

# Alaska State Legislature

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## Senator Lesil McGuire

### CS SB 140 28-LS1246\E Explanation of changes

#### **Section 1.** 44.88.088(a)

- Page 1, Line 5 thru Page 2, Line 19
  - This section of existing statute establishes that the Alaska Industrial Development and Export Authority (AIDEA) shall adopt a policy for payment of a dividend to the state each fiscal year from two existing funds.
  - Line 9: adds the Arctic infrastructure development fund (AS 44.88.810) to the list of funds that repay a dividend each year to the state.
  - Page 2, Lines 14- 19 define the amount of the dividend from the AIDF: the dividend may not be less than 25% nor more than 50% of the net income of the fund.
  - This section puts the AIDF in-line with AIDEA's sustainable energy transmission and supply development fund (SETS).

#### **Section 2.** AS 44.88.088(b)(2)

- Page 2, Lines 20-29
  - This section of existing statute defines "net income"
    - Lines 24-26: inserts the Arctic infrastructure development fund

#### **Section 3.** AS 44.88.088(b)(3)

- Page 2, line 30 thru Page 3, line 7
  - This section defines "unrestricted net income" for the purposes of this chapter.
  - Page 3, lines 3-4: inserts the Arctic infrastructure development fund

**Sections 4-9: No change**

## Section 10. AS 44.88

- Page 5, line 29 thru Page 8, line 2
  - Page 6, line 5:
  - Following “fund”
    - Insert: “by a majority vote of the members of the authority under AS 44.88.050 from any other fund controlled”
      - This change clarifies that AIDEA is authorized to transfer money or assets from other funds it controls if there is a majority vote of the members, which constitutes an action of the Board of Directors.
  - Page 7 lines 9-15
    - This subsection allows the fund to be used to provide loan guarantees for:
      - The purchase or repair of vessels used in a federally managed fishery
      - The purchase of quota shares or individual quota used in a federally managed fishery in the Arctic
      - The loan guarantees cannot, without legislative approval, be less than \$7,000,000 nor more than 1/3 of the capital cost of the project.
  - Page 7, Line 18:
    - Delete: “an application”
    - Insert: “a”
      - This reduces the encumbrance of an application being filled out, but the due diligence on the applicant and the project remain unchanged.

## Section 11. AS 44.88.900

- Page 8, lines 4-18
  - Page 8, Line 8-18: A new definition of “Arctic Infrastructure Development” is established.
    - (19) “Arctic infrastructure development” means
      - (A) the construction, improvement, rehabilitation , or expansion **of a facility** [IN THE ARCTIC OF A PORT, ROAD, ENERGY PROJECT, HANGAR, OR FACILITY TO AID IN DEVELOPMENT OR MEET EMERGENCY RESPONSE NEEDS].
        - (i) **In the Arctic to aid in development or meet emergency response needs; or**
        - (ii) **In the state if the construction, improvement, rehabilitation, or expansion supports or furthers the development of a facility in the Arctic.**

- The removal of the list of types of facilities in (19)(A) was done to ensure that the list was inclusive, rather than exclusive, of unforeseen future infrastructure needs.
- The addition of (19)(A)(ii) was done to ensure that the fund was authorized to help finance infrastructure needs in all areas of the state that may be necessary to support the development of infrastructure in the Arctic.
- The addition of (19)(B) was done to ensure that the shore-based plant, facility, or equipment used to support a fishery in the Arctic was included in the same financing limitations as other shore-based infrastructure in the Arctic under Section 10 (AS 44.88.840) (Page 7, line 22- thru Page 8, line 2) of this bill.