

The AIDEA Accountability Act HB 124



Sponsor: Representative Ashley Carrick
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What is the Alaska Industrial Development and Export Authority (AIDEA)?

AIDEA's Mission

To promote, develop, and advance economic growth and diversification in Alaska by providing various means of financing and investment.

AIDEA's Brief History

Established in 1967 to help provide economic opportunities in Alaska and provide employment opportunities.

AIDEA's Economic Impact

In the nearly 60 years since it was created, AIDEA has had a cumulative economic impact of \$55.4 billion and created over 13,000 jobs.

AIDEA Projects and Loans

Under \$10 Million

- Bonanza fuel – \$8.2 million in Nome.
- Blood Bank of Alaska – \$8.5 million in Anchorage.
- Island Air Service – \$7.5 million in Kodiak.
- Totem Inn reconstruction – \$8.2 million in Valdez.
- Big Lake Lions Club -- \$342,000 in Big Lake.

Over \$50 Million

- Interior Energy Project -- \$139 million in Fairbanks.
- Ambler Access Project -- \$50 million+
- Yukon Kuskokwim Health Corporation -- \$162 million in Bethel.
- Alaska Brewing – \$39.2 million in Juneau.
- Support for Cook Inlet Gas Development -- \$82 million.

HB 124 Purpose

- The AIDEA Accountability Act aims to strike a balance between AIDEA's mission and the need for economic development in Alaska, while enhancing legislative and public oversight of AIDEA as a state corporation.
- The goal of this bill is to help AIDEA focus on smaller and local economic development projects.
- Larger projects should include broader stakeholder engagement. This bill accomplishes that by requiring legislative authorization for large projects.



Rep. Carrick on top of the Interior Gas Utility's natural gas tank in Fairbanks. The Interior Energy Project was partially funded by AIDEA.

HB 124 Overview

- This bill is a balance between those who say that AIDEA should no longer exist and those who prefer the status quo.
- By improving legislative oversight and stakeholder engagement, we can help AIDEA accomplish its goal of economic development with less public backlash.



HB 124

Sectional Analysis



HB 124 Sectional Analysis

- **Section 1:** Short title; The AIDEA Accountability Act.
- **Section 2:** Amends AS 44.88.030(a) relating to the AIDEA Board
 - Requires legislative confirmation for Board Members
 - Increases the size of the board from 7 to 9 members.
 - Designates at least one board (1) board seat for someone representing an environmental advocacy organization.
 - Adds two (2) board members: one (1) appointed by the Speaker of the House, and one (1) appointed by the President of the Senate.

HB 124 Sectional. Cont.

- **Section 3:** Amends AS 44.88.030(c) relating to the AIDEA Board
 - Conforming language relating to the increased number of board members.
 - Increases the length of board terms from two (2) to three (3) years.
 - Prohibits Governor's from removing board members.
- **Section 4:** Requires the AIDEA Board to establish a personnel policy and minimum qualifications for the executive director.
- **Section 5:** Conforming language relating to Section 14.
- **Section 6:** Requires the AIDEA Board to adopt regulations by passing a resolution.

HB 124 Sectional. Cont.

- **Section 7:** Amends AS 44.88.085(d) relating to public engagement with the AIDEA Board.
 - Increases public notice requirement from 15 to 30 days for board meetings.
 - Requires the Board to give each testifier at least two (2) minutes for their testimony.
 - Requires the Board to publish written responses to public comments.
 - Requires the Board to publish a written justification when they adopt, amend, or repeal regulations.
- **Section 8:** Adds new section – AS 44.88.107, which caps the size of the AIDEA Revolving Fund, and all its subfunds at \$500 million.

HB 124 Sectional. Cont.

- **Section 9:** Adds new section – AS 44.88.179 requiring the following actions to be taken for all projects over \$10 million.
 - Seek approval from a municipality or borough if a project is within their boundaries.
 - Produce the following findings relating to a project
 - It is economically advantageous.
 - The project applicant is financially responsible.
 - Address concerns about demand on public roadways and facilities relating to this project.
 - Employment projections and data.
 - The project is economically and financially feasible.
 - The project is legal.
 - Produce a report about the projected economic, social, and environmental effects of the project
 - Host a public hearing on the project.
 - Submit a report to the legislature that includes all documents relating to the findings required in this section.
 - Gain approval from the legislature by law.

HB 124 Sectional. Cont.

- **Section 10:** Prohibits AIDEA Board members from voting on measures in which they have an indirect ownership interest.
- **Section 11-12:** Updates annual reporting requirements to the Legislature.
 - (Sec. 11) Specifies that AIDEA's annual report is due to the Legislature on January 10. This requirement is already in statute; this is a conforming change suggested by Legal Services.
 - (Sec. 12) Requires AIDEA to develop performance metrics, and those metrics must be included in the annual report. Those metrics include an analysis of:
 - Job creation
 - Industry growth
 - Financial and technical assistance provided to state business and private investment increases.
 - (Sec. 12) Requires the annual report to include the findings of AIDEA's annual audit.
 - (Sec. 12) Requires the annual report to include a summary of actions taken at all board meetings.

HB 124 Sectional. Cont.

- **Section 13:** Requires AIDEA to be subject to the Alaska Public Records Act.
- **Section 14:** Requires the Attorney General to approve all lawsuits pursued by AIDEA. If the AG approves a lawsuit, the legislature must be notified. Approval by the AG is not required for AIDEA to respond to a lawsuit.
- **Section 15:** Repeals AS 44.88.380, which provides immunity for AIDEA employees for damages for acts done while performing the duties of their position.

HB 124 Sectional. Cont.

- **Section 16:** Transition; Appointment of Board Members
 - The terms of board members (except the Commissioners of DCCED and DOR) expire when the Legislature confirms at least two of the Governor's appointments.
 - The term lengths of newly appointed AIDEA Board members, appointed by the governor after the effective date of this act are as follows.
 - Two members for one-year terms.
 - Two members for two-year terms.
 - One member for a three-year term.
 - The Speaker of the House and President of the Senate shall appoint board members on or before the 30th day of the first regular session of the 35th legislature.
 - Previous board members are not prohibited from serving on the board.
- **Section 17:** Effective date, January 1, 2027.

Thank You!

Any Questions?



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