

CS FOR HOUSE BILL NO. 124(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 2/18/26

Referred: Finance

Sponsor(s): REPRESENTATIVES CARRICK, Mina

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

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

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

7 (c) Public members of the authority described in **(a)(2) - (4)** [(a)(2)] of this
 8 section serve **staggered three-year** [AT THE PLEASURE OF THE GOVERNOR
 9 FOR TWO-YEAR] terms.

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

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

17 * **Sec. 5.** AS 44.88.085(b) is amended to read:

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

21 * **Sec. 6.** AS 44.88.085(d) is amended to read:

22 (d) Except as provided in (e) of this section, at least **30** [15] days before the
 23 adoption, amendment, or repeal of a regulation, the authority shall give public notice
 24 of the proposed action by publishing the notice in at least three newspapers of general
 25 circulation in the state and by mailing a copy of the notice to every person who has
 26 filed a request for notice of proposed regulations with the authority. The public notice
 27 must include a statement of the time, place, and nature of the proceedings for the
 28 adoption, amendment, or repeal of the regulation and must include an informative
 29 summary of the subject of the proposed action. On the date and at the time and place
 30 designated in the notice, the authority shall give each interested person or an
 31 authorized representative of the person, or both, the opportunity to present statements,

1 arguments, or contentions orally or in writing and shall give **each member**
 2 [MEMBERS] of the public an opportunity to present oral statements, arguments, or
 3 contentions for **not less than two minutes or, if a shorter time allotment is**
 4 **necessary to allow all members of the public to present, not less than one minute**
 5 [A TOTAL PERIOD OF AT LEAST ONE HOUR]. The authority shall consider all
 6 relevant matter presented to it before taking the proposed action on the regulation, **and**
 7 **shall publish all public comments received in writing, with personal contact**
 8 **information redacted, on the authority's public Internet website.** At a hearing
 9 under this subsection, the authority may continue or postpone the hearing to a time and
 10 place determined by the authority and announced at the hearing before taking the
 11 action to continue or postpone the hearing. **The authority shall publish written**
 12 **justification on the authority's public Internet website when adopting, amending,**
 13 **or repealing a regulation.** A regulation adopted, amended, or repealed by the
 14 authority may vary from the informative summary specified in this subsection if the
 15 subject matter of the action taken on the regulation remains the same and if the
 16 original notice of the proposed action was written so as to assure that members of the
 17 public are reasonably notified of the subject matter of the proposed action in order for
 18 them to determine whether their interests could be affected by the authority's proposed
 19 action on that subject.

20 * **Sec. 7.** AS 44.88 is amended by adding a new section to read:

21 **Sec. 44.88.179. Project oversight.** Before agreeing to expend more than
 22 \$100,000,000 on a project, adjusted annually for inflation on July 1 of each year based
 23 on the percentage increase in the Consumer Price Index for all urban consumers for
 24 urban Alaska during the previous calendar year, as determined by the United States
 25 Department of Labor, Bureau of Labor Statistics, the authority shall

26 (1) find, based on all information reasonably available to it, that

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

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

31 (C) provisions to meet increased demand on public facilities

1 that might result from the project are reasonably assured;

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

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

9 (F) the project complies with applicable law;

10 (2) compile and make available to the public a document that
11 summarizes the projected economic, social, and environmental effects of the project;
12 and, in conjunction with the Department of Fish and Game, the Department of Natural
13 Resources, the Department of Environmental Conservation, and the Department of
14 Labor and Workforce Development, the authority shall conduct a public hearing on
15 the projected effects of the project;

16 (3) obtain an independent feasibility study of the project from a
17 contractor approved by the Legislative Budget and Audit Committee;

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

21 (5) obtain approval of the Legislative Budget and Audit Committee.

22 * **Sec. 8.** AS 44.88.180(a) is amended to read:

23 (a) A member of the authority may not vote on a resolution of the authority
24 relating to a lease or contract to be entered into by the authority under this chapter if
25 the member is a party to the lease or contract or has a direct **or indirect** ownership
26 **interest** or equity interest in, **or receives an economic benefit from,** a firm,
27 partnership, corporation, or association that may be a party to the contract or lease. **An**
28 **interest is indirect under this subsection if the interest is held on behalf of the**
29 **member through an intermediary, trust, or other arrangement, if the member**
30 **receives a financial benefit from the interest, if the member exercises control of**
31 **the interest through another individual or entity, or if the interest is held by an**

1 **immediate family member.** A resolution of the authority that is approved by a
 2 majority of the members who are not barred from voting under this subsection is a
 3 valid action of the authority for all purposes.

4 * **Sec. 9.** AS 44.88.190(b) is amended to read:

5 (b) The funds, income, or receipts of the authority may not be considered or
 6 constitute money of the state **except as provided in AS 44.88.205(c)**, nor may real
 7 property in which the authority has an interest be considered land owned in fee by the
 8 state or to which the state may become entitled or in any way land belonging to the
 9 state, or state land referred to in art. VIII of the Alaska Constitution.

10 * **Sec. 10.** AS 44.88.205 is amended to read:

11 **Sec. 44.88.205. Compliance with executive budget act; authority finances.**

12 (a) The [OPERATING BUDGET OF THE] authority is subject to AS 37.07
 13 (Executive Budget Act).

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

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

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

22 (B) materially impairing the operations or financial integrity of
 23 the authority; or

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

26 (2) **by January 10 of each year,** make available to the legislature [BY
 27 JANUARY 10 OF EACH YEAR] a complete accounting of all assets of the authority
 28 and a report of the review and determination made under (1) of this subsection,
 29 **submit the accounting and report to the senate secretary and the chief clerk of**
 30 **the house of representatives, and notify the legislature that the accounting and**
 31 **report are available;** the accounting shall be audited by the auditor who conducts the

1 audit required by AS 44.88.200 and must include a full description of all loan interest
2 and principal payments and program receipts, including

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

5 (B) all income earned on assets of the authority during that
6 period.

7 * **Sec. 11.** AS 44.88.205 is amended by adding a new subsection to read:

8 (c) The legislature may appropriate the income of the authority, including loan
9 interest payments, loan commitment fees, and income earned on assets of the
10 authority, as follows:

11 (1) 20 percent to the authority for the purposes described in this
12 chapter; and

13 (2) 80 percent for other purposes the legislature considers appropriate.

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

15 (a) By January 10 of each year, the authority shall publish a report for
16 distribution to the governor, the legislature, and the public, submit the report to the
17 senate secretary and the chief clerk of the house of representatives, and [. THE
18 AUTHORITY SHALL] notify the legislature that the report is available. The
19 authority shall develop performance metrics to evaluate, and the report must
20 include analysis of, the effect of the authority's activities on job creation,
21 supported industry growth, financial and technical assistance provided to state
22 businesses, and private investment increases. The report shall be written in easily
23 understandable language. The report must include a financial statement audited by an
24 independent outside auditor, the findings from the authority's annual audit, a
25 statement of the authority's investments under this chapter, including an appraisal of
26 the investments at market value, a comparison of the authority's performance with the
27 goals of the authority and the levels of bonding and investment activities anticipated in
28 the previous year's report under (b) of this section, a list of all actions taken at each
29 meeting of the authority since the previous year's annual report, and any other
30 information the members of the authority believe would be of interest to the governor,
31 the legislature, and the public. The annual income statement and balance sheet of the

1 authority shall be published in at least one newspaper in each judicial district. The
2 authority may also publish other reports it considers desirable to carry out its purpose.

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

4 **Sec. 44.88.215. Records and information.** (a) Except as provided under (b) of
5 this section, information in the possession of the authority is public and open to public
6 inspection at reasonable times.

7 (b) The authority may by regulation designate and withhold public disclosure
8 of matters of a privileged or proprietary nature. Those matters include personnel
9 records, communications with and work product of legal counsel, and proprietary
10 information relating to investment decisions.

11 (c) If a legislator has a valid legislative purpose for reviewing information in
12 possession of the authority and agrees to maintain confidentiality of the information,
13 the authority may not prevent a legislator from reviewing the information even if the
14 information is withheld from public disclosure under (b) of this section.

15 * **Sec. 14.** AS 44.88.600 is amended to read:

16 **Sec. 44.88.600. Rural development initiative fund.** The rural development
17 initiative fund is created in the authority outside of the revolving fund. The rural
18 development initiative fund is a fund for the uses and purposes of AS 44.88.600 -
19 44.88.620. The rural development initiative fund consists of money or assets
20 appropriated or transferred to the authority for the purposes of this section [,] and [OF]
21 loan repayments [, INTEREST, OR OTHER INCOME EARNED ON LOANS OR
22 INVESTMENTS OF THE FUND]. In addition, the authority may deposit other assets
23 into the fund if the total value of those deposits does not exceed \$2,000,000. The
24 authority, in its discretion, may transfer money or other assets from the rural
25 development initiative fund to the revolving fund.

26 * **Sec. 15.** AS 44.88.660 is amended to read:

27 **Sec. 44.88.660. Alaska Industrial Development and Export Authority**
28 **sustainable energy transmission and supply development fund.** The Alaska
29 Industrial Development and Export Authority sustainable energy transmission and
30 supply development fund is established in the authority. The development fund
31 consists of appropriations made to the development fund by the legislature, money or

1 other assets transferred to the development fund by a vote of the members of the
2 authority under AS 44.88.050 from any other fund controlled by the authority, and
3 unrestricted loan repayments [, INTEREST, OR OTHER INCOME EARNED ON
4 LOANS, INVESTMENTS, OR ASSETS OF THE DEVELOPMENT FUND]. The
5 development fund is not an account in the revolving fund established in AS 44.88.060,
6 and the authority shall account for the development fund separately from the revolving
7 fund. The authority may create additional accounts in the development fund. Subject
8 to agreements made with the holders of the authority's bonds or with other persons, the
9 authority may transfer amounts in an account in the development fund to another
10 account in the development fund. Amounts deposited in the development fund may be
11 pledged to the payment of bonds of the authority or expended for the purposes of
12 AS 44.88.650 - 44.88.690. The authority has the powers and responsibilities
13 established in AS 37.10.071 with respect to the investment of amounts held in the
14 development fund.

15 * **Sec. 16.** AS 44.88.810 is amended to read:

16 **Sec. 44.88.810. Arctic infrastructure development fund.** The Arctic
17 infrastructure development fund is established in the authority. The fund consists of
18 appropriations made to the fund by the legislature, money or other assets transferred to
19 the fund by a majority vote of the members of the authority under AS 44.88.050 from
20 any other fund controlled by the authority, and unrestricted loan repayments [,
21 INTEREST, OR OTHER INCOME EARNED ON LOANS, INVESTMENTS, OR
22 ASSETS OF THE FUND]. The fund is not an account in the revolving fund
23 established in AS 44.88.060, and the authority shall account for the fund separately
24 from the revolving fund. The authority may create additional accounts in the fund.
25 Subject to agreements made with the holders of the authority's bonds or with other
26 persons, the authority may transfer amounts in an account in the fund to another
27 account in the fund. Amounts deposited in the fund may be pledged to the payment of
28 bonds of the authority or expended for the purposes of AS 44.88.800 - 44.88.840. The
29 authority has the powers and responsibilities established in AS 37.10.071 with respect
30 to the investment of amounts held in the fund.

31 * **Sec. 17.** AS 44.88.088 is repealed.

1 * **Sec. 18.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

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

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

- 13 (1) two members for one year;
14 (2) two members for two years;
15 (3) one member for three years.

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

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

24 * **Sec. 19.** This Act takes effect January 1, 2027.