

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 26, 2016

3:18 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Jim Colver
Representative Gabrielle LeDoux
Representative Andy Josephson
Representative Sam Kito

MEMBERS ABSENT

Representative Shelley Hughes, Vice Chair
Representative Cathy Tilton
Representative Mike Chenault (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 268

"An Act relating to the dividends from the Alaska Industrial Development and Export Authority; relating to the meaning of 'mark-to-market fair value,' 'net income,' 'project or development,' and 'unrestricted net income' for purposes of the Alaska Industrial Development and Export Authority; and providing for an effective date."

- MOVED HB 268 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 268

SHORT TITLE: AIDEA:DIVIDEND TO STATE;INCOME;VALUATION

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/20/16	(H)	READ THE FIRST TIME - REFERRALS
01/20/16	(H)	L&C, FIN
02/17/16	(H)	L&C AT 3:15 PM BARNES 124
02/17/16	(H)	Heard & Held
02/17/16	(H)	MINUTE(L&C)
02/26/16	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

GENE THERRIAULT, Deputy Director

Energy Policy Development
Alaska Energy Authority/Alaska Industrial Development and Export
Authority
Department of Commerce, Community & Economic Development
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 268.

ACTION NARRATIVE

[3:18:25 PM](#)

CHAIR KURT OLSON called the House Labor and Commerce Standing Committee meeting to order at 3:18 p.m. Representatives Olson, LeDoux, Colver, Josephson, and Kito were present at the call to order.

HB 268-AIDEA:DIVIDEND TO STATE;INCOME;VALUATION

[3:18:33 PM](#)

CHAIR OLSON announced that the only order of business would be HOUSE BILL NO. 268, "An Act relating to the dividends from the Alaska Industrial Development and Export Authority; relating to the meaning of 'mark-to-market fair value,' 'net income,' 'project or development,' and 'unrestricted net income' for purposes of the Alaska Industrial Development and Export Authority; and providing for an effective date."

[3:18:46 PM](#)

GENE THERRIAULT, Deputy Director for Energy Policy Development, Alaska Energy Authority/Alaska Industrial Development and Export Authority, Department of Commerce, Community & Economic Development, reminded the committee the purpose of the bill was to expand on the current statutory exemption that allows Alaska Industrial Development and Export Authority (AIDEA) to "back certain things out" of the audited financial statement which is bringing a lot of volatility to the calculation of the state's dividend. He assured the committee that AIDEA would continue to abide by all accounting rules to attain a financial audited statement, and the legislature would indicate which projects to back out in order to ensure a smoother net earnings on which to calculate the dividend. Mr. Therriault directed attention to additional language added to the bill on page 2, beginning on line 3 [and continuing to line 26] which read:

... excluding amounts attributable to intergovernmental transfers, capital contributions, grants, [OR IMPAIRMENT] losses on a project or development to the extent [DEVELOPMENT PROJECTS] financed with state or federal grants or appropriations, mark-to-market fair value based accounting entries, and noncash accounting entries related to retirement obligations [UNDER AS 44.88.172];

(4) "project or development" means

(A) an Arctic infrastructure development as defined in AS 44.88.900(2);

(B) a development project as defined in AS 44.88.900(6);

(C) a project as defined in AS 44.88.900(13); or

(D) a qualified energy development as defined in AS 44.88.900(16);

(5) [(3)] "unrestricted net income" means the unrestricted change in net position, or the equivalent term under generally accepted accounting principles, of the revolving fund, the Alaska Industrial Development and Export Authority sustainable energy transmission and supply development fund (AS 44.88.660), or the Arctic infrastructure development fund (AS 44.88.810) as set out in the audited financial statements of the authority for the base fiscal year, excluding amounts attributable to intergovernmental transfers, capital contributions, grants, [OR IMPAIRMENT] losses on a project or development to the extent [DEVELOPMENT PROJECTS] financed with state or federal grants or appropriations, mark-to-market fair value based accounting entries, and noncash accounting entries related to retirement obligations [UNDER AS 44.88.172].

[3:20:12 PM](#)

CHAIR OLSON opened public testimony on HB 268. After ascertaining that no one wished to testify on HB 268, public testimony was closed.

[3:20:39 PM](#)

REPRESENTATIVE COLVER moved to report HB 268 out of committee with individual recommendations and the accompanying fiscal

notes. There being no objection, HB 268 was reported from the House Labor and Commerce Standing Committee.

3:21:36 PM

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 3:21 p.m.