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CSSB 99: AIDEA: Development Loans

Sectional Analysis

28-LS0741\P

Section 1. This section allows the AIDEA to transfer assets from other funds into the Arctic Infrastructure Development Fund. It requires an action by “a vote of the members” of AIDEA, which functions as AIDEA’s board of directors. It also corrects the name of AIDEA’s revolving fund.

Section 2. AS 44.88.690(a) is amended to clarify the limits on the use of funds in relation to loans and loan guarantees. Under this section the Authority would be authorized to make a loan for up to one-third of the capital cost of the qualified energy development, or a loan guarantee if the amount of the guarantee does not exceed \$20 million.

Section 3. AS 44.88.690 is amended by adding a new subsection (c) which allows AIDEA the use of the SETS fund as a security for a bond guarantee, notwithstanding the limitations set in AS 44.88.690(a).

Section 4. This section clarifies the definition of a “qualified energy development” under this program. “Project” is defined under AS 44.88.900(11).

Section 5.

This section allows AIDEA to issue bonds up to \$145,000,000 in order to finance the infrastructure and construction costs of the Bokan-Dotson ridge rare earth element project. AIDEA will have the option to own and operate the project’s surface complex or to finance the project’s surface complex through the Economic Development Account (est. in AS 44.88.172).

This section also allows AIDEA to issue bonds up to \$125,000,000 in order to finance the infrastructure and construction costs of the Niblack project. The project includes a mineral processing mill, associated dock, and loading and related infrastructure facilities at the Gravina Island Industrial Complex. AIDEA will have the option to own and operate the project’s surface complex or to finance the project’s surface complex through the Economic Development Account (est. in AS 44.88.172).