Alaska and we applaud the efforts of the Alaska Legislature to address the economic needs of the Yukon and Kuskowim regions. There is a need to facilitate economic development of our resources, and the Donlin Creek project provides an important impetus to begin the process of sustainable long term development for both river systems. The Donlin Creek project has the potential of transforming the third world conditions of our regions. The project will never happen however, without federal and state support. As you know, Calista Corporation has completed the Donlin Creek Mine Power Supply Feasibility Study which, after more than two years of analysis of all available options, demonstrates that the lowest cost alternative that provides power to Donlin Creek and the villages in the region is for a power plant at Bethel and a transmission line to Donlin Creek. If the proposed bill is approved, the Interior Rivers Port Authority can help finance the infrastructure to make Donlin Creek a reality.

The energy and transportation needs for the Donlin Creek project is massive and will need to include a large part of the Kuskokwim and the Yukon Rivers. The large service area identified in this bill could certainly address both the transportation and energy infrastructure necessary to support the Donlin Creek project and other potential mineralized areas over the long term. We look forward to the formation of the Interior Rivers Port Authority.

Sincerely,

CALISTA CORPORATION


Matthew Nicolai
President/CEO

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES



Doyon, Limited

1 Doyon Place, Suite 300
Fairbanks, Alaska 99701-2941
(907) 459-2000
Info@doyon.com

Sent via fax: (907) 465-2197

April 30, 2004

Representative Carl Morgan
Alaska Legislature
State Capitol, Room 408
Juneau, AK 99801-1182

RE: Possible legislation on Interior Rivers Port Authority

Dear Rep. Morgan:

Thank you once again for the opportunity to review draft legislation that would create an Interior Rivers Port Authority. Additional thanks for the prompt response to my inquiry regarding the relationship this new port authority likely would have with the Alaska Industrial Development and Export Authority. An IRPA could be very beneficial, if not critical, to development projects within the operating area of the authority, and for that reason I support your efforts.

I look forward to further discussion with you and your staff.

Very truly yours,

for
Oric Williams
President and CEO

Alaska State Legislature

SESSION/ INTERIM OFFICE
State Capitol Building
Juneau, Alaska 99801-1162
Phone: 907-465-4527
Fax: 907-465-2197
Toll Free: 800-491-4527



INTERIM DISTRICT OFFICE
P.O. Box 798
Tok, Alaska 99780
Phone: 907-883-2669
Fax: 907-883-2670

Representative Carl M. Morgan, Jr.
District 6

April 28, 2004

Mr. Ori Williams, President and CEO
Doyon, Limited
1 Doyon Place, Suite 300
Fairbanks, AK 99701-2941

Dear Ori, *Orie*

Thanks for your letter regarding the relationship of the Interior Rivers Port Authority (IRPA) and Alaska Industrial Development and Export Authority (AIDEA). We foresee IRPA having a cooperative relationship with AIDEA. The IRPA will provide the focus for involvement of the river communities in regional transportation, energy and water and waste disposal issues. Although, this legislation provides IRPA its own bonding authority we assume major bonding would go through AIDEA. AIDEA is established in the bond market with high bond ratings resulting in lower interest rates. Ron Miller, Executive Director of AIDEA does not see any conflict between the two organizations. He expressed optimism in the synergy that could result between IRPA and AIDEA..

The IRPA's value is in examining the economies of scale for large projects, such as the Donlin Creek Mine, and the benefit to the local people within the region. The IRPA will be the focus for electrical interties, group purchase of fuel, and transportation services which lower the cost of bringing in food and other necessary consumer goods.

The IRPA is a real opportunity to bring the interior rivers region together for the good of the people with an emphasis on economic development and self-sufficiency. The most important thing at this point is to provide employment and training opportunities to local people and to help facilitate the resource development projects that will "lift up" our whole region.

Page Two

Letter to Ori Williams, President & CEO

As a state agency, IRPA will be able to facilitate rights of way and permits necessary for these projects and to inform local people of the benefits of resource development projects.

I hope Doyon will support these efforts. I look forward to working together with you on this important legislation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carl Morgan Jr.", written in dark ink.

Carl M. Morgan, Jr.
Alaska State Representative

Cc: Ron Miller, Executive Director of AIDEA



G Y L

Gana-A'Yoo, Ltd.

3000 A Street, Suite 417, Anchorage, Alaska 99503 • phone: (907) 565-9599 • fax: (907) 569-9699 • www.ganahyoo.com

April 29, 2004

Representative Carl M. Morgan, Jr
State Capitol Building, Suite 408
Juneau, AK 99801-1182

Re: Interior Rivers Port Authority

Dear Representative Morgan,

Gana-A'Yoo, Limited supports an Interior Rivers Port Authority (IRPA). This authority will provide the focus for involvement of the river communities in regional transportation, energy and water and waste disposal issues. It provides a real opportunity to bring the interior rivers region together for the good of the people with an emphasis on economic development and self-sufficiency.

The most important thing at this point is to provide employment and training opportunities to local people and to help facilitate the resource development projects that will "lift up" our whole region.

The IRPA will provide an opportunity for our region to have a voice in directing our own future.

We look forward to working with you on this important piece of legislation.

Sincerely,

Michael Stickman
President
Gana-A'Yoo, Limited



City of Nenana

P.O. Box 70, Nenana, Alaska 99760

907-832-5501, 907-832-5503-fax

<http://www.nenana.org>



28-Apr-04

Rep. Carl Morgan
State Capitol
M/S 3100
Juneau, Alaska
99801-1182

Re: Interior Rivers Port Authority

Honorable Representative Morgan,

It gives me great pleasure to voice the City of Nenana's support for an Interior Rivers Port Authority.

As Nenana is the primary port for the communities in this area, we have first hand experience with the difficulties in transportation and the needs that exist.

There is a tremendous need to provide a vehicle for these issues to be addressed and the Port Authority concept is an excellent way to accomplish this.

The Interior region of Alaska has been studied many times in the past identifying untapped mineral resources and natural gas resources. Unfortunately there was no appropriate mechanism to organize the affected communities.

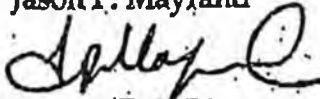
It is clear that the region currently does not have the economic infrastructure to operate as an organized governmental area however the Port Authority will allow the communities to be organized as a whole to pursue the establishment and enhancement of the transportation infrastructure.

Formation of the Port Authority will also allow the entity to bond, enter into leases, and apply for state and federal funding and management of facilities and operations. In addition to the added cooperation between entities along the river, the Port Authority would have the ability to coordinate bulk purchases for products and services thereby lowering the overall costs to communities.

Development of energy infrastructure, expanded tourism opportunity, economic development, and the establishment of a regional landfill to address village health concerns can all be a possibility through the Port Authority.

In short, this is the perfect solution to many problems that plague the Interior river communities and would greatly enhance the economic future of the area as well as provide the means to help them coordinate with each other to pursue economic development projects that enable these areas to be more self-sufficient.

Sincerely,
Jason P. Mayrand



Mayor/Port Director
City of Nenana
Nenana Port Authority



Doyon, Limited

1 Doyon Place, Suite 300
Fairbanks, Alaska 99701-2941
(907) 459-2000
info@doyon.com

Sent via fax: (907) 465-2197

April 28, 2004


Representative Carl Morgan
Alaska Legislature
State Capitol, Room 408
Juneau, AK 99801-1182

RE: Possible legislation on Interior Rivers Port Authority

Dear Rep. Morgan:

Thank you for the opportunity to review draft legislation that would create an Interior Rivers Port Authority. The purpose for the authority would be to assist in development of mineral deposits and economic opportunities through tax exempt bonding that could be used to help provide needed transportation and energy infrastructure. This goal is a worthy one that I support. I do have one reservation, however. I would like to have a better understanding of what roles and responsibilities this new entity would have in relation to the Alaska Industrial Development and Export Authority. Frankly, I had assumed that most if not all of the functions the new entity were similar to the AIDEA charter. I look forward to further discussion with you and your staff.

Very truly yours,


Orie Williams
President and CEO



301 Calista Court, Suite A • Anchorage, Alaska 99518-3028 • (907) 279-5516 • Facsimile (907) 272-5060 • Website: www.calistacorp.com

Office of the President

April 27, 2004

The Honorable Carl Morgan
Alaska State Legislature
State Capital
Juneau, Alaska 99811

Re: Proposed Interior Rivers Port Authority

Dear Carl:

Calista Corporation favors the development of an Interior Rivers Port Authority within the unorganized borough to facilitate economic development. Specifying such a port authority is the first of its kind in Alaska and we applaud your efforts. There is a need to facilitate economic development of our resources, and the Donlin Creek project provides an important impetus to begin the process of sustainable long term development for both river systems. The Donlin Creek project has the potential of transforming the third world conditions of our regions. The project will never happen however, without federal and state support. As you know, Calista Corporation has completed the Donlin Creek Mine Power Supply Feasibility Study which, after more than two years of analysis of all available options, demonstrates that the lowest cost alternative that provides power to Donlin Creek and the villages in the region is for a power plant at Bethel and a transmission line to Donlin Creek. If the proposed bill is approved, the Interior Rivers Port Authority can help finance the infrastructure to make Donlin Creek a reality.

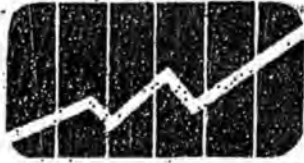
The energy and transportation needs for the Donlin Creek project is massive and will need to include a large part of the Kuskokwim and the Yukon Rivers. The large service area identified in this bill could certainly address both the transportation and energy infrastructure necessary to support the Donlin Creek project and other potential mineralized areas over the long term. We look forward to the formation of the Interior Rivers Port Authority.

Sincerely,

CALISTA CORPORATION

A handwritten signature in black ink, appearing to read 'Matthew Nicolai', is written over the printed name.

Matthew Nicolai
President/CEO



The Kuskokwim Corporation

Representative Carl Morgan

RE: Interior Rivers Port Authority

April 26, 2004

To Whom It May Concern:

The Kuskokwim Corporation (TKC) is in support of the Interior Rivers Port Authority researching strategies that would benefit the local people in implementation of local resources. Mainly Yupik Eskimo and Athabaskan Indian descendants populate the Kuskokwim River region of Alaska. TKC is the merger of 10 ANCSA village corporations and has over 2,500 shareholders who either live in, or are descendants from, one of the numerous small villages along the Kuskokwim River. TKC owns over 950,000 acres of surface estate lands surrounding the 10 villages including Crooked Creek and surrounding Donlin Creek.

The Interior Rivers Port Authority an option that would provide a structure which could help represent the major land owners and economic development organizations in the region. It not only shows representation by the majority of parties involved, but also shows a commitment to work together to achieve common goals.

The region has little to no economic base, substantially high unemployment and chronically suffers from poverty and marginal education. The cost of electricity, where it is available, is very high and there are minimal to no municipal infrastructures. A number of village residents are without sewer and water, yet it is a region that has great economic development potential. The regional transportation and energy infrastructure would help lead the region to self-sufficiency. The concept of the regional port authority could be the beginning of providing this regional focus.

It is in the best interest of the state to move forward and research establishing a port authority for the Interior Rivers region so long that it protects the regions interest in development for our area.

Sincerely,

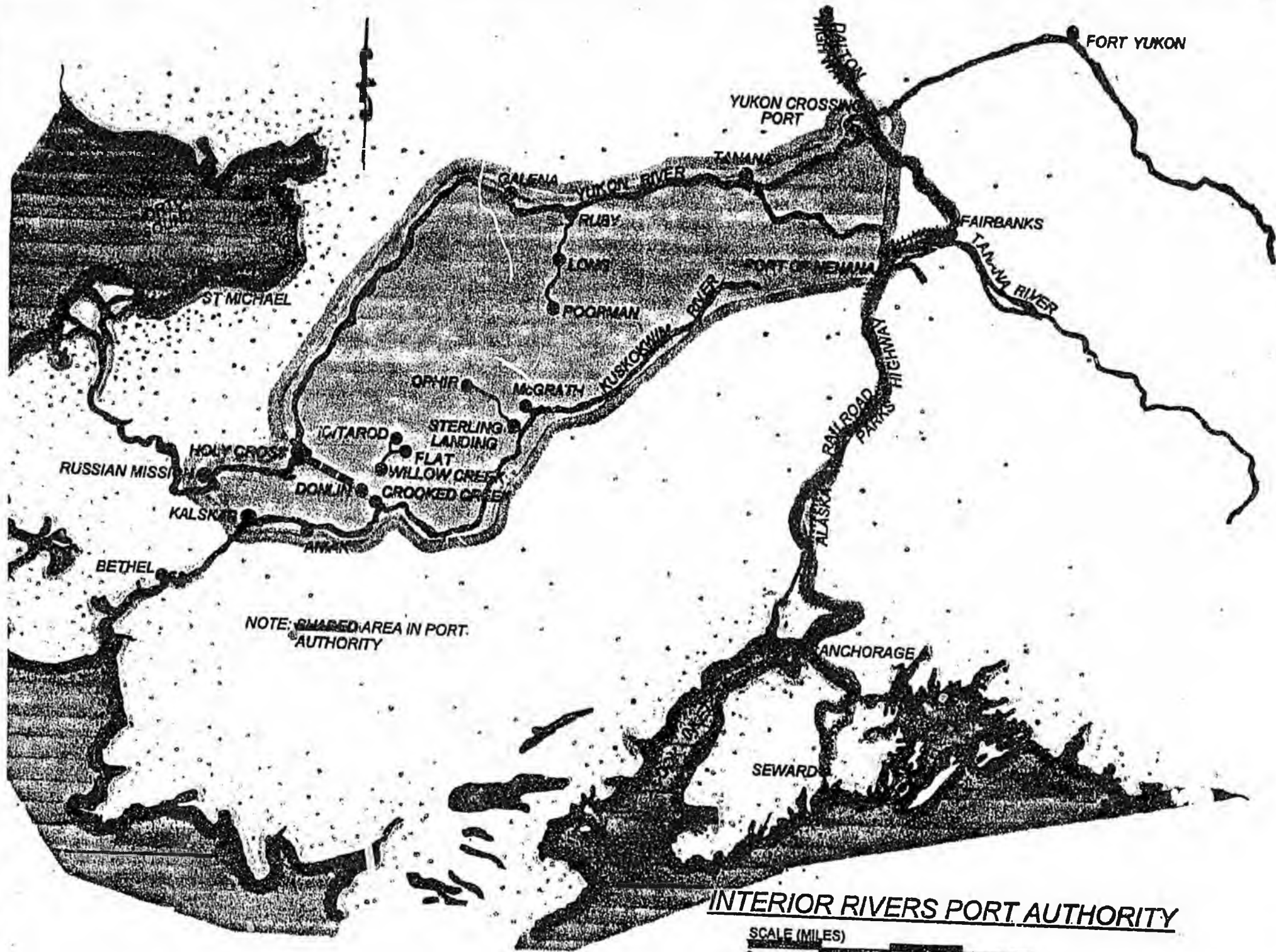
Maver E. Carey
TKC President/CEO

Anchorage Office:
4300 B St., Suite 207
Anchorage, Alaska 99503
Phone: (907) 243-2944
Fax: (907) 243-2984

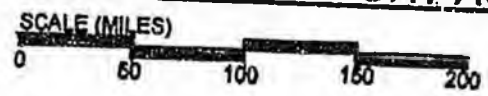
Aniak Office
P.O. Box 227
Aniak, Alaska 99557
Phone: (907) 675-4275
Fax: (907) 675-4276

**INTERIOR RIVERS PORT AUTHORITY
COMMUNITY POPULATIONS**

Yukon River Communities		Population	Kuskokwim River Communities		Population
Marshall		368	Upper Kalskag		231
Russian Mission		310	Aniak		551
Holy Cross		209	Cuathbaluk		102
Anvik		108	Crooked Creek		146
Grayling		166	Georgetown		3
Shageluk		146	Red Devel		41
Kaltag		229	Sleetmute		72
Nulato		342	Story River		49
Koyukuk		111	Takotna		63
Galena		763	McGrath		415
Ruby		169	TOTAL		1673
Tanana		290			
Maley Hot Springs		73			
Rampart		21			
Nenana		519			
TOTAL		3824			
TOTAL AREA POPULATION		5497			



INTERIOR RIVERS PORT AUTHORITY





ALASKA STATE LEGISLATURE

SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

Senator Bert K. Stedman, Chair

Official Business

Senator Tom Wagoner, Vice-Chair
Senator Kim Elton
Senator Georgianna Lincoln
Senator Gary Stevens

State Capitol, Room 30
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-3922

May 3, 2004
1:30 – 3:30 PM
Fahrenkamp 203

AGENDA

I. Call To Order

II. Calendar

SB 396 Interior Rivers Port Authority

Sponsor Testimony:

Rep Carl Morgan (R – Aniak), District 6
Lorie Nottingham, Staff Rep Morgan

Invited Testimony:

Paul Fuhs
Bob Charles, Calista Corp

SB 335 Emergency Services Dispatch/911 Surcharge

Sponsor Testimony:

Senator Ralph Seekins (R – Fairbanks) District D
Joe Michel, Staff Senator Seekins

Invited Testimony:

Kevin Ritchie or Tim Rogers, Alaska Municipal League
Lieutenant Kevin Story, Alaska State Troopers (Via Phone)
Mayor Steve Thompson, Fairbanks

HCR 28 Studies of Salmon Harvesting Cooperatives

Sponsor Testimony:

Rep Paul Seaton (R – Homer), District 35
Cameron Yourkowski, Staff Rep Seaton

Invited Testimony:

Gunnar Knapp, Economist, UAA

III. Adjourn

AMENDMENT 1

THE BOARD SHALL ELECT A CHAIRMAN & A VICE-
CHAIRMAN FROM AMONG ITS MEMBERS. A MEMBER
OF THE BOARD MAY SERVE TWO ~~TERMS~~ CONSECUTIVE
~~THE~~ TERMS AS CHAIRMAN OF THE BOARD. AFTER SERVING
FOR TWO CONSECUTIVE TERMS A MEMBER OF THE BOARD
MAY NOT SERVE AS CHAIRMAN FOR A PERIOD OF
THREE YEARS.

~~3 year~~ 3 year term



ALASKA STATE LEGISLATURE

SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

Senator Bert K. Stedman, Chair

Official Business


Senator Tom Wagoner, Vice-Chair
Senator Kim Elton
Senator Georgianna Lincoln
Senator Gary Stevens

State Capitol, Room 30
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-3922

MEMORANDUM

DATE: May 6, 2004

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

FROM: Senator Bert K. Stedman 

SUBJECT: Finance Hearing SB 396

The Senate Community & Regional Affairs Committee introduced SB 396 at the request of Representative Carl Morgan who introduced a similar bill in the House (HB 562) last week.

Our committee held two hearings on SB 396 this week and passed out a committee substitute CS SB396 (CRA) this morning. Several issues were raised during testimony that the members felt would be best addressed in Senate Finance:

- 1) Does the language as currently drafted make it clear that the State of Alaska will have no legal, moral or other obligation to cover revenue bonds issued by the Interior Rivers Port Authority should they default on those bonds?
- 2) The current Fiscal Note is indeterminate. How will operating costs incurred during the start-up of this Authority, impact the State's general fund?
- 3) Is the authority granted in Sec 30.21.220 (page 11, line 21) – which authorizes bonds up to \$25 million without the prior approval of the legislature – appropriate?

I would hope that these issues could be examined in greater detail in your committee. Thank you for your attention to this request.



ALASKA STATE LEGISLATURE

SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

Senator Bert K. Stedman, Chair

Official Business

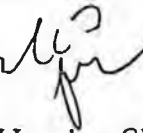
Senator Tom Wagoner, Vice-Chair
Senator Kim Elton
Senator Georgianna Lincoln
Senator Gary Stevens

State Capitol, Room 30
Juneau, AK 99801-1182
Phone: (907) 465-4989
Fax: (907) 465-3922

MEMORANDUM

DATE: May 6, 2004

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

FROM: Senator Bert K. Stedman 

SUBJECT: Request for Committee Hearing SB 396

I respectfully request a hearing on SB 396 at your earliest convenience.

SB 300 is *an act relating to the establishment of the Interior Rivers Port Authority; and providing for an effective date.*

The Interior Rivers region of Alaska is one of the more economically depressed areas of our state, yet it is a region that also has tremendous potential. What has been missing is the regional transportation and energy infrastructure that would lead to self-sufficiency. Currently the region cannot carry the financial burden of establishing a municipal government. A regional port authority can provide the regional focus and development authority that local government normally provides, until the region is prosperous enough to justify formation of a sustainable local government structure.

Thank you for time and consideration.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSB396(CRA)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Interior Rivers Port Authority RDU Interior Rivers Port Authority
 Component Interior Rivers Port Authority
 Sponsor Senate Community & Regional Affairs
 Requester Senate Community & Regional Affairs Component No. New

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation establishes the Interior Rivers Port Authority as a public corporation of the state and an instrumentality of the department. It establishes an 11 member board (including the commissioner of community and economic development) to oversee the planning, construction, improvement, maintenance and operations of facilities to provide transportation, energy, regional waste disposal and other infrastructure services and economic development in a specific operating area. The authority may receive funding subject to appropriation by the legislature.

Prepared by: Albert H. Clough, Deputy Commissioner Phone 907.465.2500
 Division Office of the Commissioner Date/Time 5/6/04 8:05 AM
 Approved by: Edgar Blatchford, Commissioner Date 5/6/2004
 Agency Department of Community & Economic Development

23-LS1981V
Utermohle
5/5/04

CS FOR SENATE BILL NO. 396()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

*Board
eminent domain*

BY

Offered:
Referred:

Sponsor(s): SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the establishment of the Interior Rivers Port Authority; and**
2 **providing for an effective date."**

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

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **FINDINGS AND PURPOSE.** (a) The Alaska State Legislature finds that

7 (1) certain communities and residents on the Yukon River, Kuskokwim River,
8 and Tanana River desire the establishment of a port authority to provide an organization for
9 economic development, transportation system infrastructure development, natural resource
10 marketing, and promotion of efficient energy development and distribution;

11 (2) since many of the communities in the region are not organized
12 municipalities, those communities cannot form a port authority under the Municipal Port
13 Authority Act (AS 29.35.600 - 29.35.730);

14 (3) it is in the best interest of the state to establish a state port authority for the

1 Interior Rivers region of the state to promote economic self-sufficiency in the region.

2 (b) The purpose of this Act is to establish the Interior Rivers Port Authority to provide
3 an organization that residents and communities in the region encompassing portions of the
4 Yukon, Kuskokwim, and Tanana Rivers may use to finance and manage transportation,
5 energy, and economic development infrastructure projects that will improve economic
6 conditions in the region and promote resource development and visitor industry opportunities
7 in the region.

8 * Sec. 2. AS 30 is amended by adding a new chapter to read:

9 **Chapter 21. Interior Rivers Port Authority.**

10 **Article 1. Creation and Organization.**

11 **Sec. 30.21.010. Interior Rivers Port Authority.** (a) The Interior Rivers Port
12 Authority is established as a public corporation of the state. The corporation is an
13 instrumentality of the state in the Department of Community and Economic
14 Development but has a legal existence independent of and separate from the state and
15 has continuing succession until its existence is terminated by law.

16 (b) The powers of the authority are vested in the board of directors of the
17 authority.

18 (c) The purpose of the authority is to improve, establish, and develop facilities
19 and operations to provide transportation, energy, regional waste disposal, and other
20 infrastructure services and economic development in the operating area of the
21 authority.

22 **Sec. 30.21.020. Board of directors.** (a) The board of directors of the
23 authority consists of eleven voting members.

24 (b) The governor shall appoint nine persons to serve on the board. The
25 governor shall solicit nominations for persons to be appointed to the board from
26 private persons and public and private entities, including: the Kuskokwim
27 Corporation, Calista Corporation, Kuskokwim Native Association, Tanana Chiefs
28 Conference, MTNT Limited, Doyon, Limited, and Gana-A'Yoo, Limited. Six of the
29 appointed members of the board shall be officers, directors, or employees of private
30 entities that have a physical presence within the area of operation of the authority.

31 (c) The commissioner of community and economic development and the

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commissioner of transportation and public facilities are voting members of the board. Each commissioner may designate a person to serve on the board in the commissioner's absence.

(d) The appointed members of the board serve for staggered terms of three years. The terms of the appointed members begin on January 1.

Sec. 30.21.030. Removal and replacement of members. The members of the board serve at the pleasure of the governor. A person appointed to fill a vacancy on the board shall serve for the balance of the unexpired term.

Sec. 30.21.040. Per diem and travel expenses. A member of the board may receive per diem and travel expenses authorized for boards and commissions under AS 39.20.180.

Sec. 30.21.050. Meetings. (a) The board shall hold at least four regular meetings each year. The board shall set the schedule and locations for meetings of the board.

(b) The board may hold special meetings at the call of the chair or at the request of three members of the board.

Sec. 30.21.060. Officers and quorum. (a) The board shall elect a chair and a vice-chair from among its members. A member of the board may not serve as chair for two consecutive terms. The position of the chair of the board shall rotate among the appointed members of the board. The chair and vice-chair serve for terms of two years.

(b) The board shall elect a secretary, who need not be a member of the board. The secretary serves at the pleasure of the board.

(c) Six members of the board constitute a quorum. Action may be taken and motions and resolutions adopted by the board at a meeting by the affirmative vote of at least six members. Members may not vote by proxy. A vacancy in the membership of the board does not impair the right of a quorum to exercise all the powers and perform all the duties of the board.

(d) Members may participate in meetings of the board by electronic means.

Sec. 30.21.070. Staff; legal advisor. (a) The board shall employ officers and employees as necessary for the efficient operation of the authority.

*Amend
1*

1 (b) The board may employ executive, administrative, and fiscal officers and
2 employees as the board considers necessary for the efficient management of the
3 authority.

4 (c) The attorney general is the legal counsel for the authority. The attorney
5 general shall advise the authority in legal matters and represent the authority in suits.

6 **Sec. 30.21.080. Operating area of the authority.** The authority is authorized
7 to operate within the contiguous area enclosed by a line that is at all points 10 miles
8 inland of the mean high water line of the shore that is generally the northern bank of
9 the main channel of the Yukon River from the municipality of Russian Mission to a
10 point 10 miles north of the E. L. Patton Bridge; a line from a point 10 miles north of
11 the E. L. Patton Bridge to a point 10 miles south of the E. L. Patton Bridge; a line
12 from a point 10 miles south of the E. L. Patton Bridge to the easternmost point of the
13 boundary of the municipality of Nenana that crosses the Tanana River; a line from the
14 easternmost point of the boundary of the municipality of Nenana that crosses the
15 Tanana River to the nearest point of the drainage of the North Fork of the Kuskokwim
16 River and then southerly and westerly along the boundary of the drainage of the North
17 Fork of the Kuskokwim River to a point 10 miles south of the mean high water line of
18 the southern bank of the main channel of the North Fork of the Kuskokwim River at
19 the community of Medfra; a line that is at all points 10 miles south of the mean high
20 water line of the southern bank of the main channel of the North Fork of the
21 Kuskokwim River and the main channel of the Kuskokwim River between the
22 community of Medfra and the municipality of Lower Kalskag; a line between a point
23 10 miles south of the mean high water line of the southern bank of the main channel of
24 the Kuskokwim River at the municipality of Lower Kalskag and a point 10 miles
25 inland of the mean high water line of the shore that is generally the southern bank of
26 the main channel of the Yukon River at the municipality of Russian Mission; a line
27 that is at all points 10 miles inland from the mean high water line of the shore that is
28 generally the southern bank of the main channel of the Yukon River between the
29 municipality of Russian Mission and the municipality of Marshall; a line from a point
30 10 miles inland from the mean high water line of the shore that is generally the
31 southern bank of the main channel of the Yukon River at the municipality of Marshall

1 and a point 10 miles inland of the mean high water line of the shore that is generally
 2 the northern bank of the main channel of the Yukon River at the municipality of
 3 Marshall; and a line that is at all points 10 miles inland from the mean high water line
 4 of the shore that is generally the northern bank of the main channel of the Yukon
 5 River between the municipality of Marshall and the municipality of Russian Mission.

6 **Sec. 30.21.090. Regulations.** The board may adopt regulations under
 7 AS 44.62 to carry out its functions and the purposes of this chapter, including rules to
 8 safeguard property owned by the authority and to protect employees and persons using
 9 the authority's property or services.

10 **Article 2. Powers and Duties.**

11 **Sec. 30.21.100. Powers and duties of authority.** (a) In addition to other
 12 powers granted in this chapter, the authority may

- 13 (1) sue and be sued;
- 14 (2) adopt and alter an official seal;
- 15 (3) maintain an office in the state;
- 16 (4) acquire, hold, use, and dispose of its money, subject to
 17 appropriation by the legislature;
- 18 (5) acquire, hold, use, lease, rent, construct, and dispose of property for
 19 its purposes;
- 20 (6) exercise the power of eminent domain within the operating area of
 21 the authority;
- 22 (7) issue revenue bonds under AS 30.21.200 - 30.21.320 to provide
 23 financing for projects;
- 24 (8) enter into agreements to provide transportation, energy, regional
 25 waste disposal, marketing, facilities and services, and to provide coordinated training
 26 in association with authority facilities and operations;
- 27 (9) enter into contracts or other transactions with any federal, state,
 28 municipal, or other agency, or instrumentality, private organization, or person
 29 consistent with the exercise of any powers of the authority under this chapter;
- 30 (10) charge and collect those rents, rates, fees, or other charges that are
 31 necessary to pay for capital, maintenance, and operating costs of the services and

1 facilities and operations of the authority, for the establishment of reserves to secure
2 payment of bonds or notes or interest on bonds or notes, and for repairs,
3 improvements, storage, and care of personal property made or furnished by the
4 authority in connection with the facilities and operations of the authority;

5 (11) accept money, gifts, loans, or grants from any federal, state,
6 municipal, or other agency or instrumentality, private organization, or other person;
7 and

8 (12) do all acts necessary to carry out this chapter that are not
9 expressly prohibited by law.

10 (b) The authority shall

11 (1) operate, manage, plan, improve, market, construct, and maintain
12 the facilities and operations of the authority; and

13 (2) adopt and enforce

14 (A) bylaws of the authority;

15 (B) regulations for the conduct of its business and for the use of
16 its facilities, operations, and services;

17 (C) personnel rules necessary to establish a system of personnel
18 administration.

19 (c) The resources of the authority may not be used to finance or influence
20 political activities.

21 **Sec. 30.21.110. Public nature of authority activities.** The planning,
22 construction, improvement, maintenance, and operation of a facility or operation,
23 whether by the authority separately or jointly with a federal, state, or municipal agency
24 or a private entity, and the exercise of other powers granted to the authority are public
25 and governmental functions exercised for a public purpose and matters of public
26 necessity. Land and other property and privileges acquired and used by or on behalf
27 of the authority for the purposes enumerated in this chapter are acquired and used for
28 public and governmental purposes and as a matter of public necessity.

29 **Sec. 30.21.120. Acquisition of land and easements.** Within the operating
30 area of the authority, the authority may acquire by purchase, gift, grant, or exchange
31 land in fee simple or easements, either temporary or permanent, that the authority

1 considers necessary for present or future public use authorized under this chapter. By
 2 the same means, the authority may obtain material, including clay, gravel, sand,
 3 timber, rock, or other material, and the land necessary to obtain the material. When
 4 the authority declares that it is in the best public interest of the state to do so, the
 5 authority may acquire by purchase, gift, grant, or exchange land or an interest in land
 6 for the purpose of exchanging the land or interest in land for land or an interest in land
 7 that the authority is authorized by law to acquire.

8 **Sec. 30.21.130. Eminent domain.** (a) The authority may exercise the power
 9 of eminent domain under AS 09.55.240 - 09.55.460 to acquire private or public land
 10 or an interest in private or public land within the operating area of the authority for
 11 facilities or operations consistent with this chapter. Notwithstanding AS 09.55.250,
 12 the authority may acquire a fee simple title whenever, in the judgment of the authority,
 13 ownership of a fee simple title is necessary to carry out the purposes of this chapter.

14 (b) The authority may file a declaration of taking in the manner provided for
 15 the state under AS 09.55.420.

16 (c) The power of eminent domain conferred under this section includes the
 17 power to obtain clay, gravel, sand, timber, rock, or other material for the ^{projects} operation of
 18 the authority, the land necessary to obtain the material, and access to the land and
 19 material.

20 (d) The exercise of the power of eminent domain requires the prior approval
 21 of the governor.

22 **Sec. 30.21.140. Indemnification.** (a) If the person acted in good faith on
 23 behalf of the authority and within the scope of the person's official duties or powers,
 24 the authority may defend and indemnify a current or former member of the board,
 25 employee, or agent of the authority against all costs, expenses, judgments, and
 26 liabilities, including attorney fees, incurred by or imposed upon that person in
 27 connection with a civil or criminal action in which the person is involved by affiliation
 28 with the authority.

29 (b) The authority may purchase insurance to protect and hold personally
 30 harmless its board members, employees, and agents from an action, claim, or
 31 proceeding arising out of the performance, purported performance, or failure of

Amend #2

1 performance, in good faith, of duties for, or employment with, the authority and to
2 hold them harmless from expenses connected with the defense, settlement, or
3 monetary judgments from that action, claim, or proceeding. The purchase of
4 insurance is discretionary with the board, and insurance is not considered to be
5 coropensation to the insured person.

6 **Sec. 30.21.150. Insurance.** Except as provided in AS 30.21.140(b), the
7 authority shall protect its assets, services, and employees by purchasing insurance or
8 providing for certain self-insurance retentions. The authority shall also maintain
9 casualty, property, and other insurance in amounts reasonably calculated to cover
10 potential claims against the authority or state for bodily injury, death, or disability and
11 property damage that may arise from or be related to authority operations and
12 activities.

13 **Sec. 30.21.160. Fidelity bond.** The authority shall obtain a fidelity bond in an
14 amount determined by the board for members of the board and for each executive
15 officer responsible for accounts and finances. A bond must be in effect during the
16 entire tenure in office of the bonded person.

17 **Article 3. Revenue Bonds and Notes.**

18 **Sec. 30.21.200. Bonds and notes of the authority.** (a) The authority, by
19 resolution, may issue revenue bonds and bond anticipation notes in order to finance
20 projects under this chapter. Before issuing bonds for a project under this chapter, the
21 authority must find, on the basis of all information reasonably available to the
22 authority, that

23 (1) the project and its development under this chapter will be
24 economically advantageous to the state and the region and the general public welfare
25 and will contribute to the economic growth of the state and the region within which
26 the authority operates;

27 (2) the project is financially sound and can be expected to produce
28 revenue adequate to repay the bonds with which it is financed; and

29 (3) the scope of the project is sufficient to provide a reasonable
30 expectation of a benefit to the region and the economy of the state.

31 (b) The principal and interest on the revenue bonds or bond anticipation notes

1 authorized and issued under (a) of this section are payable from authority funds. Bond
2 anticipation notes may be payable from the proceeds of the sale of bonds or from the
3 proceeds of the sale of other bond anticipation notes or, in the event bond or bond
4 anticipation note proceeds are not available, the notes may be paid from other funds or
5 assets of the authority.

6 (c) Bonds or bond anticipation notes may be additionally secured by a pledge
7 of a grant or contribution from the federal government, or a corporation, association,
8 institution, or person, or a pledge of money, income, or revenue of the authority from
9 any source.

10 (d) Bonds or bond anticipation notes of the authority may be issued in one or
11 more series and shall be dated, bear interest at the rate or rates a year or within the
12 maximum rate, be in the denomination, be in the form, carry the conversion or
13 registration provisions, have the rank or priority, be executed in the manner and form,
14 be payable at the times, from the sources, and in the medium of payment and place or
15 places within or outside the state, be subject to authentication by a trustee or fiscal
16 agent, and be subject to the terms of redemption with or without premium, as the
17 resolution of the authority may provide. Bond anticipation notes shall mature at the
18 time or times that are determined by the authority. Bonds shall mature at a time not
19 exceeding a number of years from their date that is determined by the authority.
20 Before the preparation of bonds or bond anticipation notes, the authority may issue
21 interim receipts or temporary bonds or bond anticipation notes exchangeable for bonds
22 or bond anticipation notes when these bonds or bond anticipation notes have been
23 executed and are available for delivery.

24 (e) Bonds or bond anticipation notes may be sold in the manner and on the
25 terms the authority determines.

26 (f) If an officer whose signature or a facsimile of whose signature appears on a
27 bond or note ceases to be an officer before the delivery of the bond or note, the
28 signature or facsimile is valid to the same extent as if the officer had remained in
29 office until delivery.

30 **Sec. 30.21.210. Covenants.** In a resolution of the authority authorizing or
31 relating to the issuance of bonds or bond anticipation notes, the authority has power by

1 provisions in the resolution that will constitute covenants of the authority and
2 contracts with the holders of the bonds or bond anticipation notes to

3 (1) pledge to a payment or purpose all or a part of its revenue to which
4 its right then exists or may thereafter come into existence, and the money derived from
5 the revenue, and the proceeds of bonds or notes;

6 (2) covenant as to the use and disposition of payments of principal or
7 interest received by the authority on loans or other investments held by the authority;

8 (3) covenant as to establishment of reserves or sinking funds and the
9 making of provision for and the regulation and disposition of the reserves or sinking
10 funds;

11 (4) covenant with respect to or against limitations on a right to sell or
12 otherwise dispose of property of any kind;

13 (5) covenant as to bonds and notes to be issued, and their limitations,
14 terms, and conditions, and as to the custody, application, and disposition of the
15 proceeds of the bonds and notes;

16 (6) covenant as to the issuance of additional bonds or notes, or as to
17 limitations on the issuance of additional bonds or notes and the incurring of other
18 debts;

19 (7) covenant as to the payment of the principal of or interest on the
20 bonds or notes, as to the sources and methods of the payment, as to the rank or priority
21 of the bonds or notes with respect to a lien or security, or as to the acceleration of the
22 maturity of the bonds or notes;

23 (8) provide for the replacement of lost, stolen, destroyed, or mutilated
24 bonds or notes;

25 (9) covenant as to the redemption of bonds or notes and privileges of
26 their exchange for other bonds or notes of the authority;

27 (10) covenant to create or authorize the creation of special funds of
28 money to be held in pledge or otherwise for operating expenses, payment or
29 redemption of bonds or notes, reserves, or other purposes;

30 (11) establish the procedure, if any, by which the terms of a contract or
31 covenant with or for the benefit of the holders of bonds or notes may be amended or

1 abrogated, the amount of bonds or notes the holders of which must consent to
2 amendment or abrogation, and the manner in which the consent may be given;

3 (12) covenant as to the custody of property or investments, their
4 safekeeping and insurance, and the use and disposition of insurance money;

5 (13) agree with a corporate trustee that may be a trust company or
6 bank having the powers of a trust company within or outside the state as to the
7 pledging or assigning of revenue or funds to which or in which the authority has rights
8 or an interest; the agreement may further provide for other rights and remedies
9 exercisable by the trustee as may be proper for the protection of the holders of a bond
10 or note of the authority and not otherwise in violation of law and may provide for the
11 restriction of the rights of an individual holder of bonds or notes of the authority;

12 (14) appoint and provide for the duties and obligations of a paying
13 agent or paying agents or other fiduciaries as the resolution may provide within or
14 outside the state;

15 (15) limit the rights of the holders of a bond or note to enforce a pledge
16 or covenant securing the bonds or notes;

17 (16) make covenants other than and in addition to the covenants
18 expressly authorized in this section of like or different character, and to make
19 covenants to do or refrain from doing acts and things as may be necessary or
20 convenient and desirable in order to better secure bonds or notes or that, in the
21 absolute discretion of the authority, will tend to make bonds or notes more marketable,
22 notwithstanding that the covenants, acts, or things may not be enumerated in this
23 section.

24 **Sec. 30.21.220. Limitations of issuance of bonds.** (a) The authority may
25 issue bonds in an amount greater than \$25,000,000 to assist in the financing of a
26 capital improvement under this chapter only with the prior approval of the legislature
27 by law.

28 (b) This section does not apply to the issuance by the authority of refunding
29 bonds under AS 30.21.290.

30 **Sec. 30.21.230. Independent financial advisor.** In negotiating the sale of
31 bonds or bond anticipation notes to an underwriter, the authority may retain a financial

1 advisor. A financial advisor retained under this section must be independent from the
2 underwriter.

3 **Sec. 30.21.240. Validity of pledge.** (a) The pledge of assets or revenue of the
4 authority to the payment of the principal of or interest on an obligation of the authority
5 is valid and binding from the time the pledge is made, and the assets or revenue
6 become immediately subject to the lien of the pledge without physical delivery or
7 further act. The lien of a pledge is valid and binding against all parties having claims
8 in tort, contract, or otherwise against the authority, irrespective of whether those
9 parties have notice of the lien of the pledge.

10 (b) This section does not prohibit the authority from selling assets subject to a
11 pledge, except that a sale may be restricted by the trust agreement or resolution
12 providing for the issuance of the obligations.

13 **Sec. 30.21.250. Capital reserve funds.** (a) For the purpose of securing one
14 or more issues of its obligations, the authority may establish one or more special
15 funds, called "capital reserve funds," and shall pay into those capital reserve funds (1)
16 money appropriated and made available by the state for the purpose of those funds, (2)
17 proceeds of the sale of its obligations, to the extent provided in the resolution or
18 resolutions of the authority authorizing their issuance, and (3) other money that may
19 be made available to the authority for the purpose of those funds from another source.
20 All money held in a capital reserve fund, except as provided in this section, shall,
21 subject to appropriation, be used as required solely for the payment of the principal of
22 obligations or of the sinking fund payments with respect to those obligations, the
23 purchase or redemption of obligations, the payment of interest on obligations, or the
24 payment of a redemption premium required to be paid when those obligations are
25 redeemed before maturity. However, money in a fund may not be withdrawn from
26 that fund at any time in an amount that would reduce the amount of that fund to less
27 than the capital reserve requirement set out in (b) of this section, except for the
28 purpose of making, with respect to those obligations, payment, when due, of principal,
29 interest, redemption premiums, and the sinking fund payments for the payment of
30 which other money of the authority is not available. Income or interest earned by, or
31 increment to, a capital reserve fund due to the investment of the fund or other amounts

1 in it may be transferred by the authority to other funds or accounts of the authority to
2 the extent that the transfer does not reduce the amount of the capital reserve fund
3 below the capital reserve fund requirement.

4 (b) If the authority decides to issue obligations secured by a capital reserve
5 fund, the obligations may not be issued if the amount in the capital reserve fund is less
6 than a percent, not exceeding 10 percent, of the principal amount of all of those
7 obligations secured by that capital reserve fund then to be issued and then outstanding
8 in accordance with their terms, as may be established by resolution of the authority,
9 called the "capital reserve fund requirement," unless the authority, at the time of
10 issuance of the obligations, deposits in the capital reserve fund from the proceeds of
11 the obligations to be issued or from other sources an amount that, together with the
12 amount then in the fund, will not be less than the capital reserve fund requirement.

13 (c) In computing the amount of a capital reserve fund for the purpose of this
14 section, securities in which all or a portion of the funds are invested shall be valued at
15 par or, if purchased at less than par, at amortized costs as the term is defined by
16 resolution of the authority authorizing the issue of the obligations or by some other
17 reasonable method established by the authority by resolution. Valuation on a
18 particular date must include the amount of interest earned or accrued to that date.

19 (d) To assure the continued operation and solvency of the authority for the
20 carrying out of its corporate purposes, provision is made in (a) of this section for the
21 accumulation in capital reserve funds of an amount equal to their capital reserve fund
22 requirement.

23 (e) This section does not create a debt or liability of the state.

24 **Sec. 30.21.260. Remedies.** A holder of obligations issued under the
25 provisions of this chapter, and a trustee under a trust agreement or resolution
26 authorizing the issuance of the obligations, except as restricted by a trust agreement or
27 resolution, either at law or in equity, may enforce ~~the~~ rights granted hereunder or under
28 the trust agreement or resolution, or under another contract executed by the authority
29 under this chapter, and may enforce and compel the performance of all duties required
30 by this chapter or by the trust agreement or resolution to be performed by the authority
31 or by an officer of the authority.

1 **Sec. 30.21.270. Negotiable instruments.** All obligations are negotiable
2 instruments under the laws of this state, subject only to applicable provisions for
3 registration.

4 **Sec. 30.21.280. Obligations eligible for investment.** Obligations issued
5 under the provisions of this chapter are securities in which all public officers and
6 public bodies of the state and its political subdivisions, all insurance companies, trust
7 companies, banking associations, investment companies, executors, administrators,
8 trustees, and other fiduciaries may properly and legally invest funds, including capital
9 in their control or belonging to them. These obligations may be deposited with a state
10 or municipal officer of an agency or political subdivision of the state for a purpose for
11 which the deposit of bonds, notes, or obligations of the state is authorized by law.

12 **Sec. 30.21.290. Refunding bonds.** (a) The authority may provide for the
13 issuance of refunding bonds for the purpose of refunding an obligation then
14 outstanding that has been issued under the provisions of this chapter, including the
15 payment of redemption premium on them and interest accrued or to accrue to the date
16 of redemption of the obligations. The issuance of the bonds, the maturities and other
17 details of them, the rights of the holders of them, and the rights, duties, and obligations
18 of the authority in respect of them are governed by the provisions of this chapter that
19 relate to the issuance of obligations insofar as those provisions may be appropriate.

20 (b) Refunding bonds may be sold or exchanged for outstanding bonds issued
21 under this chapter, and, if sold, the proceeds may be applied, subject to appropriation
22 and in addition to another authorized purpose, to the purchase, redemption, or payment
23 of the outstanding obligations. Pending the application of the proceeds of refunding
24 bonds, with any other available funds, to the payment of the principal of, accrued
25 interest on, and redemption premium on the obligations being refunded, and, if so
26 provided or permitted in the resolution authorizing the issuance of the refunding bonds
27 or in the trust agreement securing them, to the payment of any interest on the
28 refunding bonds and expenses in connection with the refunding, the proceeds may be
29 invested in direct obligations of, or obligations the principal of and the interest on
30 which are unconditionally guaranteed by, the United States that mature or that will be
31 subject to redemption, at the option of the holders of them, not later than the respective

1 dates when the proceeds, together with the interest accruing on them, will be required
2 for the purposes intended.

3 **Sec. 30.21.300. Credit of state not pledged.** (a) Obligations issued under
4 the provisions of this chapter do not constitute a debt, liability, or obligation of the
5 state or of a political subdivision of the state or a pledge of the faith and credit of the
6 state or of a political subdivision of the state but are payable solely from the revenue
7 or assets of the authority. Each obligation issued under this chapter must contain on
8 its face a statement that the authority is not obligated to pay the obligation or the
9 interest on the obligation except from the revenue or assets of the authority and that
10 neither the faith and credit nor the taxing power of the state or of a political
11 subdivision of the state is pledged to the payment of the principal of or the interest on
12 the obligation.

13 (b) Expenses incurred by the authority in carrying out the provisions of this
14 chapter are payable from funds provided under this chapter, and liability may not be
15 incurred by the authority in excess of these funds.

16 **Sec. 30.21.310. Officers not liable.** A member or other officer of the
17 authority is not subject to personal liability or accountability by reason of having
18 executed or issued an obligation.

19 **Sec. 30.21.320. Tax exemption.** All obligations issued under this chapter are
20 declared to be issued by a body corporate and public of the state and for an essential
21 public and governmental purpose, and the obligations, and the interest and income on
22 and from the obligations, and all fees, charges, funds, revenue, income, and other
23 money pledged or available to pay or secure the payment of the obligations, or interest
24 on the obligations, are exempt from state taxation except for transfer, inheritance, and
25 estate taxes.

26 **Article 4. Fiscal Procedures.**

27 **Sec. 30.21.350. Authority program and financial plan.** (a) The authority
28 shall assure the development of a system of results-based operation designed to
29 increase efficiency and effectiveness of facilities, operations, programs, and services
30 of the authority. Toward that end, the authority shall, on an annual basis, identify
31 results-based measures that have been used to work toward achievement of the

1 mission statement and desired results issued by the legislature and of other goals of the
2 authority, and set out the results as measured. The authority shall also prepare a public
3 report that shall be published by January 2 of each year. The report must

4 (1) identify the mission of the authority;

5 (2) identify the goals and objectives the authority will use to achieve
6 the legislature's mission and desired results;

7 (3) include written, defined methods of measuring results that apply to
8 the responsibilities, products, and services of the authority;

9 (4) identify surveys or other methods of gathering user-group opinions
10 that have been used by the authority to identify ways to improve its programs;

11 (5) identify methods of measuring performance when the mission
12 statement and desired results of the authority involve cooperation with other public or
13 private agencies and make recommendations to eliminate duplication of government
14 functions and waste;

15 (6) include the budget requested to carry out the authority's proposed
16 plans in the succeeding fiscal year, including information reflecting the expenditures
17 during the last fiscal year, the expenditures authorized for the current fiscal year, the
18 expenditures proposed for the succeeding fiscal year, an explanation of the services to
19 be provided, the total number of positions for all persons employed or under contract
20 by the agency for personal services, including those rendered for capital improvement
21 projects, the need for the services, and the cost of the services;

22 (7) include a report of receipts of the authority during the last fiscal
23 year, an estimate of receipts during the current fiscal year, and an estimate of receipts
24 for the succeeding fiscal year;

25 (8) identify legislation required to implement the proposed programs
26 and financial plans;

27 (9) include an evaluation of the advantages and disadvantages of
28 specific alternatives to existing or proposed activities or administrative methods of the
29 authority.

30 (b) The report prepared under (a) of this section must describe the relationship
31 of the services provided by the authority to those services provided by other

1 government agencies and nongovernmental organizations.

2 (c) All goals and objectives, plans, programs, estimates, budgets, and other
3 documents forwarded to the governor by the authority under this section are public
4 information on and after the date they are forwarded.

5 **Sec. 30.21.360. Program execution.** The authority has power to administer
6 its programs and is responsible for the proper management of its facilities and
7 operations.

8 **Sec. 30.21.370. Annual report.** By January 2 of each year, the authority shall
9 prepare a concise report describing the operations, income, and expenditures for the
10 preceding fiscal year. The report must contain information substantially similar to that
11 required by the United States Securities and Exchange Commission Form 10-K. The
12 report must also include financial statements audited by an independent outside
13 auditor.

14 **Sec. 30.21.380. Annual audit.** The authority shall have a certified audit of its
15 financial records prepared annually by an independent certified public accountant.

16 **Article 5. General Provisions.**

17 **Sec. 30.21.400. Authority employees.** Employees of the authority are not
18 employees of the state.

19 **Sec. 30.21.410. Application of existing laws.** (a) Except as provided under
20 this chapter, or unless those provisions of law conflict with the provisions of this
21 chapter, the authority is subject to those provisions of law generally applicable to
22 public corporations of the state and to

23 (1) AS 40.25;

24 (2) AS 44.62.310 and 44.62.312.

25 (b) The provisions of AS 37.07 (Executive Budget Act)

26 (1) apply to the operating and capital budgets of the authority;

27 (2) do not apply to activities of the authority under this chapter that
28 relate to the authority's borrowing of money as provided in this chapter, including the
29 issuing of its obligations or evidence of that borrowing and the repayment of the debt
30 obligation.

31 (c) Unless specifically provided otherwise in this chapter, the following laws

1 do not apply to the operations of the authority:

2 (1) AS 36.30, except as provided in that chapter;

3 (2) AS 39.

4 **Sec. 30.21.490. Definitions.** In this chapter, unless the context requires
5 otherwise,

6 (1) "authority" means the Interior Rivers Port Authority;

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

8 (3) "bonds" means the bonds issued by the authority under this
9 chapter;

10 (4) "capital improvement" means a project for the construction,
11 rehabilitation, rebuilding, enlarging, or improving of a facility or operation, as
12 determined by the authority to be necessary or desirable for efficient management of
13 the facility or operation by the authority and to best serve the public;

14 (5) "facility or operation" means a facility or operation necessary for
15 the authority to carry out its mission.

16 **Sec. 30.21.495. Short title.** This chapter may be cited as the Interior Rivers
17 Port Authority Act.

18 * **Sec. 3.** AS 30.15.010 is amended to read:

19 **Sec. 30.15.010. State grants for port facilities construction.** To the extent
20 funds are appropriated by the legislature, or from the proceeds from the sale of bonds,
21 the state may make grants to municipalities and regional port authorities to finance a
22 portion of the cost of constructing local, regional, or state port facilities. The state
23 shall participate only in those projects approved by the governor on recommendation
24 of the commissioner.

25 * **Sec. 4.** AS 30.15.020 is amended to read:

26 **Sec. 30.15.020. Criteria for establishing eligibility.** (a) Before a grant may
27 be awarded under this chapter, the commissioner shall determine that

28 (1) the grant is for a feasible project;

29 (2) the project is endorsed by resolution of the board of directors of
30 the regional port authority or of the governing body of the sponsoring municipality
31 on its own behalf, or on behalf of a service area in an organized borough if a service

1 area is established to finance and construct port facilities and operate and maintain
2 them once constructed; and

3 (3) the regional port authority or the municipality can clearly
4 demonstrate its ability to finance the local share of project costs.

5 (b) A grant may not be awarded under this chapter for a port facility
6 development project until a study of its feasibility is conducted and submitted with the
7 application for the grant. The project also must be justifiable on the basis of public
8 convenience and necessity. The study shall be conducted by consultants, engineers, or
9 other technical experts, who may be officers or employees of the regional port
10 authority or the municipality [IN] making application for a grant.

11 * Sec. 5. AS 30.15.030 is amended to read:

12 Sec. 30.15.030. **Limitation on grants.** Grants to municipalities for the
13 development of port facilities may not exceed

14 (1) 90 per cent of project costs for municipalities under 5,000
15 population;

16 (2) 80 per cent of project costs for municipalities 5,000 population and
17 over.

18 * Sec. 6. AS 30.15.070 is amended by adding a new paragraph to read:

19 (5) "regional port authority" includes the Interior Rivers Port Authority
20 authorized under AS 30.21.

21 * Sec. 7. AS 36.30.015(e) is amended to read:

22 (e) The board of directors of the Alaska Railroad Corporation, the board of
23 directors of the Interior Rivers Port Authority, and the board of directors of the
24 Alaska Aerospace Development Corporation shall adopt procedures to govern the
25 procurement of supplies, services, professional services, and construction. The
26 procedures must be substantially equivalent to the procedures prescribed in this
27 chapter and in regulations adopted under this chapter. Notwithstanding the other
28 provisions of this subsection, the Alaska Railroad Corporation, the Interior Rivers
29 Port Authority, and the Alaska Aerospace Development Corporation shall comply
30 with AS 36.30.170(b), and, when the Department of Transportation and Public
31 Facilities authorizes the Alaska Railroad Corporation to perform construction work

1 instead of the Department of Transportation and Public Facilities, the Alaska Railroad
2 Corporation shall use competitive sealed bidding or competitive sealed proposals
3 under AS 36.30.100 - 36.30.270 to procure the supplies, services, professional
4 services, and construction services necessary for the work and, to ensure the state
5 obtains the lowest cost for the project, may submit a bid or proposal for the work.

6 * Sec. 8. AS 36.30.050(c) is amended to read:

7 (c) The lists may be used by the chief procurement officer or an agency when
8 issuing invitations to bid or requests for proposals under this chapter. The lists may be
9 used by the legislative council, the court system, the Interior Rivers Port Authority,
10 and the Alaska Railroad Corporation.

11 * Sec. 9. AS 36.30.990(1) is amended to read:

12 (1) "agency"

13 (A) means a department, institution, board, commission,
14 division, authority, public corporation, the Alaska Pioneers' Home, or other
15 administrative unit of the executive branch of state government;

16 (B) does not include

17 (i) the University of Alaska;

18 (ii) the Alaska Railroad Corporation;

19 (iii) the Alaska Housing Finance Corporation;

20 (iv) a regional Native housing authority created under
21 AS 18.55.996 or a regional electrical authority created under
22 AS 18.57.020;

23 (v) the Department of Transportation and Public
24 Facilities, in regard to the repair, maintenance, and reconstruction of
25 vessels, docking facilities, and passenger and vehicle transfer facilities
26 of the Alaska marine highway system;

27 (vi) the Alaska Aerospace Development Corporation;

28 (vii) the Alaska State Pension Investment Board;

29 (viii) the Alaska Seafood Marketing Institute;

30 (ix) the Interior Rivers Port Authority;

31 * Sec. 10. AS 37.05 is amended by adding a new section to article 1 to read:

1 **Sec. 37.05.055. Delegation to the Interior Rivers Port Authority.** The
2 commissioner of administration may delegate the performance of the functions under
3 this chapter as they relate to the Interior Rivers Port Authority to the authority and set
4 the criteria and guidelines that shall be followed.

5 * **Sec. 11.** AS 39.50.200(b) is amended by adding a new paragraph to read:

6 (58) board of directors of the Interior Rivers Port Authority
7 (AS 30.21.020).

8 * **Sec. 12.** AS 39.52.960(2) is amended to read:

9 (2) "agency" means a department, the office of the governor, or an
10 entity in the executive branch, including but not limited to the University of Alaska,
11 public or quasi-public corporations, boards or commissions, [AND] the Alaska
12 Railroad Corporation, and the Interior Rivers Port Authority;

13 * **Sec. 13.** AS 39.52.960(4) is amended to read:

14 (4) "board or commission" means a board, commission, authority, or
15 board of directors of a public or quasi-public corporation, established by statute in the
16 executive branch, including the Alaska Railroad Corporation and the Interior
17 Rivers Port Authority, but excluding members of a negotiated regulation making
18 committee under AS 44.62.710 - 44.62.800;

19 * **Sec. 14.** AS 39.52.960(12) is amended to read:

20 (12) "instrumentality of the state" means a state agency or
21 administrative unit, whether in the legislative, judicial, or executive branch, including
22 such entities as the University of Alaska, the Alaska Railroad Corporation, the
23 Interior Rivers Port Authority, and any public or quasi-public corporations, boards,
24 or commissions; the term includes municipalities;

25 * **Sec. 15.** AS 44.42.020(a) is amended to read:

26 (a) The department shall

27 (1) plan, design, construct, and maintain all state modes of
28 transportation and transportation facilities and all docks, floats, breakwaters, buildings,
29 and similar facilities;

30 (2) study existing transportation modes and facilities in the state to
31 determine how they might be improved or whether they should continue to be

1 maintained;

2 (3) study alternative means of improving transportation in the state
3 with regard to the economic costs of each alternative and its environmental and social
4 effects;

5 (4) develop a comprehensive, long-range intermodal transportation
6 plan for the state;

7 (5) study alternatives to existing modes of transportation in urban areas
8 and develop plans to improve urban transportation;

9 (6) cooperate and coordinate with and enter into agreements with
10 federal, state, and local government agencies and private organizations and persons in
11 exercising its powers and duties;

12 (7) manage, operate, and maintain state transportation facilities and all
13 docks, floats, breakwaters, and buildings, including all state highways, vessels,
14 railroads, pipelines, and airports [,] and aviation facilities other than ports and port
15 related transportation facilities and operations managed, operated, and
16 maintained by the Interior Rivers Port Authority under AS 30.21;

17 (8) study alternative means of transportation in the state, considering
18 the economic, social, and environmental effects of each alternative;

19 (9) coordinate and develop state and regional transportation systems,
20 considering deletions, additions, and the absence of alterations;

21 (10) develop facility program plans for transportation and state
22 buildings, docks, and breakwaters required to implement the duties set out in this
23 section, including but not limited to functional performance criteria and schedules for
24 completion;

25 (11) supervise and maintain all state automotive and mechanical
26 equipment, aircraft, and vessels, except vessels and aircraft used by the Department of
27 Fish and Game or the Department of Public Safety; for state vehicles maintained by
28 the department, the department shall annually evaluate the cost, efficiency, and
29 commercial availability of natural gas for automotive purposes, and the purpose for
30 which the vehicles are intended to be used, and convert or purchase vehicles to utilize
31 natural gas whenever practicable; the department may participate in joint ventures

1 with public or private partners that will foster the availability of natural gas for all
2 automotive fuel consumers;

3 (12) supervise aeronautics inside the state, under AS 02.10;

4 (13) complete and maintain a current inventory of public facilities,
5 including a projection of the serviceability of the facilities and projections of
6 replacements and additions to facilities needed to provide the level of services
7 programmed by the various user agencies, for municipalities with populations of less
8 than 12,000 and for unincorporated communities, and perform those duties on a
9 cooperative basis with larger municipalities;

10 (14) adopt energy performance standards for public facilities of the
11 state, the construction of which begins after July 1, 1980; the standards shall be based
12 on thermal and lighting energy standards established by the American Society of
13 Heating, Refrigeration and Air Conditioning Engineers as adapted for application in
14 high latitude, cold climate environs;

15 (15) provide planning assistance, including but not limited to energy
16 audits and related technical services, to school districts and regional educational
17 attendance areas to develop and implement

18 (A) standards for the design, construction, and operation of
19 rural educational facilities; and

20 (B) energy conservation measures for rural educational
21 facilities;

22 (16) implement the safety and financial responsibility requirements for
23 air carriers under AS 02.40;

24 (17) inspect weights and measures.

25 * Sec. 16. The uncodified law of the State of Alaska is amended by adding a new section to
26 read:

27 REGIONAL DEVELOPMENT PLAN. Within one year from the first meeting of the
28 board of directors of the Interior Rivers Port Authority, the board shall prepare and publish a
29 development plan for promoting economic self-sufficiency in the region in which the
30 authority operates. The development plan must include a description of the transportation,
31 energy, regional waste disposal, and tourism infrastructure needs of the region that are

1 necessary to promote regional economic self-sufficiency. The plan must also identify
2 opportunities for private resource development in the region, training programs that are
3 necessary to take advantage of current and future economic opportunities in the region,
4 tourism marketing strategies for the region, and sources of funding for operations and projects
5 of the authority.

6 * Sec. 17. The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 INITIAL APPOINTMENTS. Notwithstanding AS 30.21.020, as added by sec. 2 of
9 this Act, and AS 39.05.055, the governor shall appoint the initial appointed members of the
10 board of directors of the Interior Rivers Port Authority to terms as follows:

- 11 (1) three members to terms of one year;
12 (2) three members to terms of two years;
13 (3) three members to terms of three years.

14 * Sec. 18. This Act takes effect July 1, 2004.

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Utermohle
5/5/04

CS FOR SENATE BILL NO. 396()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the establishment of the Interior Rivers Port Authority; and**
2 **providing for an effective date."**

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

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **FINDINGS AND PURPOSE.** (a) The Alaska State Legislature finds that

7 (1) certain communities and residents on the Yukon River, Kuskokwim River,
8 and Tanana River desire the establishment of a port authority to provide an organization for
9 economic development, transportation system infrastructure development, natural resource
10 marketing, and promotion of efficient energy development and distribution;

11 (2) since many of the communities in the region are not organized
12 municipalities, those communities cannot form a port authority under the Municipal Port
13 Authority Act (AS 29.35.600 - 29.35.730);

14 (3) it is in the best interest of the state to establish a state port authority for the

1 Interior Rivers region of the state to promote economic self-sufficiency in the region.

2 (b) The purpose of this Act is to establish the Interior Rivers Port Authority to provide
3 an organization that residents and communities in the region encompassing portions of the
4 Yukon, Kuskokwim, and Tanana Rivers may use to finance and manage transportation,
5 energy, and economic development infrastructure projects that will improve economic
6 conditions in the region and promote resource development and visitor industry opportunities
7 in the region.

8 * Sec. 2. AS 30 is amended by adding a new chapter to read:

9 **Chapter 21. Interior Rivers Port Authority.**

10 **Article 1. Creation and Organization.**

11 **Sec. 30.21.010. Interior Rivers Port Authority.** (a) The Interior Rivers Port
12 Authority is established as a public corporation of the state. The corporation is an
13 instrumentality of the state in the Department of Community and Economic
14 Development but has a legal existence independent of and separate from the state and
15 has continuing succession until its existence is terminated by law.

16 (b) The powers of the authority are vested in the board of directors of the
17 authority.

18 (c) The purpose of the authority is to improve, establish, and develop facilities
19 and operations to provide transportation, energy, regional waste disposal, and other
20 infrastructure services and economic development in the operating area of the
21 authority.

22 **Sec. 30.21.020. Board of directors.** (a) The board of directors of the
23 authority consists of eleven voting members.

24 (b) The governor shall appoint nine persons to serve on the board. The
25 governor shall solicit nominations for persons to be appointed to the board from
26 private persons and public and private entities, including: the Kuskokwim
27 Corporation, Calista Corporation, Kuskokwim Native Association, Tanana Chiefs
28 Conference, MTNT Limited, Doyon, Limited, and Gana-A'Yoo, Limited. [Six of the
29 appointed members of the board shall be officers, directors, or employees of private
30 entities that have a physical presence within the area of operation of the authority.]

31 (c) The commissioner of community and economic development and the

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1 commissioner of transportation and public facilities are voting members of the board.
2 Each commissioner may designate a person to serve on the board in the
3 commissioner's absence.

4 (d) The appointed members of the board serve for staggered terms of three
5 years. The terms of the appointed members begin on January 1.

6 **Sec. 30.21.030. Removal and replacement of members.** The members of
7 the board serve at the pleasure of the governor. A person appointed to fill a vacancy
8 on the board shall serve for the balance of the unexpired term.

9 **Sec. 30.21.040. Per diem and travel expenses.** A member of the board may
10 receive per diem and travel expenses authorized for boards and commissions under
11 AS 39.20.180.

12 **Sec. 30.21.050. Meetings.** (a) The board shall hold at least four regular
13 meetings each year. The board shall set the schedule and locations for meetings of the
14 board.

15 (b) The board may hold special meetings at the call of the chair or at the
16 request of three members of the board.

17 **Sec. 30.21.060. Officers and quorum.** (a) The board shall elect a chair and a
18 vice-chair from among its members. A member of the board may not serve as chair
19 for two consecutive terms. The position of the chair of the board shall rotate among
20 the appointed members of the board. The chair and vice-chair serve for terms of two
21 years. *J*

22 (b) The board shall elect a secretary, who need not be a member of the board.
23 The secretary serves at the pleasure of the board.

24 (c) Six members of the board constitute a quorum. Action may be taken and
25 motions and resolutions adopted by the board at a meeting by the affirmative vote of at
26 least six members. Members may not vote by proxy. A vacancy in the membership of
27 the board does not impair the right of a quorum to exercise all the powers and perform
28 all the duties of the board.

29 (d) Members may participate in meetings of the board by electronic means.

30 **Sec. 30.21.070. Staff; legal advisor.** (a) The board shall employ officers and
31 employees as necessary for the efficient operation of the authority.

1 (b) The board may employ executive, administrative, and fiscal officers and
2 employees as the board considers necessary for the efficient management of the
3 authority.

4 (c) The attorney general is the legal counsel for the authority. The attorney
5 general shall advise the authority in legal matters and represent the authority in suits.

6 **Sec. 30.21.080. Operating area of the authority.** The authority is authorized
7 to operate within the contiguous area enclosed by a line that is at all points 10 miles
8 inland of the mean high water line of the shore that is generally the northern bank of
9 the main channel of the Yukon River from the municipality of Russian Mission to a
10 point 10 miles north of the E. L. Patton Bridge; a line from a point 10 miles north of
11 the E. L. Patton Bridge to a point 10 miles south of the E. L. Patton Bridge; a line
12 from a point 10 miles south of the E. L. Patton Bridge to the easternmost point of the
13 boundary of the municipality of Nenana that crosses the Tanana River; a line from the
14 easternmost point of the boundary of the municipality of Nenana that crosses the
15 Tanana River to the nearest point of the drainage of the North Fork of the Kuskokwim
16 River and then southerly and westerly along the boundary of the drainage of the North
17 Fork of the Kuskokwim River to a point 10 miles south of the mean high water line of
18 the southern bank of the main channel of the North Fork of the Kuskokwim River at
19 the community of Medfra; a line that is at all points 10 miles south of the mean high
20 water line of the southern bank of the main channel of the North Fork of the
21 Kuskokwim River and the main channel of the Kuskokwim River between the
22 community of Medfra and the municipality of Lower Kalskag; a line between a point
23 10 miles south of the mean high water line of the southern bank of the main channel of
24 the Kuskokwim River at the municipality of Lower Kalskag and a point 10 miles
25 inland of the mean high water line of the shore that is generally the southern bank of
26 the main channel of the Yukon River at the municipality of Russian Mission; a line
27 that is at all points 10 miles inland from the mean high water line of the shore that is
28 generally the southern bank of the main channel of the Yukon River between the
29 municipality of Russian Mission and the municipality of Marshall; a line from a point
30 10 miles inland from the mean high water line of the shore that is generally the
31 southern bank of the main channel of the Yukon River at the municipality of Marshall

1 and a point 10 miles inland of the mean high water line of the shore that is generally
2 the northern bank of the main channel of the Yukon River at the municipality of
3 Marshall; and a line that is at all points 10 miles inland from the mean high water line
4 of the shore that is generally the northern bank of the main channel of the Yukon
5 River between the municipality of Marshall and the municipality of Russian Mission.

6 **Sec. 30.21.090. Regulations.** The board may adopt regulations under
7 AS 44.62 to carry out its functions and the purposes of this chapter, including rules to
8 safeguard property owned by the authority and to protect employees and persons using
9 the authority's property or services.

10 **Article 2. Powers and Duties.**

11 **Sec. 30.21.100. Powers and duties of authority.** (a) In addition to other
12 powers granted in this chapter, the authority may

- 13 (1) sue and be sued;
- 14 (2) adopt and alter an official seal;
- 15 (3) maintain an office in the state;
- 16 (4) acquire, hold, use, and dispose of its money, subject to
17 appropriation by the legislature;
- 18 (5) acquire, hold, use, lease, rent, construct, and dispose of property for
19 its purposes;
- 20 (6) exercise the power of eminent domain within the operating area of
21 the authority;
- 22 (7) issue revenue bonds under AS 30.21.200 - 30.21.320 to provide
23 financing for projects;
- 24 (8) enter into agreements to provide transportation, energy, regional
25 waste disposal, marketing, facilities and services, and to provide coordinated training
26 in association with authority facilities and operations;
- 27 (9) enter into contracts or other transactions with any federal, state,
28 municipal, or other agency, or instrumentality, private organization, or person
29 consistent with the exercise of any powers of the authority under this chapter;
- 30 (10) charge and collect those rents, rates, fees, or other charges that are
31 necessary to pay for capital, maintenance, and operating costs of the services and

1 facilities and operations of the authority, for the establishment of reserves to secure
2 payment of bonds or notes or interest on bonds or notes, and for repairs,
3 improvements, storage, and care of personal property made or furnished by the
4 authority in connection with the facilities and operations of the authority;

5 (11) accept money, gifts, loans, or grants from any federal, state,
6 municipal, or other agency or instrumentality, private organization, or other person;
7 and

8 (12) do all acts necessary to carry out this chapter that are not
9 expressly prohibited by law.

10 (b) The authority shall

11 (1) operate, manage, plan, improve, market, construct, and maintain
12 the facilities and operations of the authority; and

13 (2) adopt and enforce

14 (A) bylaws of the authority;

15 (B) regulations for the conduct of its business and for the use of
16 its facilities, operations, and services;

17 (C) personnel rules necessary to establish a system of personnel
18 administration.

19 (c) The resources of the authority may not be used to finance or influence
20 political activities.

21 **Sec. 30.21.110. Public nature of authority activities.** The planning,
22 construction, improvement, maintenance, and operation of a facility or operation,
23 whether by the authority separately or jointly with a federal, state, or municipal agency
24 or a private entity, and the exercise of other powers granted to the authority are public
25 and governmental functions exercised for a public purpose and matters of public
26 necessity. Land and other property and privileges acquired and used by or on behalf
27 of the authority for the purposes enumerated in this chapter are acquired and used for
28 public and governmental purposes and as a matter of public necessity.

29 **Sec. 30.21.120. Acquisition of land and easements.** Within the operating
30 area of the authority, the authority may acquire by purchase, gift, grant, or exchange
31 land in fee simple or easements, either temporary or permanent, that the authority

1 considers necessary for present or future public use authorized under this chapter. By
 2 the same means, the authority may obtain material, including clay, gravel, sand,
 3 timber, rock, or other material, and the land necessary to obtain the material. When
 4 the authority declares that it is in the best public interest of the state to do so, the
 5 authority may acquire by purchase, gift, grant, or exchange land or an interest in land
 6 for the purpose of exchanging the land or interest in land for land or an interest in land
 7 that the authority is authorized by law to acquire.

8 **Sec. 30.21.130. Eminent domain.** (a) The authority may exercise the power
 9 of eminent domain under AS 09.55.240 - 09.55.460 to acquire private or public land
 10 or an interest in private or public land within the operating area of the authority for
 11 facilities or operations consistent with this chapter. Notwithstanding AS 09.55.250,
 12 the authority may acquire a fee simple title whenever, in the judgment of the authority,
 13 ownership of a fee simple title is necessary to carry out the purposes of this chapter.

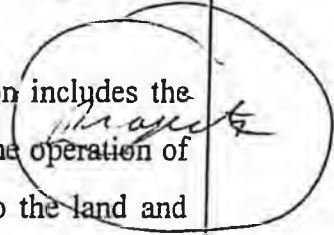
14 (b) The authority may file a declaration of taking in the manner provided for
 15 the state under AS 09.55.420.

16 (c) The power of eminent domain conferred under this section includes the
 17 power to obtain clay, gravel, sand, timber, rock, or other material for the operation of
 18 the authority, the land necessary to obtain the material, and access to the land and
 19 material.

20 (d) The exercise of the power of eminent domain requires the prior approval
 21 of the governor.

22 **Sec. 30.21.140. Indemnification.** (a) If the person acted in good faith on
 23 behalf of the authority and within the scope of the person's official duties or powers,
 24 the authority may defend and indemnify a current or former member of the board,
 25 employee, or agent of the authority against all costs, expenses, judgments, and
 26 liabilities, including attorney fees, incurred by or imposed upon that person in
 27 connection with a civil or criminal action in which the person is involved by affiliation
 28 with the authority.

29 (b) The authority may purchase insurance to protect and hold personally
 30 harmless its board members, employees, and agents from an action, claim, or
 31 proceeding arising out of the performance, purported performance, or failure of



1 performance, in good faith, of duties for, or employment with, the authority and to
2 hold them harmless from expenses connected with the defense, settlement, or
3 monetary judgments from that action, claim, or proceeding. The purchase of
4 insurance is discretionary with the board, and insurance is not considered to be
5 compensation to the insured person.

6 **Sec. 30.21.150. Insurance.** Except as provided in AS 30.21.140(b), the
7 authority shall protect its assets, services, and employees by purchasing insurance or
8 providing for certain self-insurance retentions. The authority shall also maintain
9 casualty, property, and other insurance in amounts reasonably calculated to cover
10 potential claims against the authority or state for bodily injury, death, or disability and
11 property damage that may arise from or be related to authority operations and
12 activities.

13 **Sec. 30.21.160. Fidelity bond.** The authority shall obtain a fidelity bond in an
14 amount determined by the board for members of the board and for each executive
15 officer responsible for accounts and finances. A bond must be in effect during the
16 entire tenure in office of the bonded person.

17 **Article 3. Revenue Bonds and Notes.**

18 **Sec. 30.21.200. Bonds and notes of the authority.** (a) The authority, by
19 resolution, may issue revenue bonds and bond anticipation notes in order to finance
20 projects under this chapter. Before issuing bonds for a project under this chapter, the
21 authority must find, on the basis of all information reasonably available to the
22 authority, that

23 (1) the project and its development under this chapter will be
24 economically advantageous to the state and the region and the general public welfare
25 and will contribute to the economic growth of the state and the region within which
26 the authority operates;

27 (2) the project is financially sound and can be expected to produce
28 revenue adequate to repay the bonds with which it is financed; and

29 (3) the scope of the project is sufficient to provide a reasonable
30 expectation of a benefit to the region and the economy of the state.

31 (b) The principal and interest on the revenue bonds or bond anticipation notes

1 authorized and issued under (a) of this section are payable from authority funds. Bond
2 anticipation notes may be payable from the proceeds of the sale of bonds or from the
3 proceeds of the sale of other bond anticipation notes or, in the event bond or bond
4 anticipation note proceeds are not available, the notes may be paid from other funds or
5 assets of the authority.

6 (c) Bonds or bond anticipation notes may be additionally secured by a pledge
7 of a grant or contribution from the federal government, or a corporation, association,
8 institution, or person, or a pledge of money, income, or revenue of the authority from
9 any source.

10 (d) Bonds or bond anticipation notes of the authority may be issued in one or
11 more series and shall be dated, bear interest at the rate or rates a year or within the
12 maximum rate, be in the denomination, be in the form, carry the conversion or
13 registration provisions, have the rank or priority, be executed in the manner and form,
14 be payable at the times, from the sources, and in the medium of payment and place or
15 places within or outside the state, be subject to authentication by a trustee or fiscal
16 agent, and be subject to the terms of redemption with or without premium, as the
17 resolution of the authority may provide. Bond anticipation notes shall mature at the
18 time or times that are determined by the authority. Bonds shall mature at a time not
19 exceeding a number of years from their date that is determined by the authority.
20 Before the preparation of bonds or bond anticipation notes, the authority may issue
21 interim receipts or temporary bonds or bond anticipation notes exchangeable for bonds
22 or bond anticipation notes when these bonds or bond anticipation notes have been
23 executed and are available for delivery.

24 (e) Bonds or bond anticipation notes may be sold in the manner and on the
25 terms the authority determines.

26 (f) If an officer whose signature or a facsimile of whose signature appears on a
27 bond or note ceases to be an officer before the delivery of the bond or note, the
28 signature or facsimile is valid to the same extent as if the officer had remained in
29 office until delivery.

30 **Sec. 30.21.210. Covenants.** In a resolution of the authority authorizing or
31 relating to the issuance of bonds or bond anticipation notes, the authority has power by

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provisions in the resolution that will constitute covenants of the authority and contracts with the holders of the bonds or bond anticipation notes to

(1) pledge to a payment or purpose all or a part of its revenue to which its right then exists or may thereafter come into existence, and the money derived from the revenue, and the proceeds of bonds or notes;

(2) covenant as to the use and disposition of payments of principal or interest received by the authority on loans or other investments held by the authority;

(3) covenant as to establishment of reserves or sinking funds and the making of provision for and the regulation and disposition of the reserves or sinking funds;

(4) covenant with respect to or against limitations on a right to sell or otherwise dispose of property of any kind;

(5) covenant as to bonds and notes to be issued, and their limitations, terms, and conditions, and as to the custody, application, and disposition of the proceeds of the bonds and notes;

(6) covenant as to the issuance of additional bonds or notes, or as to limitations on the issuance of additional bonds or notes and the incurring of other debts;

(7) covenant as to the payment of the principal of or interest on the bonds or notes, as to the sources and methods of the payment, as to the rank or priority of the bonds or notes with respect to a lien or security, or as to the acceleration of the maturity of the bonds or notes;

(8) provide for the replacement of lost, stolen, destroyed, or mutilated bonds or notes;

(9) covenant as to the redemption of bonds or notes and privileges of their exchange for other bonds or notes of the authority;

(10) covenant to create or authorize the creation of special funds of money to be held in pledge or otherwise for operating expenses, payment or redemption of bonds or notes, reserves, or other purposes;

(11) establish the procedure, if any, by which the terms of a contract or covenant with or for the benefit of the holders of bonds or notes may be amended or

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abrogated, the amount of bonds or notes the holders of which must consent to amendment or abrogation, and the manner in which the consent may be given;

(12) covenant as to the custody of property or investments, their safekeeping and insurance, and the use and disposition of insurance money;

(13) agree with a corporate trustee that may be a trust company or bank having the powers of a trust company within or outside the state as to the pledging or assigning of revenue or funds to which or in which the authority has rights or an interest; the agreement may further provide for other rights and remedies exercisable by the trustee as may be proper for the protection of the holders of a bond or note of the authority and not otherwise in violation of law and may provide for the restriction of the rights of an individual holder of bonds or notes of the authority;

(14) appoint and provide for the duties and obligations of a paying agent or paying agents or other fiduciaries as the resolution may provide within or outside the state;

(15) limit the rights of the holders of a bond or note to enforce a pledge or covenant securing the bonds or notes;

(16) make covenants other than and in addition to the covenants expressly authorized in this section of like or different character, and to make covenants to do or refrain from doing acts and things as may be necessary or convenient and desirable in order to better secure bonds or notes or that, in the absolute discretion of the authority, will tend to make bonds or notes more marketable, notwithstanding that the covenants, acts, or things may not be enumerated in this section.

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Sec. 30.21.220. Limitations of issuance of bonds. (a) The authority may issue bonds in an amount greater than \$25,000,000 to assist in the financing of ~~a~~ ^{improvements} capital project under this chapter only with the prior approval of the legislature by law.

(b) This section does not apply to the issuance by the authority of refunding bonds under AS 30.21.290.

Sec. 30.21.230. Independent financial advisor. In negotiating the sale of bonds or bond anticipation notes to an underwriter, the authority may retain a financial advisor. A financial advisor retained under this section must be independent from the

1 underwriter.

2 **Sec. 30.21.240. Validity of pledge.** (a) The pledge of assets or revenue of the
3 authority to the payment of the principal of or interest on an obligation of the authority
4 is valid and binding from the time the pledge is made, and the assets or revenue
5 become immediately subject to the lien of the pledge without physical delivery or
6 further act. The lien of a pledge is valid and binding against all parties having claims
7 in tort, contract, or otherwise against the authority, irrespective of whether those
8 parties have notice of the lien of the pledge.

9 (b) This section does not prohibit the authority from selling assets subject to a
10 pledge, except that a sale may be restricted by the trust agreement or resolution
11 providing for the issuance of the obligations.

12 **Sec. 30.21.250. Capital reserve funds.** (a) For the purpose of securing one
13 or more issues of its obligations, the authority may establish one or more special
14 funds, called "capital reserve funds," and shall pay into those capital reserve funds (1)
15 money appropriated and made available by the state for the purpose of those funds, (2)
16 proceeds of the sale of its obligations, to the extent provided in the resolution or
17 resolutions of the authority authorizing their issuance, and (3) other money that may
18 be made available to the authority for the purpose of those funds from another source.
19 All money held in a capital reserve fund, except as provided in this section, shall,
20 subject to appropriation, be used as required solely for the payment of the principal of
21 obligations or of the sinking fund payments with respect to those obligations, the
22 purchase or redemption of obligations, the payment of interest on obligations, or the
23 payment of a redemption premium required to be paid when those obligations are
24 redeemed before maturity. However, money in a fund may not be withdrawn from
25 that fund at any time in an amount that would reduce the amount of that fund to less
26 than the capital reserve requirement set out in (b) of this section, except for the
27 purpose of making, with respect to those obligations, payment, when due, of principal,
28 interest, redemption premiums, and the sinking fund payments for the payment of
29 which other money of the authority is not available. Income or interest earned by, or
30 increment to, a capital reserve fund due to the investment of the fund or other amounts
31 in it may be transferred by the authority to other funds or accounts of the authority to

1 the extent that the transfer does not reduce the amount of the capital reserve fund
2 below the capital reserve fund requirement.

3 (b) If the authority decides to issue obligations secured by a capital reserve
4 fund, the obligations may not be issued if the amount in the capital reserve fund is less
5 than a percent, not exceeding 10 percent, of the principal amount of all of those
6 obligations secured by that capital reserve fund then to be issued and then outstanding
7 in accordance with their terms, as may be established by resolution of the authority,
8 called the "capital reserve fund requirement," unless the authority, at the time of
9 issuance of the obligations, deposits in the capital reserve fund from the proceeds of
10 the obligations to be issued or from other sources an amount that, together with the
11 amount then in the fund, will not be less than the capital reserve fund requirement.

12 (c) In computing the amount of a capital reserve fund for the purpose of this
13 section, securities in which all or a portion of the funds are invested shall be valued at
14 par or, if purchased at less than par, at amortized costs as the term is defined by
15 resolution of the authority authorizing the issue of the obligations or by some other
16 reasonable method established by the authority by resolution. Valuation on a
17 particular date must include the amount of interest earned or accrued to that date.

18 (d) To assure the continued operation and solvency of the authority for the
19 carrying out of its corporate purposes, provision is made in (a) of this section for the
20 accumulation in capital reserve funds of an amount equal to their capital reserve fund
21 requirement.

22 (e) This section does not create a debt or liability of the state.

23 **Sec. 30.21.260. Remedies.** A holder of obligations issued under the
24 provisions of this chapter, and a trustee under a trust agreement or resolution
25 authorizing the issuance of the obligations, except as restricted by a trust agreement or
26 resolution, either at law or in equity, may enforce all rights granted hereunder or under
27 the trust agreement or resolution, or under another contract executed by the authority
28 under this chapter, and may enforce and compel the performance of all duties required
29 by this chapter or by the trust agreement or resolution to be performed by the authority
30 or by an officer of the authority.

31 **Sec. 30.21.270. Negotiable instruments.** All obligations are negotiable

1 instruments under the laws of this state, subject only to applicable provisions for
2 registration.

3 **Sec. 30.21.280. Obligations eligible for investment.** Obligations issued
4 under the provisions of this chapter are securities in which all public officers and
5 public bodies of the state and its political subdivisions, all insurance companies, trust
6 companies, banking associations, investment companies, executors, administrators,
7 trustees, and other fiduciaries may properly and legally invest funds, including capital
8 in their control or belonging to them. These obligations may be deposited with a state
9 or municipal officer of an agency or political subdivision of the state for a purpose for
10 which the deposit of bonds, notes, or obligations of the state is authorized by law.

11 **Sec. 30.21.290. Refunding bonds.** (a) The authority may provide for the
12 issuance of refunding bonds for the purpose of refunding an obligation then
13 outstanding that has been issued under the provisions of this chapter, including the
14 payment of redemption premium on them and interest accrued or to accrue to the date
15 of redemption of the obligations. The issuance of the bonds, the maturities and other
16 details of them, the rights of the holders of them, and the rights, duties, and obligations
17 of the authority in respect of them are governed by the provisions of this chapter that
18 relate to the issuance of obligations insofar as those provisions may be appropriate.

19 (b) Refunding bonds may be sold or exchanged for outstanding bonds issued
20 under this chapter, and, if sold, the proceeds may be applied, subject to appropriation
21 and in addition to another authorized purpose, to the purchase, redemption, or payment
22 of the outstanding obligations. Pending the application of the proceeds of refunding
23 bonds, with any other available funds, to the payment of the principal of, accrued
24 interest on, and redemption premium on the obligations being refunded, and, if so
25 provided or permitted in the resolution authorizing the issuance of the refunding bonds
26 or in the trust agreement securing them, to the payment of any interest on the
27 refunding bonds and expenses in connection with the refunding, the proceeds may be
28 invested in direct obligations of, or obligations the principal of and the interest on
29 which are unconditionally guaranteed by, the United States that mature or that will be
30 subject to redemption, at the option of the holders of them, not later than the respective
31 dates when the proceeds, together with the interest accruing on them, will be required

1 for the purposes intended.

2 **Sec. 30.21.300. Credit of state not pledged.** (a) Obligations issued under
3 the provisions of this chapter do not constitute a debt, liability, or obligation of the
4 state or of a political subdivision of the state or a pledge of the faith and credit of the
5 state or of a political subdivision of the state but are payable solely from the revenue
6 or assets of the authority. Each obligation issued under this chapter must contain on
7 its face a statement that the authority is not obligated to pay the obligation or the
8 interest on the obligation except from the revenue or assets of the authority and that
9 neither the faith and credit nor the taxing power of the state or of a political
10 subdivision of the state is pledged to the payment of the principal of or the interest on
11 the obligation.

12 (b) Expenses incurred by the authority in carrying out the provisions of this
13 chapter are payable from funds provided under this chapter, and liability may not be
14 incurred by the authority in excess of these funds.

15 **Sec. 30.21.310. Officers not liable.** A member or other officer of the
16 authority is not subject to personal liability or accountability by reason of having
17 executed or issued an obligation.

18 **Sec. 30.21.320. Tax exemption.** All obligations issued under this chapter are
19 declared to be issued by a body corporate and public of the state and for an essential
20 public and governmental purpose, and the obligations, and the interest and income on
21 and from the obligations, and all fees, charges, funds, revenue, income, and other
22 money pledged or available to pay or secure the payment of the obligations, or interest
23 on the obligations, are exempt from state taxation except for transfer, inheritance, and
24 estate taxes.

25 **Article 4. Fiscal Procedures.**

26 **Sec. 30.21.350. Authority program and financial plan.** (a) The authority
27 shall assure the development of a system of results-based operation designed to
28 increase efficiency and effectiveness of facilities, operations, programs, and services
29 of the authority. Toward that end, the authority shall, on an annual basis, identify
30 results-based measures that have been used to work toward achievement of the
31 mission statement and desired results issued by the legislature and of other goals of the

1 authority, and set out the results as measured. The authority shall also prepare a public
2 report that shall be published by January 2 of each year. The report must

3 (1) identify the mission of the authority;

4 (2) identify the goals and objectives the authority will use to achieve
5 the legislature's mission and desired results;

6 (3) include written, defined methods of measuring results that apply to
7 the responsibilities, products, and services of the authority;

8 (4) identify surveys or other methods of gathering user-group opinions
9 that have been used by the authority to identify ways to improve its programs;

10 (5) identify methods of measuring performance when the mission
11 statement and desired results of the authority involve cooperation with other public or
12 private agencies and make recommendations to eliminate duplication of government
13 functions and waste;

14 (6) include the budget requested to carry out the authority's proposed
15 plans in the succeeding fiscal year, including information reflecting the expenditures
16 during the last fiscal year, the expenditures authorized for the current fiscal year, the
17 expenditures proposed for the succeeding fiscal year, an explanation of the services to
18 be provided, the total number of positions for all persons employed or under contract
19 by the agency for personal services, including those rendered for capital improvement
20 projects, the need for the services, and the cost of the services;

21 (7) include a report of receipts of the authority during the last fiscal
22 year, an estimate of receipts during the current fiscal year, and an estimate of receipts
23 for the succeeding fiscal year;

24 (8) identify legislation required to implement the proposed programs
25 and financial plans;

26 (9) include an evaluation of the advantages and disadvantages of
27 specific alternatives to existing or proposed activities or administrative methods of the
28 authority.

29 (b) The report prepared under (a) of this section must describe the relationship
30 of the services provided by the authority to those services provided by other
31 government agencies and nongovernmental organizations.

1 (c) All goals and objectives, plans, programs, estimates, budgets, and other
2 documents forwarded to the governor by the authority under this section are public
3 information on and after the date they are forwarded.

4 **Sec. 30.21.360. Program execution.** The authority has power to administer
5 its programs and is responsible for the proper management of its facilities and
6 operations.

7 **Sec. 30.21.370. Annual report.** By January 2 of each year, the authority shall
8 prepare a concise report describing the operations, income, and expenditures for the
9 preceding fiscal year. The report must contain information substantially similar to that
10 required by the United States Securities and Exchange Commission Form 10-K. The
11 report must also include financial statements audited by an independent outside
12 auditor.

13 **Sec. 30.21.380. Annual audit.** The authority shall have a certified audit of its
14 financial records prepared annually by an independent certified public accountant.

15 **Article 5. General Provisions.**

16 **Sec. 30.21.400. Authority employees.** Employees of the authority are not
17 employees of the state.

18 **Sec. 30.21.410. Application of existing laws.** (a) Except as provided under
19 this chapter, or unless those provisions of law conflict with the provisions of this
20 chapter, the authority is subject to those provisions of law generally applicable to
21 public corporations of the state and to

22 (1) AS 40.25;

23 (2) AS 44.62.310 and 44.62.312.

24 (b) The provisions of AS 37.07 (Executive Budget Act)

25 (1) apply to the operating and capital budgets of the authority;

26 (2) do not apply to activities of the authority under this chapter that
27 relate to the authority's borrowing of money as provided in this chapter, including the
28 issuing of its obligations or evidence of that borrowing and the repayment of the debt
29 obligation.

30 (c) Unless specifically provided otherwise in this chapter, the following laws
31 do not apply to the operations of the authority:

1 (1) AS 36.30, except as provided in that chapter;

2 (2) AS 39.

3 **Sec. 30.21.490. Definitions.** In this chapter, unless the context requires
4 otherwise,

5 (1) "authority" means the Interior Rivers Port Authority;

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

7 (3) "bonds" means the bonds issued by the authority under this
8 chapter;

9 (4) "capital improvement" means a project for the construction,
10 rehabilitation, rebuilding, enlarging, or improving of a facility or operation, as
11 determined by the authority to be necessary or desirable for efficient management of
12 the facility or operation by the authority and to best serve the public;

13 (5) "facility or operation" means a facility or operation necessary for
14 the authority to carry out its mission.

15 **Sec. 30.21.495. Short title.** This chapter may be cited as the Interior Rivers
16 Port Authority Act.

17 * **Sec. 3.** AS 30.15.010 is amended to read:

18 **Sec. 30.15.010. State grants for port facilities construction.** To the extent
19 funds are appropriated by the legislature, or from the proceeds from the sale of bonds,
20 the state may make grants to municipalities and regional port authorities to finance a
21 portion of the cost of constructing local, regional, or state port facilities. The state
22 shall participate only in those projects approved by the governor on recommendation
23 of the commissioner.

24 * **Sec. 4.** AS 30.15.020 is amended to read:

25 **Sec. 30.15.020. Criteria for establishing eligibility.** (a) Before a grant may
26 be awarded under this chapter, the commissioner shall determine that

27 (1) the grant is for a feasible project;

28 (2) the project is endorsed by resolution of the board of directors of
29 the regional port authority or of the governing body of the sponsoring municipality
30 on its own behalf, or on behalf of a service area in an organized borough if a service
31 area is established to finance and construct port facilities and operate and maintain

1 them once constructed; and

2 (3) the regional port authority or the municipality can clearly
3 demonstrate its ability to finance the local share of project costs.

4 (b) A grant may not be awarded under this chapter for a port facility
5 development project until a study of its feasibility is conducted and submitted with the
6 application for the grant. The project also must be justifiable on the basis of public
7 convenience and necessity. The study shall be conducted by consultants, engineers, or
8 other technical experts, who may be officers or employees of the regional port
9 authority or the municipality [IN] making application for a grant.

10 * Sec. 5. AS 30.15.030 is amended to read:

11 **Sec. 30.15.030. Limitation on grants.** Grants to municipalities for the
12 development of port facilities may not exceed

13 (1) 90 per cent of project costs for municipalities under 5,000
14 population;

15 (2) 80 per cent of project costs for municipalities 5,000 population and
16 over.

17 * Sec. 6. AS 30.15.070 is amended by adding a new paragraph to read:

18 (5) "regional port authority" includes the Interior Rivers Port Authority
19 authorized under AS 30.21.

20 * Sec. 7. AS 36.30.015(e) is amended to read:

21 (e) The board of directors of the Alaska Railroad Corporation, the board of
22 directors of the Interior Rivers Port Authority, and the board of directors of the
23 Alaska Aerospace Development Corporation shall adopt procedures to govern the
24 procurement of supplies, services, professional services, and construction. The
25 procedures must be substantially equivalent to the procedures prescribed in this
26 chapter and in regulations adopted under this chapter. Notwithstanding the other
27 provisions of this subsection, the Alaska Railroad Corporation, the Interior Rivers
28 Port Authority, and the Alaska Aerospace Development Corporation shall comply
29 with AS 36.30.170(b), and, when the Department of Transportation and Public
30 Facilities authorizes the Alaska Railroad Corporation to perform construction work
31 instead of the Department of Transportation and Public Facilities, the Alaska Railroad

1 Corporation shall use competitive sealed bidding or competitive sealed proposals
2 under AS 36.30.100 - 36.30.270 to procure the supplies, services, professional
3 services, and construction services necessary for the work and, to ensure the state
4 obtains the lowest cost for the project, may submit a bid or proposal for the work.

5 * Sec. 8. AS 36.30.050(c) is amended to read:

6 (c) The lists may be used by the chief procurement officer or an agency when
7 issuing invitations to bid or requests for proposals under this chapter. The lists may be
8 used by the legislative council, the court system, the Interior Rivers Port Authority,
9 and the Alaska Railroad Corporation.

10 * Sec. 9. AS 36.30.990(1) is amended to read:

11 (1) "agency"

12 (A) means a department, institution, board, commission,
13 division, authority, public corporation, the Alaska Pioneers' Home, or other
14 administrative unit of the executive branch of state government;

15 (B) does not include

16 (i) the University of Alaska;

17 (ii) the Alaska Railroad Corporation;

18 (iii) the Alaska Housing Finance Corporation;

19 (iv) a regional Native housing authority created under
20 AS 18.55.996 or a regional electrical authority created under
21 AS 18.57.020;

22 (v) the Department of Transportation and Public
23 Facilities, in regard to the repair, maintenance, and reconstruction of
24 vessels, docking facilities, and passenger and vehicle transfer facilities
25 of the Alaska marine highway system;

26 (vi) the Alaska Aerospace Development Corporation;

27 (vii) the Alaska State Pension Investment Board;

28 (viii) the Alaska Seafood Marketing Institute;

29 (ix) the Interior Rivers Port Authority;

30 * Sec. 10. AS 37.05 is amended by adding a new section to article 1 to read:

31 **Sec. 37.05.055. Delegation to the Interior Rivers Port Authority. The**

1 commissioner of administration may delegate the performance of the functions under
2 this chapter as they relate to the Interior Rivers Port Authority to the authority and set
3 the criteria and guidelines that shall be followed.

4 * Sec. 11. AS 39.50.200(b) is amended by adding a new paragraph to read:

5 (58) board of directors of the Interior Rivers Port Authority
6 (AS 30.21.020).

7 * Sec. 12. AS 39.52.960(2) is amended to read:

8 (2) "agency" means a department, the office of the governor, or an
9 entity in the executive branch, including but not limited to the University of Alaska,
10 public or quasi-public corporations, boards or commissions, [AND] the Alaska
11 Railroad Corporation, and the Interior Rivers Port Authority;

12 * Sec. 13. AS 39.52.960(4) is amended to read:

13 (4) "board or commission" means a board, commission, authority, or
14 board of directors of a public or quasi-public corporation, established by statute in the
15 executive branch, including the Alaska Railroad Corporation and the Interior
16 Rivers Port Authority, but excluding members of a negotiated regulation making
17 committee under AS 44.62.710 - 44.62.800;

18 * Sec. 14. AS 39.52.960(12) is amended to read:

19 (12) "instrumentality of the state" means a state agency or
20 administrative unit, whether in the legislative, judicial, or executive branch, including
21 such entities as the University of Alaska, the Alaska Railroad Corporation, the
22 Interior Rivers Port Authority, and any public or quasi-public corporations, boards,
23 or commissions; the term includes municipalities;

24 * Sec. 15. AS 44.42.020(a) is amended to read:

25 (a) The department shall

26 (1) plan, design, construct, and maintain all state modes of
27 transportation and transportation facilities and all docks, floats, breakwaters, buildings,
28 and similar facilities;

29 (2) study existing transportation modes and facilities in the state to
30 determine how they might be improved or whether they should continue to be
31 maintained;

1 (3) study alternative means of improving transportation in the state
2 with regard to the economic costs of each alternative and its environmental and social
3 effects;

4 (4) develop a comprehensive, long-range intermodal transportation
5 plan for the state;

6 (5) study alternatives to existing modes of transportation in urban areas
7 and develop plans to improve urban transportation;

8 (6) cooperate and coordinate with and enter into agreements with
9 federal, state, and local government agencies and private organizations and persons in
10 exercising its powers and duties;

11 (7) manage, operate, and maintain state transportation facilities and all
12 docks, floats, breakwaters, and buildings, including all state highways, vessels,
13 railroads, pipelines, and airports [,] and aviation facilities other than ports and port
14 related transportation facilities and operations managed, operated, and
15 maintained by the Interior Rivers Port Authority under AS 30.21;

16 (8) study alternative means of transportation in the state, considering
17 the economic, social, and environmental effects of each alternative;

18 (9) coordinate and develop state and regional transportation systems,
19 considering deletions, additions, and the absence of alterations;

20 (10) develop facility program plans for transportation and state
21 buildings, docks, and breakwaters required to implement the duties set out in this
22 section, including but not limited to functional performance criteria and schedules for
23 completion;

24 (11) supervise and maintain all state automotive and mechanical
25 equipment, aircraft, and vessels, except vessels and aircraft used by the Department of
26 Fish and Game or the Department of Public Safety; for state vehicles maintained by
27 the department, the department shall annually evaluate the cost, efficiency, and
28 commercial availability of natural gas for automotive purposes, and the purpose for
29 which the vehicles are intended to be used, and convert or purchase vehicles to utilize
30 natural gas whenever practicable; the department may participate in joint ventures
31 with public or private partners that will foster the availability of natural gas for all

1 automotive fuel consumers;

2 (12) supervise aeronautics inside the state, under AS 02.10;

3 (13) complete and maintain a current inventory of public facilities,
4 including a projection of the serviceability of the facilities and projections of
5 replacements and additions to facilities needed to provide the level of services
6 programmed by the various user agencies, for municipalities with populations of less
7 than 12,000 and for unincorporated communities, and perform those duties on a
8 cooperative basis with larger municipalities;

9 (14) adopt energy performance standards for public facilities of the
10 state, the construction of which begins after July 1, 1980; the standards shall be based
11 on thermal and lighting energy standards established by the American Society of
12 Heating, Refrigeration and Air Conditioning Engineers as adapted for application in
13 high latitude, cold climate environs;

14 (15) provide planning assistance, including but not limited to energy
15 audits and related technical services, to school districts and regional educational
16 attendance areas to develop and implement

17 (A) standards for the design, construction, and operation of
18 rural educational facilities; and

19 (B) energy conservation measures for rural educational
20 facilities;

21 (16) implement the safety and financial responsibility requirements for
22 air carriers under AS 02.40;

23 (17) inspect weights and measures.

24 * Sec. 16. The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 REGIONAL DEVELOPMENT PLAN. Within one year from the first meeting of the
27 board of directors of the Interior Rivers Port Authority, the board shall prepare and publish a
28 development plan for promoting economic self-sufficiency in the region in which the
29 authority operates. The development plan must include a description of the transportation,
30 energy, regional waste disposal, and tourism infrastructure needs of the region that are
31 necessary to promote regional economic self-sufficiency. The plan must also identify

1 opportunities for private resource development in the region, training programs that are
2 necessary to take advantage of current and future economic opportunities in the region,
3 tourism marketing strategies for the region, and sources of funding for operations and projects
4 of the authority.

5 * Sec. 17. The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 INITIAL APPOINTMENTS. Notwithstanding AS 30.21.020, as added by sec. 2 of
8 this Act, and AS 39.05.055, the governor shall appoint the initial appointed members of the
9 board of directors of the Interior Rivers Port Authority to terms as follows:

- 10 (1) three members to terms of one year;
11 (2) three members to terms of two years;
12 (3) three members to terms of three years.

13 * Sec. 18. This Act takes effect July 1, 2004.

LEGAL SERVICES

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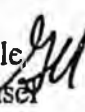
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MEMORANDUM

May 1, 2004

SUBJECT: Sectional Summary of HB 562; An Act relating to the establishment of the Interior Rivers Port Authority (Work Order No. 23-LS1951\H)

TO: Representative Carl Morgan
Attn: Lori Nottingham

FROM: George Utermohle 
Legislative Counsel

You have requested a sectional summary of HB 562; An Act relating to the establishment of the Interior Rivers Port Authority.

As a preliminary matter, note that a sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill sets out the findings and purpose of the legislature in regard to the establishment of the Interior Rivers Port Authority.

Section 2 of the bill adds a new chapter to AS 30 to provide for the establishment and operation of the Interior Rivers Port Authority.

Article 1. Creation and Organization.

Sec. 30.21.010 establishes the Interior Rivers Port Authority as a public corporation of the state within the Department of Community and Economic Development.

Sec. 30.21.020 establishes the board of directors of the authority, consisting of nine voting members appointed by the governor. Seven members are to be appointed from lists of nominees submitted by certain corporations in the area of operation of the authority. One member is to be a person employed by a company that has a physical presence in the operation of the authority. One member is a public member. The commissioners of transportation and public facilities and of community and economic development are non-voting members of the board.

Sec. 30.21.030 provides for the removal and replacement of members of the board.

Sec. 30.21.040 provides that the members of the board may receive compensation, per diem, and travel expenses for participation in board meetings.

Sec. 30.21.050 provides that the board shall hold at least four regular meetings each year and that the board may also hold special meetings at the call of the chair of the board or of three members of the board.

Sec. 30.21.060 provides for the election of officers of the board and sets the quorum and certain voting procedures for meetings of the board.

Sec. 30.21.070 provides that the board may employ officers and employees of the authority as necessary for operation of the authority.

Sec. 30.21.080 describes the operating area of the authority.

Sec. 30.21.090 provides that the board of the authority may adopt regulations to carry out its functions.

Article 2. Powers and Duties.

Sec. 30.21.100 sets out the powers and duties of the authority.

Sec. 30.21.110 provides that the activities of the authority are public and governmental functions exercised for a public purpose and are matters of public necessity.

Sec. 30.21.120 provides that the authority may acquire, by purchase, lease, or gift, upon terms that the authority considers proper, land, structures, real or personal property rights, rights-of-way, franchises, easements, and other interests in land.

Sec. 30.21.130 provides that the authority may acquire land and easements by purchase, gift, grant, exchange, or eminent domain.

Sec. 30.21.140 provides that the authority may acquire publicly or privately owned land, easements, and material for purposes of exchange by purchase, gift, grant, exchange, or eminent domain.

Sec. 30.21.150 provides that the authority has the power of eminent domain.

Sec. 30.21.160 provides that the authority may defend and indemnify a current or former member of the board, employee, or agent of the authority against all costs, expenses, judgments, and liabilities incurred by or imposed upon that person in connection with a civil or criminal action in which the person is involved by affiliation with the authority. The authority may also purchase insurance to protect and hold

personally harmless its board members, employees, and agents from an action, claim, or proceeding arising out of the performance, purported performance, or failure of performance, in good faith, of duties for, or employment with, the authority.

Sec. 30.21.170 provides that the authority shall protect its assets, services, and employees by purchasing insurance or providing for certain self-insurance retentions. The authority shall also maintain casualty, property, and other insurance in amounts reasonably calculated to cover potential claims against the authority or state related to authority operations and activities.

Sec. 30.21.180 provides that the authority shall obtain a fidelity bond in an amount determined by the board for members of the board and for each executive officer responsible for accounts and finances.

Article 3. Revenue Bonds and Notes.

Secs. 30.21.200 - 30.21.320 set out the powers and duties of the authority in regard to the issuance of revenue bonds. Under sec. 30.21.300, the credit of the state is not pledged to the repayment of debts, liabilities, or obligations of the authority. The authority is solely responsible for payment of its debts, liabilities, or obligations from the revenue of the authority.

Article 4. Fiscal Procedures.

Sec. 30.21.350 sets out the requirement of the authority to assure the development of a system of results-based operation designed to increase efficiency and effectiveness of facilities, operations, programs, and services of the authority. The authority shall annually prepare a detailed report of the mission, goals, operations, and performance of the authority.

Sec. 30.21.360 provides that the authority has power to administer its programs and is responsible for the proper management of its facilities and operations.

Sec. 30.21.370 provides that the authority shall prepare an annual report of its operations, income, and expenditures for the preceding fiscal year.

Sec. 30.21.380 provides that the authority shall have a certified audit of its financial records prepared annually by an independent certified public accountant.

Article 5. General Provisions.

Sec. 30.21.400 provides that the employees of the authority are not state employees.

Sec. 30.21.410 provides that the authority is not subject to the State Procurement

Code (AS 36.30) except as specifically provided in this bill or to the statutes governing public officers and employees in AS 39.

Sec. 30.21.490 sets out the definitions of terms used in the bill.

Sec. 30.21.495 provides that this chapter may be cited as the Interior Rivers Port Authority Act.

Sections 3 - 6 of the bill amend provisions of AS 30.15 to provide that the Interior Rivers Port Authority would be eligible for grants, if any, that are made for port facility construction under that chapter.

Section 7 of the bill amends AS 36.30.015(e) to provide that the board of directors of the Interior Rivers Port Authority is to adopt procedures to govern the procurement of supplies, services, professional services, and construction that are substantially equivalent to the procedures prescribed in the State Procurement Code (AS 36.30).

Section 8 of the bill amends AS 36.30.050 to provide that the board of directors of the Interior Rivers Port Authority may use the lists of contractors prepared by the commissioner of administration when issuing invitations to bid or requests for proposals.

Section 9 of the bill amends AS 36.30.990(1) to exclude the Interior Rivers Port Authority from the agencies that are subject to the State Procurement Code (AS 36.30).

Section 10 of the bill amends AS 37.05 by adding a new sec. 37.05.055 to provide that the commissioner of administration may delegate functions under the Fiscal Procedures Act (AS 37.05) to the board of directors of the Interior Rivers Port Authority.

Section 11 of the bill amends AS 39.50.200(b) to add the board of directors of the Interior Rivers Port Authority to the list of boards and commissions whose members are subject to public official financial disclosure under AS 39.50.

Sections 12 - 14 of the bill amend AS 39.52.960(2), (4), and (12), respectively, to provide that the board of directors of the Interior Rivers Port Authority is subject to the Executive Branch Ethics Act (AS 39.52).

Section 15 of the bill amends AS 44.42.020(a) to provide that the Department of Transportation and Public Facilities is not responsible for management, operation, or maintenance of ports and port related facilities and operations managed, operated, and maintained by the Interior Rivers Port Authority.

Section 16 of the bill provides that the board of directors of the Interior Rivers Port Authority shall, within one year from the first meeting of the board, prepare and publish a development plan for promoting economic self-sufficiency in the region in which the authority operates.

Representative Carl Morgan
May 1, 2004
Page 5

Section 17 of the bill establishes the length of the terms of the persons initially appointed to board of directors of the Interior Rivers Port Authority in order to establish a system of staggered appointments.

Section 18 of the bill provides that the bill takes effect July 1, 2004.

If I may be of further assistance, please advise.

GU:med
04-489.med

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 562/SB 396
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title Interior Rivers Port Authority Act BRU _____
Component _____
Sponsor House CRA
Requester House CRA Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2004) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Interior Rivers Port Authority is structured to provide representation from major land owning and economic development organizations in areas of interior Alaska between and along the waterways of the Tanana, Yukon and Kuskokwim Rivers. The authority's board contains nine members. Additionally two ex officio members will represent the Department of Community and Economic Development and the Department of Transportation and Public Facilities. This authority will oversee economic and infrastructure development and promote self-sufficiency in the resource rich interior of Alaska. The authority may receive funding subject to appropriation by the legislature.

Prepared by: House Community and Regional Affairs Committee Phone _____
Division _____ Date/Time 5/1/04 3:00PM
Approved by: *Mary P. Seery* Date 5/1/2004
Agency _____

SCR

12

Written testimony by Denny Kay Weathers
From: Hawkins Island, Prince William Sound
Date: May 7, 2003
RE: SCR 12

Attn: Chairperson Wagoner;

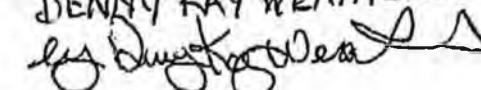
Year after year the issue of the UNORGANIZED BOROUGH comes forth. Year after year the People of Alaska testify that they are OPPOSED to mandatory government.

During the last LBC Public Hearing I testified and stated that the INFORMATION in the PUBLIC REVIEW DRAFT was false and misleading concerning the section on CORDOVA and asked that the LBC correct the information before forwarding it to the Legislature. After reviewing the final document I see that the information provided to you the Legislature STILL has the same FALSE INFORMATION and no corrections were made.

Many Borough Feasibility Studies have been done over the past years and all the Studies for the PRINCE WILLIAM SOUND MODEL BOROUGH end up stating the same thing "All the borough options predict a deficit of about \$100,000 to almost \$3.6 million by year 5" and these studies were done when Cordova still had an economy base compared to now when many of the businesses are closing their doors, some even filing bankruptcy, and the fishing industry is becoming nonexistent.

In the PWS Borough Feasibility Study of June 25, 1997 Chapter 4 pg. 2 of 12 the study states: "There is no overwhelming positive financial reason to form a borough. The overall financial prospects for a borough in the Sound are tenuous but not impossible." "The prospects for tapping into new income sources for a borough in Prince William Sound are limited at this time. Most of the revenue sources and property value are located in the already existing cities."

I think the Legislature is just trying to usurp the power from We The People of Alaska. I would suggest that each and every one of you ELECTED officials (public servants) read the Alaska Statehood Act (Public Law 85-508) Sec. 3. Then go read the Declaration of Independence to see what the Alaska Statehood Act referred to. [i.e. grievance # 4., # 9., # 10., # 17., # 18., # 28., # 29. and it's summary/conclusion. End Testimony

DENNY KAY WEATHERS


THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

LEGISLATIVE INFORMATION OFFICE
PO BOX 1189
ROOM 218 JARVIS OFFICE CENTER
DELTA JCT., AK 99737

FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
SENATE COMMUNITY & REGIONAL AFFAIRS	Toni Lee <i>TL</i>
COMPANY:	DATE:
	May 7, 2003
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
465-4779	3
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
	(907) 895-4236
RE:	YOUR REFERENCE NUMBER:
SCR12	(907) 895-5017 fax



Alaska State Legislature

Please enter into the record my testimony to the Senate Com-Reg Aff.
 committee on SCR 12, dated 5/7/03
 bill/subject committee name

It was recently reported in the Delta Wind, our local newspaper, that the Delta school district is anticipating an increased enrollment at school this fall. The projection is admittedly speculative and based on the following three factors:

- (1) "an increase in the number of employees at Fort Greely"
- (2) "the start of construction of the Pogo Mine project"
- (3) "an increase in the Slavic population"

The installation of the Missile Defense project at Fort Greely is creating an influx of jobs and manpower into the area. However, a large percentage of the jobs are temporary in nature and the people filling them will be living at the "Man Camp", not moving families permanently into the area.

The Pogo mine development is also temporary in nature. Plans for the all-season access road to the mine contain references for "complete reclamation following mine closure", also reported in the Delta Wind.

We are left with the increase in the Slavic population. With few exceptions the Slavic population is dependent on government assistance for survival. They themselves are not in the position to support a local government.

This means that the projected existence of a tax base in Delta is purely speculative. It is based on temporary jobs and an influx of the governmentally assisted population. The burden of an organized borough would fall on the shoulders of the existing working local population, which has actually been depleted over the last several years as a result of the downsizing of Fort Greely. Incorporating the Delta area into an organized borough is not a decision based on sound judgment.

Signed:

Charles E. Abbott
 Testifier

Representing (Optional)
H 600 Box 4225 Delta, Est.
 Address
895-2002
 Phone No.



Alaska State Legislature

Please enter into the record my testimony to the Senate Com-Reg Aff.
committee on SCR 12, dated 5/7/03
bill/subject committee name

We have made the choice to live near Delta Jct., an area where we trade a lack of "conveniences" for fewer taxes. We have exchanged governmental bureaucracy and regulations for fewer options in employment, shopping, entertainment, and schools. It is our choice, at least so far.

We are being pressured to form an organized borough under the pretext that we are not "paying our fare share" in regards to education. This is not a legitimate argument for two reasons.

The first reason is that according to our state constitution it is the state's responsibility to provide schools for the state of Alaska. This is to ensure that communities that cannot support a tax base will still have schools. Much of Alaska would be without schools if the "pay your fare share" mentality were to be enforced statewide.

The second reason is that the community *does* generate money to the state by way of taxes levied against our thirty-eight miles of the pipeline. Incorporation into an organized borough would mean that some funds now going to the state would be diverted to the borough.

So the real question is whether or not there is a tax base in this area.

Much of the Delta area's population consists of farmers, Russian Immigrants and retirees. According to Alaska labor statistics, the current unemployment rate for the Delta area is 14.1%. That is more than double the rates of Fairbanks and Anchorage which are 6.6% and 5.1% respectively. Delta's 14.1% falls well below the statewide unemployment rate of 7.6% in spite of the "boom" created by Missile Defense.

The majority of the jobs being generated by the Missile Defense and Pogo Mine are going to people from outside the community. Missile Defense workers are taking up residence at Ft. Greely housing or at the Man Camp. The jobs are temporary in nature, filled by employees that have no intention of staying in the area when the work is done.

Thank you for your time, and please take our concerns into consideration in your decision making process.

Signed:

Ruth A. Abbott

Testifier

Representing (Optional)

HC160 Box 4225 Delta Junction, AK 99737

Address

(907) 895-2002

Phone No.



Alaska State Legislature

Please enter into the record my testimony to the Senate Com-Reg Aff.
 committee on SCR 12, dated 5/7/03
 bill/subject committee name

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This means that the projected existence of a tax base in Delta is purely speculative. It is based on temporary jobs and an influx of the governmentally assisted population. The burden of an organized borough would fall on the shoulders of the existing working local population, which has actually been depleted over the last several years as a result of the downsizing of Fort Greely. Incorporating the Delta area into an organized borough is not a decision based on sound judgment.

Signed:

Charles E. Abbott
 Testifier

Representing (Optional)
H100 Box 4225 Delta, Id.
 Address
895-2002
 Phone No.

ALBERT SHAW
300 HERMIT ST. #6
JUNEAU, AK 99801
586-1602

TESTIMONY in favor of SCR #12

I would like a sentence along these
lines:

"if because of this resolution and
new borough formed it appears an
area should be added to an
existing borough the Local Boundary
Commission is encouraged to do so"

GARY WILKEN

SENATOR
Fairbanks

Interim:
1851 Fox Ave.
Fairbanks, Alaska 99701
Tel: 451-5501 (from Fbks)
Tel: (907) 465-3709 (outside Fbks)
Fax: (907) 465-4714

Alaska State Legislature

Senate

During Session:
State Capitol Building
Juneau, Alaska 99801-1182
Tel: 451-5501 (from Fbks)
Tel: (907) 465-3709 (outside Fbks)
Fax: (907) 465-4714
Website: www.garywilken.com
E-Mail: Senator.Gary.Wilken@legis.state.ak.us

MEMORANDUM

TO: Senator Tom Wagoner, Chairman
Community and Regional Affairs Committee

FROM: Senator Gary Wilken

DATE: May 1, 2003

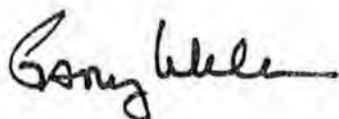
RE: SCR 12 – *Borough Incorporation: Unorganized Areas*

I respectfully request that Senate Concurrent Resolution 12, *Borough Incorporation: Unorganized Areas*, be scheduled for a hearing before the Senate Community and Regional Affairs Committee.

Senate Concurrent Resolution 12 requests the Local Boundary Commission (LBC) to consider borough incorporation for four areas of the state: Upper Tanana Basin Model Borough, Copper River Basin Model Borough, Glacier Bay Model Borough, and Chatham Region Model Borough.

These four areas were highlighted in a recent report by the LBC, *Unorganized Areas of Alaska that Meet Borough Incorporation Standards*, as meeting the existing standards for borough incorporation. Senate Concurrent Resolution 12 requests the LBC to further study these areas and, if warranted, present a recommendation for borough incorporation to the legislature.

Thank you for your cooperation and assistance in scheduling a hearing.



GARY WILKEN

SENATOR
Fairbanks

During:
1851 Fox Ave
Fairbanks, Alaska 99701
Tel: 451-5501 (from Fbks)
Tel: (907) 465-3709 (outside Fbks)
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Alaska State Legislature

Senate

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Fax: (907) 465-4714
Website: www.garywilken.com
E-Mail: Senator.Gary.Wilken@legis.state.ak.us

SPONSOR STATEMENT

Senate Concurrent Resolution 12 Borough Incorporation: Unorganized Areas

Senate Concurrent Resolution 12 requests the Local Boundary Commission (LBC) to consider borough incorporation for four areas of the state: Upper Tanana Basin Model Borough, Copper River Basin Model Borough, Glacier Bay Model Borough, and Chatham Region Model Borough. These four areas of the state were recently identified in a February 2003 report by the LBC, *Unorganized Areas of Alaska the Meet Borough Incorporation Standards*, as meeting the existing standards for borough incorporation.

Although the aforementioned model boroughs are named in the recent Local Boundary Commission report as having the fiscal and administrative capacity to operate borough governments, the majority of the residents do not live in home rule and first class cities. As residents of the unorganized borough, these Alaskans are not required to financially support their local school system. This resolution recognizes this fact and establishes a procedure to determine if the residents of the four areas have the ability to contribute to their local school districts.

Senate Concurrent Resolution 12 requests the Local Boundary Commission to review these areas in depth and make a recommendation for borough incorporation for each of the model boroughs that is determined to have met the applicable borough incorporation standards. The exact details regarding the establishment of each particular recommended borough would be included in each legislative review proposal as submitted by the LBC. Each proposed borough incorporation would be adopted unless the legislature disapproved the recommendation within 45 legislative days.

I respectfully request your consideration and support for this resolution.

