



LAWS OF ALASKA

2022

Source
SCS HB 127(FIN)

Chapter No.

AN ACT

Relating to the Alaska Municipal Bond Bank Authority; authorizing the Alaska Railroad Corporation to issue revenue bonds to finance the replacement of the Alaska Railroad Corporation's passenger dock and related terminal facility in Seward, Alaska; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to the Alaska Municipal Bond Bank Authority; authorizing the Alaska Railroad
2 Corporation to issue revenue bonds to finance the replacement of the Alaska Railroad
3 Corporation's passenger dock and related terminal facility in Seward, Alaska; and providing
4 for an effective date.

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6 * **Section 1.** AS 44.85.010(a) is amended to read:

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(a) It is the policy of the state to

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(1) foster and promote by all reasonable means the provision of adequate capital markets and facilities for borrowing money by municipalities in the state to finance capital improvements or for other authorized purposes, to assist these municipalities in fulfilling their capital needs and requirements by use of borrowed money within statutory interest rate or cost of borrowing limitations, to the greatest extent possible to reduce costs of borrowed money to taxpayers and residents of the state, and equally to encourage continued investor interest in the purchase of bonds or

1 notes of municipalities as sound and preferred securities for investment;

2 (2) encourage municipalities to continue their independent
3 undertakings and financing of capital improvements and other authorized purposes
4 and to assist them by making capital funds available at reduced interest costs for
5 orderly financing of capital improvements and other purposes especially during
6 periods of restricted credit or money supply, particularly for those municipalities not
7 otherwise able to borrow for capital needs;

8 (3) assist municipalities to provide for adequate insurance coverage by
9 authorizing the Alaska Municipal Bond Bank Authority to issue negotiable or
10 nonnegotiable revenue bonds, notes, or certificates of participation either directly or
11 through an entity it may create for the purpose of providing a self-insurance program
12 for municipalities or municipal joint insurance arrangements organized under
13 AS 21.76;

14 (4) assist governmental employers to prepay all or a portion of their
15 share of unfunded accrued actuarial liabilities of retirement systems in an effort to
16 reduce their costs of satisfying their contractual obligations to provide retirement and
17 other benefits to public employees through the issuance of bonds, notes, commercial
18 paper, or other obligations by the bond bank authority or by a subsidiary corporation
19 created by the bond bank authority under AS 44.85.085, but only after submitting a
20 proposal to the Legislative Budget and Audit Committee and if the state bond rating is
21 the equivalent of AA- or better; this assistance is limited as provided in AS 37.15.903;

22 (5) assist the University of Alaska [TO PROVIDE HEATING OR
23 ENERGY PROJECTS] by providing capital funds through loans that minimize costs
24 and the effects on the debt capacity of the University of Alaska;

25 (6) assist regional health organizations to provide health care facilities
26 by providing capital funds through loans that minimize costs and the effects on the
27 debt capacity of regional health organizations when the commissioner of health and
28 social services anticipates a state financial benefit and an increase in regional quality
29 of care;

30 (7) assist joint action agencies in providing public utilities, including
31 hydroelectric power projects, through loans and bonds that minimize costs and the

1 effects on the debt capacity of public utilities and joint action agencies.

2 * **Sec. 2.** AS 44.85.090 is amended to read:

3 **Sec. 44.85.090. Limitations.** Under this chapter, the bond bank authority may
4 not

5 (1) make loans of money to a person, firm, or corporation except as
6 provided in this chapter;

7 (2) emit bills of credit, accept deposits of money for time or demand
8 deposit, administer trusts, or engage in any form or manner in, or in the conduct of, a
9 private or commercial banking business, or act as a savings bank or savings and loan
10 association;

11 (3) be or constitute a bank or trust company within the jurisdiction or
12 under the control of a regulatory or supervisory board or department of the state, [OR]
13 the Comptroller of the Currency of the United States, [OR] the **United States**
14 Department of the Treasury, or **the Board of Governors for the** Federal Reserve
15 **System** [BOARD OF THE UNITED STATES];

16 (4) be or constitute a bank, banker, or dealer in securities within the
17 meaning of or subject to the provisions of securities, securities exchange, or securities
18 dealers law [,] of the United States or of this [STATE] or [OF] another state; or

19 (5) issue bonds or notes to a regional health organization unless

20 (A) [THE BOND BANK AUTHORITY FINANCES NOT
21 MORE THAN 49 PERCENT OF A PROJECT;

22 (B)] the remaining costs of a project are secured or delivered to
23 the bond bank authority before the bond bank authority provides financing
24 [UNDER (A) OF THIS PARAGRAPH]; and

25 **(B)** [(C)] the bonds or notes do not exceed **\$250,000,000**
26 [\$102,500,000] for a single project.

27 * **Sec. 3.** AS 44.85.180(e) is amended to read:

28 (e) Notwithstanding (a), (b), and (c) of this section, the bond bank authority
29 may issue its bonds or notes

30 (1) in principal amounts not to exceed **\$500,000,000** [\$87,500,000] for
31 the purpose of making loans to the University of Alaska; and

1 (2) in principal amounts not to exceed **\$500,000,000** [\$205,000,000] at
2 any one time for the purpose of making loans to a regional health organization; this
3 paragraph does not apply to bonds or notes issued to fund or refund bonds or notes.

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

6 LEGISLATIVE AUTHORIZATION AND APPROVAL. (a) The Alaska Railroad
7 Corporation is authorized to issue revenue bonds under AS 42.40.250 to finance the
8 replacement of the Alaska Railroad Corporation's passenger dock and related terminal facility
9 in Seward, Alaska, and associated costs, including, without limitation, reserves for debt
10 service and capitalized interest, if necessary or appropriate, and costs of issuance. The
11 maximum principal amount of bonds that the Alaska Railroad Corporation may issue under
12 this section is \$60,000,000. The Alaska Railroad Corporation may issue the bonds in a single
13 issuance or in several issuances, without limitation as to number of issuances or timing, and as
14 the Alaska Railroad Corporation determines best furthers the purpose of financing the
15 replacement of the Alaska Railroad Corporation's passenger dock and related terminal facility
16 in Seward, Alaska, and associated costs. The bonds shall be repaid from dock revenue or
17 other funds available to the Alaska Railroad Corporation. The general credit of the Alaska
18 Railroad Corporation and the state may not be pledged for the repayment of the bonds.

19 (b) The authorization under (a) of this section extends to bonds issued to refund the
20 bonds authorized in this Act. The principal amount of the bonds authorized in this Act may be
21 increased in an issue of refunding bonds in an amount equal to the costs of refunding.

22 (c) This section constitutes the approval required by AS 42.40.285 for the issuance of
23 the bonds described in this section.

24 (d) The bonds authorized to be issued under this section are issued by a public
25 corporation and an instrumentality of the state for an essential public and governmental
26 purpose.

27 (e) In this section, "bonds" means bonds, bond anticipation notes, notes, refunding
28 bonds, or other obligations.

29 * **Sec. 5.** Section 4 of this Act takes effect immediately under AS 01.10.070(c).