



Sectional Analysis HCS CS SB 23 (L&C)

“An Act relating to relating to the dividends of the Alaska Industrial Development and Export Authority; relating to the meaning of “net income” and “unrestricted net income” for purposes of the Alaska Industrial Development and Export Authority; authorizing the Alaska Industrial Development and Export Authority to provide financing and issue bonds for a liquefied natural gas production system and natural gas distribution system; and providing for an effective date.”

Section	Analysis
1	AS 44.88.088(a) is amended to allow AIDEA to calculate the dividends from the revolving loan fund and from the SETS fund and amends the way that dividend is calculated.
2	AS 44.88.088(b)(2) is amended to expand the definition of “net income” to accommodate changes required by the Governmental Accounting Standards Board (GASB) to AIDEA’s audited financial statements.
3	AS 44.88.088(b)(3) is amended to expand the definition of “unrestricted net income” to accommodate changes required by the Governmental Accounting Standards Board (GASB) to AIDEA’s audited financial statements.
4	As 44.88.105(d) is amended by technical changes by replacing the term “chairman” with the word “chair” and to change the word “no” in line 12 to “not” and AS 44.88.105(d)(4) is amended to allow AIDEA to secure bonds on or after July 1, 2013 for a qualified energy development they may finance under SETS.
5	AS 44.88.172(a) is amended by removing the word “only” from line two at page 4.
6	<p>The uncoded law is amended by adding a new section.</p> <ul style="list-style-type: none"> • Subsection (a) allows AIDEA to provide financing of up to \$275 million for the development, construction, and installation of a LNG plant, system and affiliated infrastructure on the North Slope and a gas distribution system and affiliated infrastructure. The H L&C version deletes the phrase “in Interior Alaska” that was in CS SB23 (FIN). • Subsection (b) allows AIDEA to issue bonds up to \$150 million in principal and related financing costs. • Subsection (c) provides for a SETS loan and establishes a maximum interest rate as the lesser of 3% or the current market rate for a commercial loan at the time bonds in subsection (b) are issued. • Subsection (d) waives the 1/3 AIDEA guarantee or lending limitation in the SETS program. • Subsection (e) states that the bonds authorized in SB 23 are not subject to the AIDEA 12-month bonding limitation under 44.88.095(a) • Subsection (f) provides for the expiration of the authorization to issue bonds by June 30, 2018, but bonds issued prior to July 1, 2018 are not affected. • Subsection (g) defines AIDEA as the “authority” and “financing” as methods or combination of methods of providing funds to a qualified energy project in the SETS program.
7	Immediate effective date

Prepared by AIDEA March 19, 2013