

ALASKA STATE LEGISLATURE

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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

SPONSOR STATEMENT HB 316

“An act relating to military facility zones in the state; relating to the development of housing in military facility zones; relating to the financing of projects in military facility zones; and providing for an effective date.”

House Bill 316 gives statutory authority to the Department of Military and Veterans’ Affairs to establish “military facility zones” within the State of Alaska. Military facility zones are designated areas in close proximity to a military base (facility) where industrial or economic development will directly enhance the base’s ability to fulfill its mission.

Military facility zones are successfully employed in other states as vehicles to obtain and administer funds for business development specifically relating to military activities. Funding for such zones in Alaska may be available from the Alaska Industrial Development and Export Authority (AIDEA) and/or the Alaska Housing Finance Corporation (AHFC), or from federal New Market Tax Credits. Federal, state, or local public or private funding sources, credit, or guarantee programs can be made available directly to municipalities and boroughs that are working on specifically approved projects within a military facility zone.

Military facility zones create opportunities for significant benefits to Alaska and the nation. They will enhance economic activity near military installations and thereby facilitate economic growth and development in the state, especially where local governments are working in close partnership with their military counterparts. The zones promote expansion of infrastructure to benefit both military and civilian objectives, such as civil defense, homeland security and emergency response. They will enhance the nation’s military capabilities by helping bases operate more effectively and efficiently.

Finally, military facility zones in Alaska will clearly demonstrate the state’s continuing and substantive support for the armed services, and help defend against the negative impacts on Alaska’s regional economies and military communities that might occur should Congress choose to implement the federal Base Realignment and Closure Act (BRAC).

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