

[legis.state.ak.us](http://legis.state.ak.us)

# Bill Text 28th Legislature

56-71 minutes

---

28th Legislature(2013-2014)

## Bill Text 28th Legislature

Basis

Navigation

- Bills
- [Statistics](#)
- [Actions by Date](#)
- [Awaiting Action](#)
- [Governor's Vetoes](#)
- [Passed Legislation](#)
- [Bills in Committee](#)
- [Sponsor Summary](#)
- [Requestor Summary](#)
- [Subject Summary](#)
- [Prefile Bill Summary](#)

- Legislators
- [Member Information](#)
- Committees
- [Committee Membership](#)
- [Minutes and Audio](#)
- [Hearing Schedules](#)
- [Conference Committees](#)
- Session
- [House and Senate Calendars](#)
- [Journal Text Display](#)
- Session Laws
- [2013](#)
- [2014](#)
- [2013-2014](#)
- Tools
- [Statute Information Retrieval System \(SIRS\)](#)
- [Bill Tracking Management Facility \(BTMF\)](#)
- [Executive Orders Current](#)
- [Executive Orders Archive](#)
- [Gavel to Gavel](#)
- Archive
- [The 30th Legislature \(2017-2018\)](#)
- [The 29th Legislature \(2015-2016\)](#)

- [The 28th Legislature \(2013-2014\)](#)
- [The 27th Legislature \(2011-2012\)](#)
- [The 26th Legislature \(2009-2010\)](#)
- [The 25th Legislature \(2007-2008\)](#)
- [The 24th Legislature \(2005-2006\)](#)
- [The 23rd Legislature \(2003-2004\)](#)
- [The 22nd Legislature \(2001-2002\)](#)
- [The 21st Legislature \(1999-2000\)](#)
- [The 20th Legislature \(1997-1998\)](#)
- [The 19th Legislature \(1995-1996\)](#)
- [The 18th Legislature \(1993-1994\)](#)
- [Infobases \(1982-1992\)](#)
- 

00 FREE CONFERENCE CS FOR HOUSE  
BILL NO. 23

01 "An Act relating to the Department of  
Transportation and Public Facilities; relating  
to

02 the Knik Arm Bridge and Toll Authority;  
relating to construction of the Knik Arm

03 bridge and appurtenant facilities; relating  
to toll bridge revenue bonds; establishing the

04 Knik Arm construction fund, the toll bridge  
revenue fund, the toll bridge revenue bond

05 redemption fund, and the toll bridge revenue

bond reserve fund; relating to powers and  
06 duties of the state bond committee; and  
providing for an effective date."

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

08 \* **Section 1.** [AS 19.15.020](#) is amended by  
adding a new subsection to read:

09 (b) The department may incur a  
line of credit or indebtedness to the Federal  
10 Highway Administration, United States  
Department of Transportation, under 23

11 U.S.C. 601 - 609 (Transportation  
Infrastructure Finance and Innovation Act of  
1998),

12 as amended, and may enter into a  
contract or agreement with any public or private  
13 person, governmental unit or agency,  
corporation, or other business entity to secure  
01 the indebtedness.

02 \* **Sec. 2.** [AS 19.75.011](#) is amended to read:

03 **Sec. 19.75.011. Purpose.** The  
purpose of the authority created by this chapter  
04 is to develop, stimulate, and advance  
the economic welfare of the state and further  
the

05 development of public transportation  
systems in the vicinity of the Upper Cook Inlet  
06 with **operation and management**

[CONSTRUCTION] of a bridge to span Knik Arm

07 and connect the Municipality of  
08 Anchorage and the Matanuska-Susitna Borough.

08 \* **Sec. 3.** [AS 19.75.021](#)(b) is amended to  
read:

09 (b) The authority may not be  
terminated as long as it has [BONDS,] notes [,]

10 or other obligations outstanding,  
**including obligations under an agreement with  
the**

11 **state as provided in AS 37.15.225.** Upon  
termination of the authority, its rights and  
12 property pass to the state.

13 \* **Sec. 4.** [AS 19.75](#) is amended by adding a  
new section to read:

14 **Sec. 19.75.076. Application of the  
Executive Budget Act.** The operating  
15 budget of the authority is subject to  
[AS 37.07](#) (Executive Budget Act).

16 \* **Sec. 5.** [AS 19.75.111](#)(a) is amended to  
read:

17 (a) [EXCEPT AS OTHERWISE  
EXPLICITLY MADE APPLICABLE TO

18 THE AUTHORITY, THE PERFORMANCE OF THE  
AUTHORITY'S DUTIES

19 AND THE EXERCISE OF ITS POWERS,  
INCLUDING ITS POWERS TO ISSUE

20 BONDS AND OTHERWISE INCUR DEBT, SHALL  
BE GOVERNED

21 EXCLUSIVELY BY THIS CHAPTER.] In

furtherance of its purposes, the authority

22           may

23                           (1) [OWN, ACQUIRE,  
CONSTRUCT, DEVELOP, CREATE,

24           RECONSTRUCT, EQUIP,] operate [,  
MAINTAIN, EXTEND, AND IMPROVE] the

25           Knik Arm bridge and its appurtenant  
facilities;

26                           (2) sue and be sued;

27                           (3) adopt a seal;

28                           (4) adopt, amend, and repeal  
regulations under [AS 44.62](#) and establish

29           bylaws;

30                           (5) make and execute  
agreements, contracts, and all other instruments

31           with any public or private person, **the**  
**state or another** governmental unit or agency,

01           corporation, or other business entity  
lawfully conducting business in the United  
States

02           for the exercise of its powers and  
functions under this chapter and for the

03           [FINANCING, DESIGN, CONSTRUCTION,  
MAINTENANCE, IMPROVEMENT,

04           OR] operation of facilities,  
properties, or projects of the authority,  
including making

05           and executing contracts with any  
person, firm, corporation, **the state or another**

06 governmental agency, or other entity  
[FOR THE PURPOSE OF  
07 (A) INCURRING  
INDEBTEDNESS, OBTAINING  
08 INVESTMENTS IN THE AUTHORITY'S  
PROJECTS, ACQUIRING OR  
09 GRANTING LUMP SUM PAYMENTS FOR  
SERVICES IN ADVANCE OR  
10 IN ARREARS, GRANTS, AND OTHER  
FINANCING; AND  
11 (B) ENTERING INTO  
PUBLIC-PRIVATE PARTNERSHIPS  
12 OR SERVICE CONTRACTS IN ANY FORM];  
13 (6) in its own name acquire,  
lease, rent, sell, or convey real and  
14 personal property;  
15 (7) [ISSUE AND REFUND BONDS  
IN ACCORDANCE WITH  
16 THIS CHAPTER, IN ORDER TO PAY THE COST  
OF THE KNIK ARM BRIDGE  
17 AND ITS APPURTENANT FACILITIES; THE  
AUTHORITY MAY ALSO  
18 SECURE PAYMENT OF THE BONDS AS PROVIDED  
IN THIS CHAPTER;  
19 (8) INCUR OTHER  
INDEBTEDNESS, INCLUDING LINES OF  
20 CREDIT AND INDEBTEDNESS TO THE FEDERAL  
HIGHWAY  
21 ADMINISTRATION, UNITED STATES

DEPARTMENT OF TRANSPORTATION,  
22 UNDER 23 U.S.C. 601 - 610  
(TRANSPORTATION INFRASTRUCTURE  
23 FINANCE AND INNOVATION ACT OF 1998), AS  
AMENDED, AND SECURE  
24 THAT INDEBTEDNESS AS PROVIDED IN THIS  
CHAPTER;  
25 (9)] apply for and accept  
gifts, grants, or loans from a federal agency  
26 or an agency or instrumentality of the  
state, or from a municipality, private  
27 organization, or other source,  
including obtaining title to state, local  
government, or  
28 privately owned land, directly or  
through a department of the state having  
jurisdiction  
29 of the land;  
30 (8) [(10) FIX AND] collect  
fees, rents, tolls, rates, or other charges for  
31 the use of the Knik Arm bridge and  
appurtenant facilities [, OR FOR A SERVICE  
01 DEVELOPED, OPERATED, OR PROVIDED BY THE  
AUTHORITY;  
02 NOTWITHSTANDING [AS 37.10.050](#)(a), FEES,  
RENTS, TOLLS, RATES, AND  
03 OTHER CHARGES FIXED AND COLLECTED UNDER  
THIS PARAGRAPH  
04 MAY EXCEED THE ACTUAL OPERATING COST OF



## THE USE OF THE

05 BRIDGE, FACILITY, OR SERVICE];

06 (9) [(11)] bring civil  
actions, refer criminal actions to the  
appropriate

07 authority, and take other actions or  
enter into agreements with law enforcement and

08 collection agencies to enforce the  
collection of its fees, rents, tolls, rates,  
other

09 charges, penalties, and other  
obligations;

10 (10) [(12)] pledge,  
encumber, transfer, or otherwise obligate  
revenue

11 derived by the authority from the  
ownership, use, or operation of toll facilities,

12 including fees, rents, tolls, rates,  
charges, or other revenue of the authority or  
money

13 that the legislature may appropriate,  
except a state tax or license, as security for

14 [BONDS OR OTHER] indebtedness or  
agreements of the authority or for bonds or

15 other indebtedness or agreements of the  
state on a senior, parity, or subordinate

16 lien basis;

17 (11) [(13)] deposit or  
invest its funds [, SUBJECT TO

18           AGREEMENTS WITH BONDHOLDERS];

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

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

24                   (14) [(16)] APPLY FOR,  
OBTAIN, HOLD, AND USE PERMITS,  
25           LICENSES, OR APPROVALS FROM APPROPRIATE  
AGENCIES OF THE  
26           STATE, THE UNITED STATES, A FOREIGN  
COUNTRY, AND ANY OTHER  
27           PROPER AGENCY IN THE SAME MANNER AS ANY  
OTHER PERSON;

28                   (17) PERFORM RECONNAISSANCE  
STUDIES AND  
29           ENGINEERING, SURVEY, AND DESIGN STUDIES  
WITH RESPECT TO THE  
30           KNIK ARM BRIDGE AND ITS APPURTENANT  
FACILITIES;

31                   (18) EXERCISE POWERS OF  
EMINENT DOMAIN OR FILE A  
01           DECLARATION OF TAKING AS NECESSARY FOR  
THE KNIK ARM BRIDGE

02           AND APPURTENANT FACILITIES UNDER [AS](#)  
03           [09.55.240](#) - 09.55.460 TO  
04           ACQUIRE LAND OR AN INTEREST IN LAND;  
05           THE AUTHORITY'S EXERCISE  
06           OF POWERS UNDER THIS PARAGRAPH MAY NOT  
07           EXCEED THE  
08           PERMISSIBLE EXERCISE OF THOSE POWERS BY  
09           THE STATE;  
10                           (19)] confer with municipal  
11           and other governments, metropolitan  
12           planning organizations, and the  
13           department, concerning the Knik Arm bridge;  
14                           (15) [(20)] do all acts and  
15           things necessary to carry out the powers  
16           expressly granted [OR NECESSARILY  
17           IMPLIED] in this chapter [; NOTHING IN  
18           THIS CHAPTER LIMITS THE POWERS OF THE  
19           AUTHORITY THAT ARE  
20           EXPRESSLY GRANTED OR NECESSARILY  
21           IMPLIED].

22       \* **Sec. 6.** [AS 19.75.111](#)(b) is amended to  
23       read:

24                           (b) The authority shall  
25                           (1) prepare an annual report  
26           of its operations to include a balance  
27           sheet, an income statement, a statement  
28           of changes in financial position, a  
29           reconciliation of changes in equity  
30           accounts, a summary of significant accounting

17 principles, an auditor's report,  
18 comments regarding the year's business, and  
19 prospects

20 for the next year; the report shall be  
21 completed by the third day of each regular  
22 session

23 of the legislature, and the authority  
24 shall notify the governor, the commissioner of  
25 the

26 department, the presiding officers of  
27 each house of the legislature, and the  
28 Legislative

29 Budget and Audit Committee that the  
30 report is available;

31 (2) comply with the  
32 provisions of [AS 37.07](#) (Executive Budget Act),  
33 except that [AS 37.07](#) does not apply to  
34 the activities of the authority that relate to  
35 the

36 authority's borrowing of money as  
37 provided in this chapter [, INCLUDING THE  
38 ISSUING OF ITS OBLIGATIONS OR EVIDENCE  
39 OF THAT BORROWING AND

40 THE REPAYMENT OF THE DEBT OBLIGATION];

41 (3) establish a personnel  
42 management system for hiring employees and

43 setting employee-benefit packages;

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

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

01 (5) coordinate the exercise  
of its **power** [POWERS] to [PLAN,

02 DESIGN, CONSTRUCT,] operate [, AND  
MAINTAIN] the Knik Arm bridge with

03 the department, and with the mayors of  
the Municipality of Anchorage and the

04 Matanuska-Susitna Borough [;

05 (6) HAVE THE EXCLUSIVE  
AUTHORITY TO DETERMINE AND

06 FIX FEES, RENTS, TOLLS, RATES, AND  
OTHER CHARGES, INCLUDING THE

07 TOLLS FOR THE USE OF THE BRIDGE AND  
APPURTENANT FACILITIES

08 AND FOR THE USE OF ALL OTHER PROPERTIES  
UNDER THE CONTROL OF

09 OR OWNED OR MANAGED BY THE AUTHORITY].

10 \* **Sec. 7.** [AS 19.75.261](#) is amended to read:

11 **Sec. 19.75.261. Exemption from**

**taxation.** The real and personal property of  
12 the authority and its assets, income,  
and receipts are declared to be the property of  
a

13 political subdivision of the state and  
are exempt from all taxes and special  
assessments

14 of the state or a political subdivision  
of the state. [ALL BONDS OF THE  
15 AUTHORITY ARE DECLARED TO BE ISSUED BY  
A POLITICAL  
16 SUBDIVISION OF THE STATE AND FOR AN  
ESSENTIAL PUBLIC AND  
17 GOVERNMENTAL PURPOSE. THE BONDS, THE  
INTEREST ON THE BONDS,  
18 THE INCOME FROM THE BONDS AND THE  
TRANSFER OF THE BONDS,  
19 AND ALL ASSETS, INCOME, AND RECEIPTS  
PLEGGED TO PAY OR SECURE  
20 THE PAYMENT OF THE BONDS OR INTEREST ON  
THE BONDS ARE, AT  
21 ALL TIMES, EXEMPT FROM TAXATION BY OR  
UNDER THE AUTHORITY  
22 OF THE STATE, EXCEPT FOR INHERITANCE  
AND ESTATE TAXES AND  
23 TAXES ON TRANSFERS BY OR IN  
CONTEMPLATION OF DEATH.] Nothing in  
24 this section affects or limits an  
exemption from license fees, property taxes, or  
excise,  
25 income, or other taxes provided under  
any other law, nor does it create a tax  
26 exemption with respect to the interest  
of any business enterprise or other person,  
other  
27 than the authority, in any property,

assets, income, receipts, project, or lease,  
28 regardless of whether financed under  
this chapter.

29 \* **Sec. 8.** [AS 19.75.291](#) is amended to read:

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

This chapter does not prevent the state from  
01 making appropriations for or in aid of  
the [ACQUISITION, DESIGN,  
02 CONSTRUCTION, OR] operation of the Knik  
Arm bridge and its appurtenant  
03 facilities.

04 \* **Sec. 9.** [AS 19.75](#) is amended by adding a  
new section to article 2 to read:

05 **Sec. 19.75.360. Transfer of Knik**  
**Arm bridge.** If the department constructs  
06 the Knik Arm bridge and appurtenant  
facilities, the department shall transfer  
control of  
07 the bridge and appurtenant facilities  
to the authority, and the authority shall  
operate  
08 and maintain the bridge and appurtenant  
facilities. After the transfer of control, the  
09 department retains ownership of the  
bridge, appurtenant facilities, and real  
property,  
10 and retains the power to reconstruct,

equip, extend, maintain, or improve the bridge  
11 and appurtenant facilities.

12 \* **Sec. 10.** [AS 19.75.915](#) is amended to  
read:

13 **Sec. 19.75.915. Liability for**  
**payment of tolls.** The owner of a vehicle using a  
14 **bridge or** facility [OWNED, CONTROLLED,  
OR] managed by the authority for  
15 which a toll, [OR] fee, **rate, or other**  
**charge** is imposed is liable for the payment of  
16 the toll, [OR] fee, **rate, or other**  
**charge** solely because of the vehicle ownership,  
17 unless the vehicle, except a rental  
vehicle, is used without the owner's knowledge  
and  
18 incurs the toll, [OR] fee, **rate, or**  
**other charge** during operation.

19 \* **Sec. 11.** [AS 37.10.050](#)(a) is amended to  
read:

20 (a) A state agency may not charge  
a fee for the provision of state services  
21 unless the fee (1) is set or otherwise  
authorized by statute; and (2) where a  
regulation  
22 is necessary, is set by or provided for  
in a regulation that meets the standards of  
23 [AS 44.62.020](#) and 44.62.030. Unless  
specifically exempted by statute, a state agency  
24 authorized to collect or receive fees,



licenses, taxes, or other money belonging to the  
25 state shall account for and remit the  
receipts, less fees to which the collector is  
entitled

26 by statute or regulation, to the  
Department of Revenue at least once each month.  
The

27 commissioner of administration shall  
separately account under [AS 37.05.142](#) for  
28 receipts deposited under this  
subsection. A fee or other charge that is set by  
regulation

29 may not exceed the estimated actual  
costs of the state agency in administering the  
30 activity or providing the service  
unless otherwise provided by the statute under  
which

31 the regulation is adopted; however,  
this limitation does not apply to sale or lease  
of

01 property by a state agency, fees  
charged by a resource agency for a designated  
02 regulatory service as defined in [AS](#)  
[37.10.058](#), [OR] fees adopted by the Department  
03 of Natural Resources under [AS 44.37.025](#)  
or [44.37.027](#), **or fees, rents, tolls, and**

04 **other charges established or levied by**  
**the Department of Transportation and**

05 **Public Facilities for the use of the**

**Knik Arm bridge and appurtenant facilities.**

06 \* **Sec. 12.** [AS 37.15](#) is amended by adding  
new sections to read:

07 **Article 1A. Toll Bridge**  
**Revenue Bonds.**

08 **Sec. 37.15.225. Bond**  
**authorization.** (a) For purposes of financing a  
portion

09 of the costs of the Knik Arm bridge and  
appurtenant facilities or other toll bridges as  
10 the legislature may designate,  
including the costs of bond issuance, the  
issuance and

11 sale of bonds of the state by the  
committee is authorized as provided in [AS](#)  
[37.15.225](#) -

12 37.15.290. The net proceeds of the sale  
of the bonds remaining after payment of costs  
13 of issuance, capitalized interest, if  
any, and making deposits to the bond reserve  
fund

14 under [AS 37.15.260](#), shall be  
transferred to the Knik Arm construction fund  
15 established in [AS 37.15.230](#) or may be  
held by a trustee to be disbursed to pay the  
16 costs of a toll bridge under the terms  
and conditions set out in a trust agreement.

17 Accrued interest paid on the bonds  
shall be paid into the bond redemption fund.

18 (b) Prior to the issuance of  
bonds authorized under (a) of this section, the  
19 committee shall send notice of the  
issuance to the legislature.

20 (c) The total unpaid principal  
amount of bonds, including refunding bonds, but  
21 excluding refunded bonds, is limited as  
provided in [AS 37.15.235](#). The bonds do not  
22 constitute a general obligation of the  
state. Authorization by the voters of the state  
or  
23 the legislature is not required.

24 (d) The committee may enter into  
agreements with other state agencies as  
25 necessary or convenient to implement [AS](#)  
[37.15.225](#) - 37.15.290.

26 (e) The committee may contract  
for the services of underwriters, paying  
27 agents, trustees, bond printers, rating  
agencies, bond insurance, credit enhancement  
28 providers, accountants, financial  
advisors, and bond counsel, and other services  
as are  
29 necessary to accomplish the bond  
issuance and sale.

30 (f) The state may not issue bonds  
under (a) of this section for financing the  
31 Knik Arm bridge and appurtenant  
facilities until the Federal Highway

Administration,

01 United States Department of  
Transportation, has approved a loan to the state  
of at least

02 30 percent of the total project cost  
for construction of the Knik Arm bridge and  
03 appurtenant facilities under 23 U.S.C.  
601 - 609 (Transportation Infrastructure Finance  
04 and Innovation Act of 1998).

05 **Sec. 37.15.230. Knik Arm**

**construction fund.** (a) The Knik Arm construction  
06 fund is established in the general fund

to receive the proceeds of the sale of bonds  
07 issued under [AS 37.15.225](#), and other  
state or federal money that is appropriated for  
08 the same purpose for which the bonds

are issued. The Department of Transportation  
09 and Public Facilities shall use money  
in the construction fund to pay the cost of

10 acquiring, constructing, and equipping  
the Knik Arm bridge and appurtenant facilities.

11 To the extent allowed by the bond  
resolution, money in the construction fund may  
also

12 be used for the payment of interest on  
the bonds during the time of construction.

13 Money in the construction fund may be  
transferred to the bond redemption fund, as

14 permitted by the bond resolution.

15 (b) The bond resolution may  
provide for the investment of money in the  
16 construction fund as the committee  
determines. The interest earned on the  
investment  
17 of money in the fund shall be retained  
in the fund.

18 **Sec. 37.15.235. Toll bridge**  
**revenue bond limit.** The total unpaid principal  
19 amount of revenue bonds issued under [AS](#)  
[37.15.225](#) - 37.15.290, including refunding  
20 bonds but excluding refunded bonds, may  
not exceed \$300,000,000.

21 **Sec. 37.15.240. Toll bridge**  
**revenue fund.** (a) The toll bridge revenue fund  
is  
22 established as a separate fund of the  
state. The revenue fund consists of all revenue,  
23 fees, charges, and rentals received by  
the state, by contract with the authority or  
24 otherwise, from the ownership or  
operation of toll bridges and facilities and  
25 improvements used in connection with  
the toll bridges and facilities. Contracts or  
26 other agreements with the authority may  
establish priorities for the payment of  
27 operations and maintenance costs of the  
authority. The money in the revenue fund  
28 may be used only

29 (1) to pay or secure payment  
of the principal of and interest on bonds;

30 (2) to redeem bonds before  
their fixed maturities;

31 (3) to pay indebtedness to  
the Federal Highway Administration, United  
01 States Department of Transportation;

and

02 (4) subject to appropriation  
by the legislature, for any other purpose for  
03 which federal funds may be obligated by  
the state under 23 U.S.C. 129(a).

04 (b) The investment of money in  
the revenue fund may be made in the manner  
05 that the committee or the committee's  
delegated representative may determine. The  
06 interest earned on or any profits  
derived from the sale of this investment shall  
be

07 deposited in and become a part of the  
revenue fund.

08 (c) All references to the toll  
bridge revenue fund in this section include  
special  
09 accounts within the toll bridge revenue  
fund that may be created by resolution or trust  
10 agreement to secure the payment of  
particular bonds.

11 **Sec. 37.15.245. Toll bridge**

**revenue bond redemption fund.** (a) The toll  
12 bridge revenue bond redemption fund is  
established as a special fund of the state. The  
13 bond redemption fund is a trust fund  
for paying and securing the payment of the  
14 principal of and interest and  
redemption premium, if any, on the bonds and  
shall be at  
15 all times completely segregated and set  
apart from all other funds of the state. The  
16 bond redemption fund shall be drawn on  
only for the purpose of paying the principal  
17 of and interest and redemption premium,  
if any, on the bonds, together with related  
18 trustee fees, if any.

(b) Money in the bond redemption  
19 fund may be invested in the same manner  
20 and on the same conditions as permitted  
for investment of money belonging to the  
21 state or held in the treasury under [AS](#)  
[37.10.070](#); however, the committee may agree  
22 with the bondholders to further limit  
these investments. Earnings on investments must  
23 be retained in the bond redemption fund  
or a designated account in the bond  
24 redemption fund.

(c) All references to the bond  
25 redemption fund in this section include special  
26 accounts in the bond redemption fund

that may be created by resolution or first  
27 agreement to secure the payment of  
particular bonds.

28 **Sec. 37.15.250. Bond terms. (a)**

The bonds may be issued and sold at public  
29 or negotiated sale in the manner, in  
the amounts or series, and at the time or times  
that  
30 the committee or the committee's  
delegated representative determines. The bonds,  
or  
31 each series of them, shall be sold at  
the price and on the terms, conditions, and  
01 covenants set by the committee or the  
committee's delegated representative after  
02 considering market conditions. Interest  
rates may be fixed or variable.

03 (b) The bonds mature at the time  
or times fixed by the committee or the  
04 committee's delegated representative.  
The bonds may be subject to redemption before  
05 their fixed maturities, as determined  
by the committee or the committee's delegated  
06 representative, with or without a  
premium or premiums. The bonds may be in  
07 denominations determined by the  
committee or the committee's delegated  
08 representative; may be issued in fully  
or partially registered form; must be payable as



09           to principal and interest at the place  
or places determined by the committee; must be  
10           signed on behalf of the state in the  
manner provided by the committee; and must be  
11           issued under and subject to the terms,  
conditions, covenants, and protective features  
12           safeguarding payment of the bonds and  
relating to the funding of projects as found  
13           necessary by the committee or the  
committee's delegated representative.

14           (c) If the committee or the  
committee's delegated representative finds it  
15           reasonably necessary, the committee or  
the committee's delegated representative may  
16           select a trustee or trustees for the  
holders of the bonds, or any series of them, for  
the  
17           safeguarding and disbursement of any of  
the money in the bond redemption fund, or  
18           for duties with respect to the  
enforcement, authentication, delivery, payment,  
and  
19           registration of the bonds as the  
committee may determine. The committee or the  
20           committee's delegated representative  
shall fix the rights, duties, powers, and  
21           obligations of the trustee or trustees.

22           (d) In its determination of all  
matters and questions relating to the issuance

23 and sale of the bonds and the fixing of  
their maturities, terms, conditions, and

24 covenants as provided in (a) - (c) of  
this section, the decisions of the committee  
shall

25 be reasonably necessary for the best  
interests of the state and accomplish the most  
26 advantageous sale of the bonds.

Decisions of the committee, as expressed in a  
bond

27 resolution, are final and conclusively  
considered to comply with the requirements of

28 [AS 37.15.225](#) - 37.15.290.

29 **Sec. 37.15.255. Bond resolution.**

The committee shall authorize the issuance

30 of bonds by adopting a resolution and  
shall prepare all other documents and

31 proceedings necessary for the issuance,  
sale, and delivery of the bonds or any part or

01 series of them. The bond resolution may  
fix or the committee's delegated

02 representative, subject to parameters  
set by the committee, may fix the principal

03 amount, denominations, date,  
maturities, manner of sale, place or places of  
payment,

04 rights of redemption, if any, terms,  
form, conditions, and covenants of the bonds or

05 each series of bonds.

06                   **Sec. 37.15.260. Bond reserve fund.**

07           (a) The resolution authorizing the  
08           issuance of the bonds under [AS](#)  
09           [37.15.225](#) - 37.15.290 may provide for the  
10           establishment and maintenance of a  
11           special fund called the toll bridge revenue bond  
12           reserve fund in which there shall be  
13           deposited or transferred

14                   (1) all money appropriated  
15           by the legislature for the purpose of the  
16           fund including appropriations in  
17           accordance with (g) of this section; and

18                   (2) all proceeds of bonds  
19           required to be deposited in the fund by terms  
20           of the bond resolution or a trust  
21           agreement with respect to the proceeds of bonds.

22           (b) Subject to (h) of this  
23           section, money in the reserve fund shall be held  
24           and

25           applied solely to the payment of the  
26           interest on and principal of bonds authorized  
27           under [AS 37.15.225](#) - 37.15.290 as the  
28           interest and principal become due and payable  
29           to the retirement of bonds. Money may  
30           not be withdrawn if a withdrawal would  
31           reduce the amount in the reserve fund  
32           to an amount less than the required debt service  
33           reserve except for payment of interest  
34           then due and payable on bonds and the principal

20 of bonds then maturing and payable and  
for the retirement of bonds in accordance  
21 with the terms of the bond resolution  
or trust agreement and for which payment is not  
22 then available.

23 (c) Money in the reserve fund in  
excess of the required debt service reserve as  
24 defined in (b) of this section, whether  
because of investment or otherwise, may be  
25 withdrawn at any time or may be  
transferred to the bond redemption fund subject  
to

26 (h) of this section.

27 (d) Money in the reserve fund may  
be invested in the same manner and on the  
28 same conditions as permitted for  
investment of funds belonging to the state or  
held in

29 the treasury under [AS 37.10.070](#);  
however, the committee or the committee's  
30 delegated representative may agree with  
the bondholders to further limit these  
31 investments.

01 (e) For purposes of valuation,  
investments in the reserve fund shall be valued  
02 at par or, if purchased at less than  
par, at cost, unless otherwise provided by  
resolution

03 of the committee. Valuation on a

particular date shall include the amount of interest

04 then earned or accrued to that date on the money or investments in the reserve fund.

05 (f) Notwithstanding any other provision of this Act, bonds may not be issued  
06 under a trust agreement, indenture, or bond resolution unless there is in the reserve  
07 fund the required debt service reserve for all bonds then issued under a trust  
08 agreement, indenture, or bond resolution and outstanding and for the bonds to be

09 issued; however, the committee may satisfy this requirement by depositing as much of

10 the proceeds of the bonds to be issued, on their issuance, as is needed to meet the  
11 required debt service reserve. The committee may at any time issue bonds or notes for

12 the purpose of increasing the amount in the reserve fund to the required debt service  
13 reserve, or to meet whatever higher or additional reserve that may be fixed by a bond  
14 resolution or trust agreement with respect to the fund.

15 (g) To ensure the required debt service reserve is maintained in the reserve

16 fund, the legislature may appropriate  
annually for deposit in the fund the sum,  
certified

17 by the commissioner of revenue to the  
governor and to the legislature, that is

18 necessary to restore the fund to an  
amount equal to the required debt service  
reserve.

19 The commissioner of revenue annually,  
before January 30, shall make and deliver to

20 the governor and to the legislature a  
certificate stating the sum required to restore  
the

21 fund to that amount, and the certified  
sum may be appropriated during the then current  
22 state fiscal year. Nothing in this  
subsection creates a debt or liability of the  
state.

23 (h) All amounts received because  
of money appropriated to the reserve fund  
24 shall be held and applied in accordance  
with (b) of this section.

25 (i) All references to the reserve  
fund in this section include special accounts  
26 within the reserve fund that may be  
created by resolution or trust agreement to  
secure

27 the payment of particular bonds.

28 (j) The commissioner of revenue

may, subject to appropriation, lend surplus  
29 money in the general fund for deposit  
to an account in the reserve fund in an amount  
30 equal to the required debt service  
reserve. The loans shall be made on the terms  
and  
31 conditions that may be agreed on by the  
commissioner of revenue and the trustee,  
01 including, without limitation, terms  
and conditions providing that the loans need not  
02 be repaid until the obligations of the  
state secured and to be secured by the account  
in  
03 the reserve fund are no longer  
outstanding.

04 (k) In this section, "required  
debt service reserve" means, on the date of  
05 computation, the amount required to be  
on deposit in the reserve fund as provided by  
06 resolution of the committee.

07 **Sec. 37.15.265. Enforcement by**  
**bond owner.** The holder of any bonds or the  
08 trustee for the holders of the bonds or  
any series of them, may, by appropriate  
09 proceedings in the superior court,  
compel the transfer, setting aside, and payment  
of  
10 money and the enforcement of all of the  
terms, conditions, and covenants as required

11 and provided for in [AS 37.15.225](#) -  
12 37.15.290 and in the bond resolution or trust  
13 agreement.

14 **Sec. 37.15.270. Amounts required**  
15 **for payments.** The committee shall,

16 before June 30 of each year or from  
17 time to time within the year, as appropriate,  
18 commencing with the year in which the  
19 bonds are issued, certify to the commissioners  
20 of revenue and administration the  
21 amounts required in the current fiscal year and  
22 the

23 next ensuing fiscal year by the bond  
24 resolution or resolutions or trust agreements to  
25 be

26 paid out of toll bridge revenue or  
27 capitalized amounts into the bond redemption  
28 fund

29 and to be paid into and maintained in  
30 any reserve fund or account or other fund or  
31 account created by the bond resolution  
32 or resolutions. The committee shall also certify  
33 to the commissioners the last date or  
34 dates on which payments may be made.

35 **Sec. 37.15.275. Refunding.** (a) The  
36 committee may refund the bonds or any  
37 part of the bonds at or before their  
38 maturity or redemption dates by issuing  
39 refunding



24 revenue bonds of the state if the  
committee determines the refunding to be  
25 advantageous to and in the best  
interest of the state.

26 (b) The issuance of refunding  
bonds need not be authorized by the voters of  
27 the state or by an act of the  
legislature. The committee shall adopt the  
resolution or  
28 resolutions and prepare all other  
documents and proceedings necessary for the  
29 issuance, exchange or sale, and  
delivery of the refunding bonds. All provisions  
of

30 [AS 37.15.225](#) - 37.15.290 applicable to  
revenue bonds are applicable to the refunding  
31 bonds and to the issuance, sale, or  
exchange of the refunding bonds, except as  
01 otherwise provided in this section.

02 (c) The committee may issue  
refundng bonds in a principal amount sufficient  
03 to provide money for the advance or  
current refunding of all bonds to be refunded  
and  
04 interest on the refunded bonds and to  
pay the costs of issuance and administration of  
05 the refunding bonds. These expenses  
also include the difference in amount between  
06 the par value of the refunding bonds

and any amount less than par for which the  
07           refunding bonds are sold; the premium,  
if any, necessary to be paid in order to call or  
08           retire the outstanding bonds and the  
interest accruing on them to date of the call or  
09           retirement; and other costs. The  
committee is authorized to incur the expenses.

10           (d) The committee or the  
committee's delegated representative may  
contract

11           with a refunding trustee to hold the  
proceeds of refunding bonds in trust until the  
12           proceeds, together with earnings on the  
proceeds, are applied to pay the principal of,  
13           premium, if any, and interest on the  
bonds to be refunded. Until the refunding bond  
14           proceeds are applied, the proceeds may  
be invested in direct obligations of, or  
15           obligations guaranteed by, the United  
States or an agency or corporation of the United  
16           States whose obligations constitute  
direct obligations of, or obligations guaranteed  
by,  
17           the United States.

18           **Sec. 37.15.280. Bonds as legal**  
**investments.** The bonds are legal investments  
19           for all banks, trust companies, savings  
banks, savings and loan associations, and other  
20           persons carrying on a banking business,

all insurance companies and other persons  
21 carrying on an insurance business, and  
all executors, administrators, trustees, and  
other

22 fiduciaries. The bonds may be accepted  
as security for deposits of all money of the  
23 state and its political subdivisions.

24 **Sec. 37.15.285. Statutory**

**construction.** [AS 37.15.225](#) - 37.15.290 shall be  
25 liberally construed in order to carry  
out the purposes for which they were enacted.

26 **Sec. 37.15.290. Definitions.** In [AS](#)  
[37.15.225](#) - 37.15.290,

27 (1) "authority" means

28 (A) the Knik Arm Bridge  
and Toll Authority established in

29 [AS 19.75.021](#) with respect to the  
Knik Arm bridge and its appurtenant

30 facilities; or

31 (B) an authority  
established by the legislature for any other  
toll

01 bridge project;

02 (2) "bond redemption fund"  
means the toll bridge revenue bond

03 redemption fund established in [AS](#)  
[37.15.245](#);

04 (3) "bond resolution" means  
a resolution adopted by the committee

05           under [AS 37.15.255](#) to authorize the  
issuance of bonds;

06                           (4) "bonds" means the toll  
bridge revenue bonds authorized in

07           [AS 37.15.225](#) - 37.15.290;

08                           (5) "committee" means the  
state bond committee created in

09           [AS 37.15.110](#), or any other committee,  
body, department, or officer of the state that  
10           succeeds to the rights, powers, duties,  
and obligations of the state bond committee by

11           law;

12                           (6) "costs of issuance and  
administration" means all costs associated

13           with issuance and administration of  
toll bridge revenue bonds and refunding bonds,

14           including costs of bond printing,  
official statements, financial advisors, travel  
costs,

15           rating agencies, bond insurance,  
letters and lines of credit for credit  
enhancement,

16           underwriters, legal services, paying  
agents, bond registrars, bond and escrow  
trustees,

17           arbitrage rebate, and all other costs,  
including administrative costs, both direct and

18           indirect;

19                           (7) "reserve fund" means the

toll bridge revenue bond reserve fund

20 authorized in [AS 37.15.260](#);

21 (8) "revenue fund" means the  
toll bridge revenue fund established in

22 [AS 37.15.240](#).

23 \* **Sec. 13.** [AS 19.75.211](#), 19.75.221,  
19.75.231, 19.75.241, 19.75.251, 19.75.271,  
19.75.330,

24 19.75.332, 19.75.334, 19.75.336, 19.75.338,  
19.75.340, and 19.75.920 are repealed.

25 \* **Sec. 14.** The uncodified law of the State  
of Alaska is amended by adding a new section to  
26 read:

27 TRANSITION. (a) The Knik Arm Bridge and  
Toll Authority shall transfer all rights,  
28 titles, interests, agreements, contracts,  
instruments, indebtedness, obligations,  
liabilities,

29 commitments, investments, leases, real  
property, rights-of-way, lines of credit, gifts,  
grants,

30 loans, fees, rents, tolls, civil actions,  
revenue, funds, insurance, permits, licenses,  
studies, and

31 intellectual property to the Department of  
Transportation and Public Facilities.

01 (b) All procurements of the Knik Arm  
Bridge and Toll Authority that have not  
02 resulted in the award of a contract as of the

effective date of this Act may continue as  
03 procurements of the Department of  
Transportation and Public Facilities.

04 \* **Sec. 15.** This Act takes effect July 1,  
2014.

**New Text Underlined [DELETED TEXT BRACKETED]**

---