

ALASKA STATUTES
AS AMENDED BY SCS CSHB 471 INCORPORATED

Title 19. Highways and Ferries.

Chapter 75. Knik Arm Bridge and Toll Authority.

Article 1. Establishment and Organization.

Sec. 19.75.011 Purpose.

The purpose of the authority created by this chapter is to develop, stimulate, and advance the economic welfare of the state and further the development of public transportation systems in the vicinity of the Upper Cook Inlet with construction of a bridge to span Knik Arm and connect the Municipality of Anchorage and the Matanuska-Susitna Borough.

Sec. 19.75.021 Establishment of authority.

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

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

Sec. 19.75.031 Board of directors of authority.

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

(1) the commissioner of transportation and public facilities or the commissioner's designee;

(2) the commissioner of revenue or the commissioner's designee;

(3) one public member, appointed by the governor, who is a state resident and United States citizen;

(4) one public member, appointed by the governor, who is a resident of the Municipality of Anchorage and who has knowledge of local transportation issues;

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

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

or the Matanuska-Susitna Borough for appointment under this paragraph; and

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

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

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

Sec. 19.75.041 Operation of authority.

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

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

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

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

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

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

Sec. 19.75.051 Executive director.

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

Sec. 19.75.061 Employment of personnel.

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

Sec. 19.75.071 Personnel exempt from State Personnel Act.

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

Sec. 19.75.081 Legal advisor.

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

Sec. 19.75.111 Powers and duties of the authority.

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

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

(2) sue and be sued;

(3) adopt a seal;

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

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

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

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

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

(7) issue and refund bonds in accordance with this chapter in order to pay the cost of the Knik Arm bridge and its appurtenant facilities; the authority may also secure payment of the bonds as provided in this chapter;

(8) incur other indebtedness, including lines of credit and 25 indebtedness to the Federal Highway Administration, United States Department of transportation, under 23 U.S.C.

601 - 610 (Transportation Infrastructure Finance and Innovation Act of 1998), as amended, and secure that indebtedness as provided in this chapter;

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

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

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

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

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

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

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

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

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

(18) exercise powers of eminent domain or file a declaration of taking as necessary for the Knik Arm bridge and appurtenant facilities under AS 09.55.240 - 09.55.460 to acquire land or an interest in land; the authority's exercise of powers under this paragraph may not exceed the permissible exercise of those powers by the state;

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

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

(b) The authority shall

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

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

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

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

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

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

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

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

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

Article 2. Powers and Duties.

Sec. 19.75.211. Bonds of the authority.

(a) Notwithstanding any other provision of law, the authority may borrow money and issue and refund bonds on which the principal and interest are paid out of and secured by the gross revenue derived by the authority from the ownership, use, and operation of its toll facilities, including money derived from the fees, rents, tolls, rates, charges, and other revenue of the authority under this chapter and any other revenue or money that the legislature may appropriate, except a state tax or license. Before issuing bonds for the Knik Arm bridge, the authority shall submit to the state bond committee a description of the bond issue and a preliminary prospectus, offering circular, or official statement relating to the bond issue. Bonds may not be issued unless the state bond committee finds, based upon the information submitted by the authority under this section and other information that is reasonably available to the committee, that the Knik Arm bridge revenue and other revenue available to the authority can be reasonably expected to be adequate for payment of the principal of and interest on the bonds to be issued and that issuance of the bonds by the authority would not be expected to adversely affect the ability of the state or its political subdivisions to market bonds.

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

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

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

Sec. 19.75.221 Trust indentures and trust agreements.

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

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

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

(i) the proceeds of bonds of the authority;

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

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

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

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

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

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

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

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

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

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

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

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

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

reserve fund due to the investment of the fund or any other amounts in the fund may be transferred by the authority to other funds or accounts of the authority to the extent that the transfer does not reduce the amount of the capital reserve fund below the capital reserve fund requirement.

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

(e) In computing the amount of a capital reserve fund for the purpose of this section, securities in which all or a portion of the fund is invested shall be valued by some reasonable method established by the authority by resolution. Valuation on a particular date shall include the amount of any interest earned or accrued to that date.

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

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

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

Sec. 19.75.231 Validity of pledge.

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

Sec. 19.75.241 Nonliability on bonds.

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

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

(c) The authority may not pledge the faith or credit of the state or of a political subdivision of the state other than the authority, and the issuance of a bond by the authority does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to apply money from, levy, or pledge any form of taxation to the payment of the bond or to make payments due on the bonds from any source of funds not pledged for repayment of the bonds.

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

Sec. 19.75.251 Pledge of the state.

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

Sec. 19.75.261 Exemption from taxation.

The real and personal property of the authority and its assets, income, and receipts are declared to be the property of a political subdivision of the state and are exempt from all taxes and special assessments of the state or a political subdivision of the state. All bonds of the authority are declared to be issued by a political subdivision of the state and for an essential public and governmental purpose. The bonds, the interest on the bonds, the income from the bonds and the transfer of the bonds, and all assets, income, and receipts pledged to pay or secure the payment of the bonds or interest on the bonds are, at all times, exempt from taxation by or under the

authority of the state, except for inheritance and estate taxes and taxes on transfers by or in contemplation of death. Nothing in this section affects or limits an exemption from license fees, property taxes, or excise, income, or other taxes provided under any other law, nor does it create a tax exemption with respect to the interest of any business enterprise or other person, other than the authority, in any property, assets, income, receipts, project, or lease, regardless of whether financed under this chapter.

Sec. 19.75.271 Bonds legal investments for fiduciaries.

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

Sec. 19.75.281. Audit.

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

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

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

Sec. 19.75.301 Insurance.

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

Sec. 19.75.311 Safeguarding of money.

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

commissioner of revenue may from time to time issue.

Sec. 19.75.321 Fidelity bond.

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

Sec. 19.75.330. Bond terms.

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

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

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

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

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

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

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

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

(c) In determining the matters and questions relating to the issuance and sale of the bonds and the fixing of the maturities, terms, conditions, covenants, and other subjects of the bonds as provided in (a) and (b) of this section, the decisions of the board shall be those found to be reasonably necessary for the best interests of the authority and the construction, operation, and maintenance

of its facilities, and those that will accomplish the most advantageous sale of the bonds, giving due regard to

- (1) necessary or normal costs of maintenance and operation;
- (2) renewals and replacements of and repairs to the toll facilities;
- (3) all improvements to toll facilities and property of toll facilities owned, used, operated, or leased in connection with toll facilities;
- (4) the future growth and expansion of all of the facilities; and
- (5) the possibility of additional revenue bond financing for toll facilities purposes. A decision of the board as expressed in any bond resolution, is final when any bonds have been issued under the bond resolution.

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

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

Sec. 19.75.332. Bond resolution.

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

(b) The board may delegate to the authority's executive director the authority to approve final principal maturities and dates, interest rates, redemption rights, and interest payment dates under the terms and conditions the board determines by resolution.

Sec. 19.75.334. Enforcement by holder.

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

Sec. 19.75.336. Bond negotiability.

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

Sec. 19.75.338. Refunding.

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

(b) The board shall adopt the resolution authorizing refunding and all other documents and proceedings necessary for the issuance, exchange or sale, and delivery of the bonds. All provisions of AS 19.75.211 - 19.75.271, except AS 19.75.211(c), and AS 19.75.330 - 19.75.340 applicable to revenue bonds are applicable to the refunding bonds and to the issuance, sale, or exchange of the bonds, except as otherwise provided in this section.

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

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

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

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

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

Sec. 19.75.340. Bonds as legal investments.

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

Article 3. General Provisions.

Sec. 19.75.911 Exemption from local regulation.

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

Sec. 19.75.915. Liability for payment of tolls.

(a) The owner of a vehicle using a facility owned, controlled, or managed by the authority for which a toll or fee is imposed is liable for the payment of the toll or fee solely because of the vehicle ownership, unless the vehicle, except a rental vehicle, is used without the owner's knowledge and incurs the toll or fee during operation.

Sec. 19.75.920. Statutory construction.

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

Sec. 19.75.980. Definitions.

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

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

Sec. 19.75.990 Short title.

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