

SB 66 and HB 120

An Act creating a new markets tax credit assistance guarantee and loan program within the Alaska Industrial Development and Export Authority; and providing for an effective date.

Sectional Analysis

Section	Analysis
1	Amends AS 44.88.155(c) to allow assets of the enterprise development account to be used to fund a new markets tax credit assistance guarantee or loan
2	<p>Amends AS 44.88 by adding a new article – New Markets Tax Credit Assistance Program.</p> <p>44.88.700 allows AIDEA to issue guarantees and make loans to help finance projects funded through a federal new markets tax credit program. The assistance is limited to projects within Alaska for which tax credits are allocated by a qualified community development entity; the authority shall determine that the project will promote economic development; the authority may agree to certain restrictions and guidelines arising from the federal program.</p> <p>44.88.710 provides that a guarantee does not create a debt or liability of the state; a guarantee may not be canceled except under its terms</p> <p>44.88.715 establishes applicant qualifications</p> <p>44.88.720 requires an applicant to provide certain information required by AIDEA in regulation including the potential submission of an economic benefit analysis prepared by a person acceptable to the authority.</p> <p>44.88.730 establishes condition of a loan guarantee</p> <p>44.88.740 requires financial institution holding a guarantee shall service the loan</p> <p>44.88.750 allows AIDEA to make leverage loans if AIDEA determines an applicant is not able to obtain a leveraged loan from a financial institution</p> <p>44.88.760 sets a cumulative \$50 million limit under this program</p> <p>44.88.770 provide AIDEA the authority to adopt regulations, establish terms and conditions, execute contracts, charge fees and interest rates, acquire property through purchase, transfer or foreclosure</p> <p>44.88.799 defines terms used in the new article</p>
3	Immediate effective date