

SB 66 and HB 120

An Act creating a new markets tax credit assistance guarantee and loan program within the Alaska Industrial Development and Export Authority; and providing for an effective date.

Sectional Analysis

Section	Analysis
1	Amends AS 44.88.155(c) to allow assets of the enterprise development account to be used to fund a new markets tax credit assistance guarantee or loan
2	Amends AS 44.88 by adding a new article – New Markets Tax Credit Assistance Program. 44.88.700 allows AIDEA to issue guarantees and make loans to help finance projects funded through a federal new markets tax credit program. The assistance is limited to projects within Alaska for which tax credits are allocated by a qualified community development entity; the authority shall determine that the project will promote economic development; the authority may agree to certain restrictions and guidelines arising from the federal program. 44.88.710 provides that a guarantee does not create a debt or liability of the state; a guarantee may not be canceled except under its terms 44.88.715 establishes applicant qualifications 44.88.720 requires an applicant to provide certain information required by AIDEA in regulation including the potential submission of an economic benefit analysis prepared by a person acceptable to the authority. 44.88.730 establishes condition of a loan guarantee 44.88.740 requires financial institution holding a guarantee shall service the loan 44.88.750 allows AIDEA to make leverage loans if AIDEA determines an applicant is not able to obtain a leveraged loan from a financial institution 44.88.760 sets a cumulative \$50 million limit under this program 44.88.770 provide AIDEA the authority to adopt regulations, establish terms and conditions, execute contracts, charge fees and interest rates, acquire property through purchase, transfer or foreclosure 44.88.799 defines terms used in the new article
3	Immediate effective date