

SENATE BILL NO. 239

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY SENATOR DUNBAR

Introduced: 2/19/24

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Alaska Industrial Development and Export Authority; and**
2 **relating to workforce housing development projects."**

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

4 *** Section 1.** AS 44.88.070 is amended to read:

5 **Sec. 44.88.070. Purpose of the authority.** The purpose of the authority is to
6 promote, develop, and advance the general prosperity and economic welfare of the
7 people of the state, to relieve problems of unemployment, and to create additional
8 employment by

9 (1) providing various means of financing and means of facilitating the
10 financing, in cooperation with federal, state, and private institutions, of industrial,
11 manufacturing, energy, export, small business, and business enterprises and the other
12 facilities referred to in AS 44.88.010(a) in the state;

13 (2) owning and operating or providing development project financing
14 for the enterprises and other facilities described in AS 44.88.172;

(3) fostering the expansion of exports of goods, services, and raw materials of the state;

(4) cooperating and acting in conjunction with other organizations, public and private, the objects of which are the promotion and advancement of export trade activities in the state;

(5) establishing a source of funding credit guarantees and insurance, not otherwise available, to support export development;

(6) providing and cooperating or participating with federal, state, and private institutions to provide actual and potential state exporters, particularly small- and medium-sized exporters, with financial assistance in support of export transactions;

(7) providing various means of financing and means of facilitating the financing of construction of new workforce housing facilities containing five or more dwelling units.

* **Sec. 2.** AS 44.88.080 is amended to read:

Sec. 44.88.080. Powers of the authority. In furtherance of its corporate purposes, the authority has the following powers in addition to its other powers:

- (1) to sue and be sued;
- (2) to have a seal and alter it at pleasure;
- (3) to make and alter bylaws for its organization and internal management;

- (4) to adopt regulations governing the exercise of its corporate powers;
- (5) to acquire an interest in a project as necessary or appropriate to provide financing for the project, whether by purchase, gift, or lease;

(6) to lease to others a project acquired by it for the rentals and upon the terms and conditions the authority may consider advisable, including, without limitation, provisions for options to purchase or renew;

(7) to issue bonds and otherwise to incur indebtedness, in accordance with AS 44.88.090, in order to pay the cost of a project or development projects or in order to provide money for the authority's purposes under this chapter; the authority may also secure payment of the bonds or other indebtedness as provided in this

1 chapter;

2 (8) to sell, by installment sale or otherwise, exchange, donate, convey,
3 or encumber, in any manner by mortgage or by creation of any other security interest,
4 real or personal property owned by it, or in which it has an interest, including a
5 project, when, in the judgment of the authority, the action is in furtherance of its
6 corporate purposes;

7 (9) to accept gifts, grants, or loans from, and enter into contracts or
8 other transactions regarding them with, a federal agency, an agency or instrumentality
9 of the state, a municipality, a private organization, or other source;

10 (10) to deposit or invest its funds, subject to agreements with
11 bondholders;

12 (11) to enter into contracts or agreements with respect to the exercise
13 of any of its powers, and do all things necessary or convenient to carry out its
14 corporate purposes and exercise the powers granted in this chapter;

15 (12) to purchase or insure loans to finance the costs of manufacturing,
16 industrial, and business enterprise projects;

17 (13) to enter into loan agreements with respect to one or more projects
18 upon the terms and conditions the authority considers advisable;

19 (14) to acquire, manage, and operate projects as the authority considers
20 necessary or appropriate to serve a public purpose;

21 (15) to assist private lenders to make loans to finance the costs of
22 projects through loan commitments, short-term financing, or otherwise;

23 (16) to accept gifts, grants, or loans from a federal agency, from an
24 agency or instrumentality of the state or of a municipality, or from any other source;

25 (17) to enter into contracts or other transactions with a federal agency,
26 with an agency or instrumentality of the state or of a municipality, or with a private
27 organization or other entity consistent with the exercise of any power under this
28 chapter;

29 (18) to facilitate the expansion of a secondary market for the resale of
30 federally or commercially insured loans made to finance the costs of projects in the
31 state held by federal and state chartered financial institutions or by the Alaska

Commercial Fishing and Agriculture Bank;

(19) to charge fees or other forms of remuneration for the use or possession of the projects described in (14) of this section in accordance with the agreements described in (11) and (17) of this section, other agreements pertaining to the projects, covenants, or representations made in bond documents pertaining to the projects, or regulations of the authority pertaining to the projects;

(20) to participate with government or private industry in programs for technical assistance, loans, technology, transfer, or other programs related to the exportation of goods, services, or raw materials of the state with respect to its financing activities;

(21) to provide export finance training for office staff and other individuals involved in export finance assistance, including the training sessions that may be provided by the United States Export-Import Bank or other organizations;

(22) to coordinate to the maximum extent possible its efforts to promote the export of goods, services, and raw materials of the state with programs and goals of the United States Export-Import Bank, the International Trade Administration of the United States Department of Commerce, the Foreign Credit Insurance Association, and other private and public programs designed to provide export assistance and export-related financing;

(23) to guarantee loans related to qualified export transactions under regulations adopted by the authority;

(24) to provide financing assistance, in cooperation with federal, state, and private institutions, as provided in this chapter for small business enterprises;

(25) to make cooperative agreements with the Department of Transportation and Public Facilities, acting on behalf of the international airports revenue fund established under AS 37.15.430, to acquire, equip, operate, maintain, construct, or install facilities that will enhance the competitiveness of the international airports, including a cooperative agreement to lend amounts from the international airports revenue fund to finance the development or improvement of utilities serving the airports;

(26) to screen potential applicants for a new business incentive grant

1 and recommend the award of the grants under AS 45.81.020;

2 (27) to oversee the administration of outstanding grants awarded by the
3 Alaska Science and Technology Foundation under former AS 37.17.010 - 37.17.110;

4 (28) to oversee the administration of outstanding BIDCO assistance
5 grants and loans made by the Alaska Science and Technology Foundation under
6 former AS 37.17.200 - 37.17.390;

7 (29) to guarantee loans made to the Alaska Insurance Guaranty
8 Association (AS 21.80.040), with these guarantees limited to loans necessary to make
9 the association financially able to meet cash flow needs up to a maximum outstanding
10 principal balance at any time of \$30,000,000;

11 (30) with legislative approval and notwithstanding AS 44.88.060, to
12 purchase from the Alaska Energy Authority as an investment of the revolving fund,
13 loans of the power project fund established under AS 42.45.010;

14 (31) to consider, when exercising the powers listed in this section, the
15 interests of local governments affected by the authority's activities to share in the
16 benefits of these activities, with appropriate consideration of the authority's ability to
17 meet debt obligations, issue new debt, and fulfill the authority's purposes;

18 (32) to provide development project financing for all or a portion of
19 the cost of a development project as provided in AS 44.88.172;

20 **(33) to provide various means of financing and means of**
21 **facilitating the financing of construction of new workforce housing facilities**
22 **containing five or more dwelling units.**

23 * **Sec. 3.** AS 44.88.900(6) is amended to read:

24 (6) "development project" has the meaning given to "project" in
25 (13)(A), [AND] (D) - (H), **and (J)** of this section;

26 * **Sec. 4.** AS 44.88.900(13) is amended to read:

27 (13) "project" means

28 (A) a plant or facility used or intended for use in connection
29 with making, processing, preparing, transporting, or producing in any manner,
30 goods, products, or substances of any kind or nature or in connection with
31 developing or utilizing a natural resource, or extracting, smelting, transporting,

1 converting, assembling, or producing in any manner, minerals, raw materials,
 2 chemicals, compounds, alloys, fibers, commodities and materials, products, or
 3 substances of any kind or nature;

4 (B) a plant or facility used or intended for use in connection
 5 with a business enterprise;

6 (C) commercial activity by a business enterprise;

7 (D) a plant or facility demonstrating technological advances of
 8 new methods and procedures and prototype commercial applications for the
 9 exploration, development, production, transportation, conversion, and use of
 10 energy resources;

11 (E) infrastructure for a new tourism destination facility or for
 12 the expansion of a tourism destination facility; in this subparagraph, "tourism
 13 destination facility" does not include a hotel or other overnight lodging facility;

14 (F) a plant or facility, other than a plant or facility described in
 15 (D) of this paragraph, for the generation, transmission, development,
 16 transportation, conversion, or use of energy resources;

17 (G) a plant or facility that enhances, provides for, or promotes
 18 economic development with respect to transportation, communications,
 19 community public purposes, technical innovations, prototype commercial
 20 applications of intellectual property, or research;

21 (H) a plant or facility used or intended for use as a federal
 22 facility, including a United States military, national guard, or coast guard
 23 facility;

24 (I) infrastructure for an area that is designated as a military
 25 facility zone under AS 26.30;

26 **(J) a new workforce housing facility containing five or more**
 27 **dwelling units;**

28 * **Sec. 5.** AS 44.88.900 is amended by adding a new paragraph to read:

29 (20) "workforce housing" means residential housing that costs the
 30 occupants less than 30 percent of the income of a household with 120 percent of the
 31 area median family income, as determined by the United States Department of

1 Housing and Urban Development, for where the housing is constructed.