

Changes to be Considered to SB 140

Section 7, 44.88.810

- Page 4, lines 17-22: The transfer of assets between the three funds (Revolving fund, SETS, and AIDF)
 - Line 18: “...the fund by the authority[,] **from any other fund controlled by the authority**, and...”
 - This allows AIDEA to manage money between various funds that it controls. AIDEA currently has this authority under regulations adopted by the Authority, this change makes it explicit. It also allows the AIDF to be effective without immediate capitalization.
- Page 4, Line 19 thru 21: The separation of the funds
 - “The fund is not an account in the revolving fund established in AS 44.88.060, **nor is it part of the SETS fund established in AS 44.88.65**, and the Authority shall account for the fund separately from the revolving fund **and the SETS fund.**”
 - This explicitly carves out the three funds as being separate. This was an oversight in the initial drafting.

44.88.830 (b) (1)

- Page 5, Line 22: Application process
 - “A[n application] process for requesting financing under this section;”
 - This reduces the encumbrance of an application being filled out, but the due diligence on the applicant and the project remain unchanged.

44.88.840 (b)

- Page 6, Line 3: Projected life of the Arctic Infrastructure Development
 - “Financing under AS 44.88.830 is limited to the projected life of the Arctic infrastructure development, which may not be more than **40** [30] years.”
 - Infrastructure often has a 40year life span. This also allows AIDEA to amortize the financing over a longer time, which will reduce annual outlays from the project while still maximizing the return, via interest paid on the debt, to AIDEA and ultimately the state.

Section 8: 44.88.900 (19)

- Page 6, Line 12-14: the definition of “Arctic Infrastructure Development”
 - “Arctic Infrastructure Development” means the construction, improvement, rehabilitation, or expansion in the **state of Alaska that that furthers the development** [Arctic] of a port, road, energy project, hangar, or facility to aid in development or meet emergency response needs in the Arctic.”
 - This change would ensure that other projects in the state that support Arctic infrastructure development are captured in the eligibility for this fund. Example:
 - The build out of Ketchikan’s Ship yard to accommodate the building of an ice breaker.
 - The expansion of the Seward Harbor that could be used for over-wintering of off-shore drill rigs bound for the Arctic.
 - The expansion of AVTEC in Seward and the use of the Ice Navigation Simulator.