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Wallace
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CS FOR SENATE BILL NO. 99()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATOR MCGUIRE

A BILL

FOR AN ACT ENTITLED

"An Act relating to the Alaska Industrial Development and Export Authority revolving fund; limiting the use of the Alaska Industrial Development and Export Authority sustainable energy transmission and supply development fund for certain loans and loan guarantees and allowing the development fund to be used as security for a bond guarantee; amending the definition of 'qualified energy development'; and authorizing the Alaska Industrial Development and Export Authority to issue bonds to finance the infrastructure and construction costs of the Bokan-Dotson Ridge rare earth element project."

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

*** Section 1.** AS 44.88.660 is amended to read:

Sec. 44.88.660. Alaska Industrial Development and Export Authority sustainable energy transmission and supply development fund. The Alaska

Industrial Development and Export Authority sustainable energy transmission and supply development fund is established in the authority. The development fund consists of appropriations made to the development fund by the legislature, money or other assets transferred to the development fund by **a vote of the members of** the authority **under AS 44.88.050 from any other fund controlled by the authority,** and unrestricted loan repayments, interest, or other income earned on loans, investments, or assets of the development fund. The development fund is not an account in the revolving [LOAN] fund established in AS 44.88.060, and the authority shall account for the development fund separately from the revolving fund. The authority may create additional accounts in the development fund. Subject to agreements made with the holders of the authority's bonds or with other persons, the authority may transfer amounts in an account in the development fund to another account in the development fund. Amounts deposited in the development fund may be pledged to the payment of bonds of the authority or expended for the purposes of AS 44.88.650 - 44.88.690. The authority has the powers and responsibilities established in AS 37.10.071 with respect to the investment of amounts held in the development fund.

* **Sec. 2.** AS 44.88.690(a) is amended to read:

(a) Unless the authority has obtained legislative approval by law, the authority may not **use the Alaska Industrial Development and Export Authority sustainable energy transmission and supply development fund established in AS 44.88.660 to make** [FINANCE OR PARTICIPATE IN FINANCING OF]

(1) **a loan for** more than one-third of the capital cost of qualified energy development; or

(2) a loan guarantee **if the amount of the guarantee** [THAT] exceeds \$20,000,000.

* **Sec. 3.** AS 44.88.690 is amended by adding a new subsection to read:

(c) Notwithstanding (a) of this section, the authority may use the Alaska Industrial Development and Export Authority sustainable energy transmission and supply development fund established in AS 44.88.660 as security for a bond guarantee.

1 * **Sec. 4.** AS 44.88.900(14) is amended to read:

2 (14) "qualified energy development" means a **development**
3 [PROJECT] in the state that involves

4 (A) transmission, generation, conservation, storage, or
5 distribution of heat or electricity;

6 (B) liquefaction, regasification, distribution, storage, or use of
7 natural gas except a natural gas pipeline project for transporting natural gas
8 from the North Slope or Cook Inlet to market;

9 (C) distribution or storage of refined petroleum products;

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

12 LEGISLATIVE APPROVAL; BOKAN-DOTSON RIDGE RARE EARTH
13 ELEMENT PROJECT. (a) The Alaska Industrial Development and Export Authority may
14 issue bonds to finance the infrastructure and construction costs of the Bokan-Dotson Ridge
15 rare earth element project. The Bokan-Dotson Ridge rare earth element project's surface
16 complex shall be owned and operated by the authority or financed under AS 44.88.172. The
17 principal amount of the bonds provided by the authority for the Bokan-Dotson Ridge rare
18 earth element project may not exceed \$145,000,000 and may include the costs of issuing
19 bonds considered reasonable and appropriate by the Alaska Industrial Development and
20 Export Authority.

21 (b) This section constitutes legislative approval required by AS 44.88.095(g).