



HB 340 ver A: Repeal BIDCO Assistance Program
Sectional Analysis

Section 1: Amends statute to remove the reduced minimum net worth of \$500,000 for the companies who received initial capitalization loans.

Section 2. Deletes the financial assistance program from the financial aid to corporations by state or political subdivision.

Section 3. Amends the duties of the department and regulations to oversee the administration of outstanding loans and financial assistance under the former AS 37.17.500 - 37.17.690.

Section 4. This section repeals the following statutes:

AS 10.13.600(b) – the requirement to perform an annual examination.

AS 10.13.930(c) – the authority to furnish information to the Alaska Industrial Development and Export Authority. With the assistance program repeal there is no need for reporting.

AS 37.17.500 – the purposes of Alaska BIDCO assistance program.

AS 37.17.510 – establishing the Alaska BIDCO fund.

AS 37.17.520 – governing the use of money in the Alaska BIDCO fund.

AS 37.17.530 – establishing the BIDCO capitalization loans.

AS 37.17.540 – establishing the loan commitment conditions.

AS 37.17.550 – allowing for the initial capitalization of BIDCO.

AS 37.17.560 – governing the subordination of a BIDCO capitalization loan.

AS 37.17.570 – the BIDCO capitalization loan repayment and interest.

AS 37.17.580 – the BIDCO capitalization loan credits.

AS 37.17.590 – the implementation of BIDCO capitalization loan program.

AS 37.17.600 – the terms of BIDCO capitalization loans.

AS 37.17.610 – relating to access to meetings and information.

AS 37.17.620 – BIDCO operation limitations.

AS 37.17.630 – relating to surrender of BIDCO license while there is an outstanding obligation.

AS 37.17.640 – providing for closing assistance.

AS 37.17.660 – allowing for subsequent loans.

Further, AS 37.17.650 and AS 37.17.690 are repealed, as they provided for confidentiality and definitions related to the repealed statutes.

Section 5. Adds that the Alaska BIDCO Fund, subject to appropriation, is transferred to the general fund.

Section 6.

- (a) States that regulations adopted under the authority of those statutes that are being repealed in Sec. 4 remain in effect and may continue to be implemented and enforced by the department as necessary to carry out the functions assigned to it by the Act.
- (b) Provides that if a BIDCO received a loan or other financial assistance before the effective date of this Act, they will still be required to carry out the terms of the loan. The principal, interest, and fees required would be paid into the general fund.
- (c) Allows for contracts, rights, liabilities, and obligations created before the effective date of this Act to remain in effect.