

HOUSE BILL NO. 124

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES CARRICK, Mina

Introduced: 3/5/25

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Alaska Industrial Development and Export Authority; and
2 providing for an effective date."

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

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 SHORT TITLE. This Act may be known as the AIDEA Accountability Act.

7 * **Sec. 2.** AS 44.88.030(a) is amended to read:

8 (a) The membership of the authority consists of

9 (1) the commissioner of revenue and the commissioner of commerce,
10 community, and economic development; [AND]

11 (2) **four** [FIVE] public members appointed by the governor **and**
12 **confirmed by a majority of the members of the legislature in joint session**, each of
13 whom has expertise in private sector business or industry, or both, and possesses
14 demonstrated leadership skills;

1 **(3) one public member, appointed by the governor and confirmed**
 2 **by a majority of the members of the legislature in joint session, who represents**
 3 **an environmental advocacy organization;**

4 **(4) one public member, appointed by the president of the senate,**
 5 **who is a former legislator or meets the qualifications in (2) or (3) of this**
 6 **subsection; and**

7 **(5) one public member, appointed by the speaker of the house of**
 8 **representatives, who is a former legislator or meets the qualifications in (2) or (3)**
 9 **of this subsection.**

10 * **Sec. 3.** AS 44.88.030(c) is amended to read:

11 (c) Public members of the authority described in **(a)(2) - (5)** [(a)(2)] of this
 12 section serve **staggered three-year** [AT THE PLEASURE OF THE GOVERNOR
 13 FOR TWO-YEAR] terms.

14 * **Sec. 4.** AS 44.88.050(c) is amended to read:

15 (c) The authority may appoint persons as officers it considers advisable,
 16 including an executive director, and may employ professional advisors, counsel,
 17 technical experts, agents, and other employees it considers advisable. The executive
 18 director and employees of the authority are in the exempt service under AS 39.25. **The**
 19 **authority shall adopt regulations or bylaws establishing a personnel policy,**
 20 **including minimum qualifications for the executive director.**

21 * **Sec. 5.** AS 44.88.080(1) is amended to read:

22 (1) **subject to AS 44.88.225,** to sue and be sued;

23 * **Sec. 6.** AS 44.88.085(b) is amended to read:

24 (b) The authority may adopt regulations [UNDER THIS SECTION BY
 25 MOTION OR] by resolution [OR IN ANY OTHER MANNER PERMITTED BY ITS
 26 BYLAWS].

27 * **Sec. 7.** AS 44.88.085(d) is amended to read:

28 (d) Except as provided in (e) of this section, at least **30** [15] days before the
 29 adoption, amendment, or repeal of a regulation, the authority shall give public notice
 30 of the proposed action by publishing the notice in at least three newspapers of general
 31 circulation in the state and by mailing a copy of the notice to every person who has

1 filed a request for notice of proposed regulations with the authority. The public notice
 2 must include a statement of the time, place, and nature of the proceedings for the
 3 adoption, amendment, or repeal of the regulation and must include an informative
 4 summary of the subject of the proposed action. On the date and at the time and place
 5 designated in the notice, the authority shall give each interested person or an
 6 authorized representative of the person, or both, the opportunity to present statements,
 7 arguments, or contentions orally or in writing and shall give **each member**
 8 [MEMBERS] of the public an opportunity to present oral statements, arguments, or
 9 contentions for **not less than two minutes** [A TOTAL PERIOD OF AT LEAST ONE
 10 HOUR]. The authority shall consider all relevant matter presented to it before taking
 11 the proposed action on the regulation, **and shall publish written responses to public**
 12 **comments**. At a hearing under this subsection, the authority may continue or postpone
 13 the hearing to a time and place determined by the authority and announced at the
 14 hearing before taking the action to continue or postpone the hearing. **The authority**
 15 **shall publish written justification when adopting, amending, or repealing a**
 16 **regulation**. A regulation adopted, amended, or repealed by the authority may vary
 17 from the informative summary specified in this subsection if the subject matter of the
 18 action taken on the regulation remains the same and if the original notice of the
 19 proposed action was written so as to assure that members of the public are reasonably
 20 notified of the subject matter of the proposed action in order for them to determine
 21 whether their interests could be affected by the authority's proposed action on that
 22 subject.

23 * **Sec. 8.** AS 44.88 is amended by adding a new section to read:

24 **Sec. 44.88.107. Limit on value of funds and accounts.** The aggregate value
 25 of all funds and accounts in the authority may not exceed \$500,000,000. On June 30 of
 26 each fiscal year, the amount of unexpended and unobligated money required to reduce
 27 the aggregate value of all funds and accounts in the authority to \$500,000,000 lapses
 28 into the general fund. Money that lapses under this section is not payment of a
 29 dividend under AS 44.88.088.

30 * **Sec. 9.** AS 44.88 is amended by adding a new section to read:

31 **Sec. 44.88.179. Project oversight.** Before agreeing to expend more than

1 \$10,000,000 on a project, the authority shall

2 (1) unless the project is to be located in the unorganized borough,
3 obtain a certified copy of a resolution of the governing body of the political
4 subdivision of the state, if any, in which the project is to be located, consenting to the
5 location of the project; the consent need only refer to the general nature of the project;

6 (2) find, based on all information reasonably available to it, that

7 (A) the project and its development under this chapter will be
8 economically advantageous to the state and the general public welfare and will
9 contribute to the economic growth of the state;

10 (B) the project applicant, if any, is financially responsible;

11 (C) provisions to meet increased demand on public facilities
12 that might result from the project are reasonably assured;

13 (D) the project will provide or retain employment reasonably
14 related to the amount of the financing by the authority, if any, considering the
15 amount of investment for each employee for comparable facilities and other
16 relevant factors;

17 (E) the project is economically and financially feasible and able
18 to produce revenue adequate to repay the bonds or loans, if any, with which it
19 is financed; and

20 (F) the project complies with applicable law;

21 (3) compile and make available to the public a document that
22 summarizes the projected economic, social, and environmental effects of the project;
23 and, in conjunction with the Department of Fish and Game, the Department of Natural
24 Resources, the Department of Environmental Conservation, and the Department of
25 Labor and Workforce Development, the authority shall conduct a public hearing on
26 the projected effects of the project;

27 (4) submit a report that includes the documents and findings required
28 under (1) - (3) of this section to the senate secretary and the chief clerk of the house of
29 representatives and notify the legislature that the report is available; and

30 (5) obtain legislative approval by law.

31 * **Sec. 10.** AS 44.88.180(a) is amended to read:

1 (a) A member of the authority may not vote on a resolution of the authority
 2 relating to a lease or contract to be entered into by the authority under this chapter if
 3 the member is a party to the lease or contract or has a direct **or indirect** ownership or
 4 equity interest in a firm, partnership, corporation, or association that may be a party to
 5 the contract or lease. A resolution of the authority that is approved by a majority of the
 6 members who are not barred from voting under this subsection is a valid action of the
 7 authority for all purposes.

8 * **Sec. 11.** AS 44.88.205(b) is amended to read:

9 (b) To further ensure effective budgetary decision making by the legislature,
 10 the authority shall

11 (1) annually review the authority's assets to determine whether assets
 12 of the authority exceed an amount required to fulfill the purposes of the authority as
 13 defined in this chapter; in making its review, the authority shall determine whether,
 14 and to what extent, assets in excess of the amount required to fulfill the purposes of
 15 the authority during at least the next fiscal year are available without

16 (A) breaching any agreement entered into by the authority;

17 (B) materially impairing the operations or financial integrity of
 18 the authority; or

19 (C) materially affecting the ability of the authority to fulfill the
 20 authority's purposes set out in AS 44.88.070; and

21 (2) **by January 10 of each year,** make available to the legislature [BY
 22 JANUARY 10 OF EACH YEAR] a complete accounting of all assets of the authority
 23 and a report of the review and determination made under (1) of this subsection,
 24 **submit the accounting and report to the senate secretary and the chief clerk of**
 25 **the house of representatives, and notify the legislature that the accounting and**
 26 **report are available;** the accounting shall be audited by the auditor who conducts the
 27 audit required by AS 44.88.200 and must include a full description of all loan interest
 28 and principal payments and program receipts, including

29 (A) loan commitment fees received by or accrued to the
 30 authority during the preceding fiscal year; and

31 (B) all income earned on assets of the authority during that

1 period.

2 * **Sec. 12.** AS 44.88.210(a) is amended to read:

3 (a) By January 10 of each year, the authority shall publish a report for
 4 distribution to the governor, the legislature, and the public, submit the report to the
 5 senate secretary and the chief clerk of the house of representatives, and [. THE
 6 AUTHORITY SHALL] notify the legislature that the report is available. The
 7 authority shall develop performance metrics to evaluate, and the report must
 8 include analysis of, the effect of the authority's activities on job creation,
 9 supported industry growth, financial and technical assistance provided to state
 10 businesses, and private investment increases. The report shall be written in easily
 11 understandable language. The report must include a financial statement audited by an
 12 independent outside auditor, the findings from the authority's annual audit, a
 13 statement of the authority's investments under this chapter, including an appraisal of
 14 the investments at market value, a comparison of the authority's performance with the
 15 goals of the authority and the levels of bonding and investment activities anticipated in
 16 the previous year's report under (b) of this section, a list of all actions taken at each
 17 meeting of the authority since the previous year's annual report, and any other
 18 information the members of the authority believe would be of interest to the governor,
 19 the legislature, and the public. The annual income statement and balance sheet of the
 20 authority shall be published in at least one newspaper in each judicial district. The
 21 authority may also publish other reports it considers desirable to carry out its purpose.

22 * **Sec. 13.** AS 44.88.215 is repealed and reenacted to read:

23 **Sec. 44.88.215. Records and information; public records.** (a) The records or
 24 information submitted to the authority are public records under AS 40.25.110 -
 25 40.25.220.

26 (b) Before accepting submission of records or information, the authority shall
 27 require a written waiver acknowledging that the submission is a public record under
 28 AS 40.25.110 - 40.25.220.

29 * **Sec. 14.** AS 44.88 is amended by adding a new section to read:

30 **Sec. 44.88.225. Attorney general lawsuit approval.** (a) The authority shall
 31 obtain approval in writing from the attorney general before filing a lawsuit.

1 (b) If the attorney general approves a lawsuit, the attorney general shall notify
2 the senate secretary and the chief clerk of the house of representatives of the approval
3 in writing. The notification must describe the lawsuit and explain the reasons for the
4 approval.

5 (c) This section does not require approval from the attorney general for the
6 authority to respond to a lawsuit filed against the authority.

7 * **Sec. 15.** AS 44.88.380 is repealed.

8 * **Sec. 16.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 MEMBERS OF THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT
11 AUTHORITY: TRANSITION. (a) The terms of the members of the Alaska Industrial
12 Development and Export Authority, other than the commissioner of revenue and the
13 commissioner of commerce, community, and economic development, expire on the date the
14 legislature has confirmed at least two members appointed by the governor under (b) of this
15 section.

16 (b) Notwithstanding AS 44.88.030(c), as amended by sec. 3 of this Act, members of
17 the Alaska Industrial Development and Export Authority appointed by the governor under
18 AS 44.88.030(a), as amended by sec. 2 of this Act, are appointed by the governor to initial
19 terms as follows:

20 (1) two members for one year;

21 (2) two members for two years;

22 (3) one member for three years.

23 (c) The president of the senate and the speaker of the house of representatives shall
24 appoint public members of the Alaska Industrial Development and Export Authority under
25 AS 44.88.030(a), as amended by sec. 2 of this Act, on or before the 30th day of the First
26 Regular Session of the Thirty-Fifth Alaska State Legislature.

27 (d) Nothing in this section prevents the appointment of a person whose term expires
28 under (a) of this section as a member of the Alaska Industrial Development and Export
29 Authority if the person meets the qualifications under AS 44.88.030, as amended by secs. 2
30 and 3 of this Act.

31 * **Sec. 17.** This Act takes effect January 1, 2027.