

AMENDMENT # 1

BY SEN. MCGUIRE

OFFERED IN THE SENATE

TO: SCS CSHB 297(FIN)

1 Page 1, line 2, following "state;":

2 Insert "relating to the Alaska Industrial Development and Export Authority  
3 revolving fund; limiting the use of the Alaska Industrial Development and Export  
4 Authority sustainable energy transmission and supply development fund for certain  
5 loans and loan guarantees and allowing the development fund to be used as security for  
6 a bond guarantee; amending the definition of 'qualified energy development';  
7 authorizing the Alaska Industrial Development and Export Authority to issue bonds to  
8 finance the infrastructure and construction costs of the Bokan-Dotson Ridge rare earth  
9 element project and the Niblack project;"

10

11 Page 1, following line 9:

12 Insert new bill sections to read:

13 "\* Sec. 2. AS 44.88.660 is amended to read:

14 Sec. 44.88.660. Alaska Industrial Development and Export Authority  
15 sustainable energy transmission and supply development fund. The Alaska  
16 Industrial Development and Export Authority sustainable energy transmission and  
17 supply development fund is established in the authority. The development fund  
18 consists of appropriations made to the development fund by the legislature, money or  
19 other assets transferred to the development fund by a vote of the members of the  
20 authority under AS 44.88.050 from any other fund controlled by the authority,  
21 and unrestricted loan repayments, interest, or other income earned on loans,  
22 investments, or assets of the development fund. The development fund is not an  
23 account in the revolving [LOAN] fund established in AS 44.88.060, and the authority

1 shall account for the development fund separately from the revolving fund. The  
 2 authority may create additional accounts in the development fund. Subject to  
 3 agreements made with the holders of the authority's bonds or with other persons, the  
 4 authority may transfer amounts in an account in the development fund to another  
 5 account in the development fund. Amounts deposited in the development fund may be  
 6 pledged to the payment of bonds of the authority or expended for the purposes of  
 7 AS 44.88.650 - 44.88.690. The authority has the powers and responsibilities  
 8 established in AS 37.10.071 with respect to the investment of amounts held in the  
 9 development fund.

10 \* **Sec. 3.** AS 44.88.690(a) is amended to read:

11 (a) Unless the authority has obtained legislative approval by law, the authority  
 12 may not **use the Alaska Industrial Development and Export Authority sustainable**  
 13 **energy transmission and supply development fund established in AS 44.88.660 to**  
 14 **make** [FINANCE OR PARTICIPATE IN FINANCING OF]

15 (1) **a loan for** more than one-third of the capital cost of qualified  
 16 energy development; or

17 (2) a loan guarantee **if the amount of the guarantee** [THAT] exceeds  
 18 \$20,000,000.

19 \* **Sec. 4.** AS 44.88.690 is amended by adding a new subsection to read:

20 (c) Notwithstanding (a) of this section, the authority may use the Alaska  
 21 Industrial Development and Export Authority sustainable energy transmission and  
 22 supply development fund established in AS 44.88.660 as security for a bond  
 23 guarantee.

24 \* **Sec. 5.** AS 44.88.900(14) is amended to read:

25 (14) "qualified energy development" means a **development**  
 26 [PROJECT] in the state that involves

27 (A) transmission, generation, conservation, storage, or  
 28 distribution of heat or electricity;

29 (B) liquefaction, regasification, distribution, storage, or use of  
 30 natural gas except a natural gas pipeline project for transporting natural gas  
 31 from the North Slope or Cook Inlet to market;

1 (C) distribution or storage of refined petroleum products;

2 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
3 read:

4 LEGISLATIVE APPROVAL; BOKAN-DOTSON RIDGE RARE EARTH  
5 ELEMENT PROJECT. (a) The Alaska Industrial Development and Export Authority may  
6 issue bonds to finance the infrastructure and construction costs of the Bokan-Dotson Ridge  
7 rare earth element project. The Bokan-Dotson Ridge rare earth element project's surface  
8 complex shall be owned and operated by the authority or financed under AS 44.88.172. The  
9 principal amount of the bonds provided by the authority for the Bokan-Dotson Ridge rare  
10 earth element project may not exceed \$145,000,000 and may include the costs of issuing  
11 bonds considered reasonable and appropriate by the Alaska Industrial Development and  
12 Export Authority.

13 (b) This section constitutes legislative approval required by AS 44.88.095(g).

14 \* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to  
15 read:

16 LEGISLATIVE APPROVAL; NIBLACK PROJECT. (a) The Alaska Industrial  
17 Development and Export Authority may issue bonds to finance the infrastructure and  
18 construction costs of the Niblack project. The Niblack project includes a mineral processing  
19 mill, associated dock, and loading and related infrastructure facilities at the Gravina Island  
20 Industrial Complex, as well as infrastructure at the project site on Prince of Wales Island. The  
21 mineral processing mill, associated dock, and loading and related infrastructure facilities at  
22 the Gravina Island Industrial Complex, as well as infrastructure at the project site on Prince of  
23 Wales Island, shall be owned and operated by the authority or financed under AS 44.88.172.  
24 The principal amount of the bonds provided by the authority for the Niblack project may not  
25 exceed \$125,000,000 and may include the costs of issuing bonds considered reasonable and  
26 appropriate by the Alaska Industrial Development and Export Authority.

27 (b) This section constitutes legislative approval required by AS 44.88.095(g)."  
28

29 Renumber the following bill sections accordingly.