

**CS FOR HOUSE BILL NO. 119(EDT)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE, AND TOURISM

Offered: 2/11/11

Referred: Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the procurement of supplies, services, professional services, and  
2 construction for the Alaska Industrial Development and Export Authority; relating to  
3 the definition of 'own' for the economic development account; relating to the definitions  
4 of 'development project', 'plant', 'facility', and 'project' for the Alaska Industrial  
5 Development and Export Authority; relating to the Alaska Industrial Development and  
6 Export Authority creating subsidiaries regarding projects financed under AS 44.88.172;  
7 and providing for an effective date."

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

9 \* **Section 1.** AS 36.30.015(f) is amended to read:

10 (f) The board of directors of the Alaska Housing Finance Corporation,  
11 notwithstanding AS 18.56.088, the membership of the Alaska Industrial  
12 Development and Export Authority, notwithstanding AS 44.88.085, and the board  
13 of directors of the Knik Arm Bridge and Toll Authority under AS 19.75.111, shall

1 adopt regulations under AS 44.62 (Administrative Procedure Act) and the board of  
 2 trustees of the Alaska Retirement Management Board shall adopt regulations under  
 3 AS 37.10.240 to govern the procurement of supplies, services, professional services,  
 4 and construction for the respective public corporation and board. The regulations must  
 5 reflect competitive bidding principles and provide vendors reasonable and equitable  
 6 opportunities to participate in the procurement process and must include procurement  
 7 methods to meet emergency and extraordinary circumstances. Notwithstanding the  
 8 other provisions of this subsection, the Alaska Housing Finance Corporation, **the**  
 9 **Alaska Industrial Development and Export Authority**, the Knik Arm Bridge and  
 10 Toll Authority, and the Alaska Retirement Management Board shall comply with  
 11 AS 36.30.170(b).

12 \* **Sec. 2.** AS 44.88.172(a) is amended to read:

13 (a) The economic development account is established in the revolving fund.  
 14 The economic development account consists of money or assets appropriated, loaned,  
 15 or transferred to the authority for deposit in the account and other money or assets  
 16 deposited in the account by the authority. While money is on deposit in the economic  
 17 development account, the money may be used only to finance, acquire, manage, and  
 18 operate development projects that the authority intends to own and operate. In this  
 19 subsection,

20 (1) "operate" includes operation directly by the authority, by an agent  
 21 of the authority, or by a person as determined under an agreement between the  
 22 authority and other owners of the development project;

23 (2) "own" includes ownership by the authority of all or a percentage of  
 24 a development project, **or all or a percentage of the shares of a corporation or**  
 25 **membership in a limited liability company for which the development project is**  
 26 **the sole asset of the corporation or limited liability company.**

27 \* **Sec. 3.** AS 44.88 is amended by adding a new section to read:

28 **Sec. 44.88.178. Creation of subsidiaries.** The authority may create one or  
 29 more subsidiary corporations for the purpose of acquiring, constructing, owning,  
 30 operating, or financing a project financed under AS 44.88.172. A subsidiary  
 31 corporation created under this section may be incorporated under AS 10.20.146 -

1 10.20.166. The authority may transfer assets of the authority to a subsidiary created  
 2 under this section. A subsidiary created under this section may borrow money and  
 3 issue bonds as evidence of that borrowing, and has all the powers of the authority that  
 4 the authority grants to it. Unless otherwise provided by the authority, the debts,  
 5 liabilities, and obligations of a subsidiary corporation created under this section are not  
 6 the debts, liabilities, or obligations of the authority.

7 \* **Sec. 4.** AS 44.88.900(3) is amended to read:

8 (3) "development project" has the meaning given to "project" in (9)(A)  
 9 and (D) - (H) [(9)(A) AND (D) - (F)] of this section;

10 \* **Sec. 5.** AS 44.88.900(8) is amended to read:

11 (8) "plant" or "facility" means real property, whether above or below  
 12 mean high water, or an interest in it, and the buildings, improvements and structures  
 13 constructed or to be constructed on or in it, and may include roads, fixtures,  
 14 machinery, and equipment on it or in it, and tangible personal property, regardless of  
 15 whether the tangible personal property is attached to or connected with real property,  
 16 if the owner has agreed not to remove the tangible personal property permanently from  
 17 the state for the period the authority sets; "plant" or "facility" does not include work in  
 18 process or stock in trade;

19 \* **Sec. 6.** AS 44.88.900(9) is amended to read:

20 (9) "project" means

21 (A) a plant or facility used or intended for use in connection  
 22 with making, processing, preparing, transporting, or producing in any manner,  
 23 goods, products, or substances of any kind or nature or in connection with  
 24 developing or utilizing a natural resource, or extracting, smelting, transporting,  
 25 converting, assembling, or producing in any manner, minerals, raw materials,  
 26 chemicals, compounds, alloys, fibers, commodities and materials, products, or  
 27 substances of any kind or nature;

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

30 (C) commercial activity by a business enterprise;

31 (D) a plant or facility demonstrating technological advances of

1 new methods and procedures and prototype commercial applications for the  
2 exploration, development, production, transportation, conversion, and use of  
3 energy resources;

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

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

10 **(G) a plant or facility that enhances, provides for, or**  
11 **promotes economic development with respect to transportation,**  
12 **communications, community public purposes, technical innovations,**  
13 **prototype commercial applications of intellectual property, or research;**

14 **(H) a plant or facility used or intended for use as a federal**  
15 **facility, including a United States military, national guard, or coast guard**  
16 **facility;**

17 \* **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).