

Introduced: 2/1/80  
Referred: Commerce and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 378

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Industrial Development  
7 Authority; and providing for an effective date."

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

9 \* Section 1. AS 39.25.110 is amended by adding a new paragraph to read:

10 (22) the executive director and other employees of the

11 Alaska Industrial Development Authority.

12 \* Sec. 2. AS 44.61.010 is amended to read;

13 Sec. 44.61.010. LEGISLATIVE FINDING AND POLICY. (a) The legisla-  
14 ture finds, determines and declares that

15 (1) there exist areas of the state in which seasonal and  
16 nonseasonal unemployment exist;

17 (2) this unemployment is a serious menace to the health,  
18 safety and general welfare, not only to the people in those areas, but  
19 also to the people of the entire state;

20 (3) the state lacks the basic manufacturing, [AND] indus-  
21 trial, and other business enterprises necessary to permit adequate  
22 development of its natural resources and the balanced growth of its  
23 economy;

24 (4) the establishment of industrial, [AND] manufacturing,  
25 and other business enterprises [PLANTS] in Alaska, including facili-  
26 ties for air and water transportation, mass commuting facilities,  
27 parking facilities, pollution control and waste disposal facilities,  
28 [AND] facilities for the local furnishing of electric energy or gas,  
29 facilities for the furnishing of water, if available on demand to

1 members of the general public, industrial parks and commercial agri-  
2 culture, tourism, mining, on-shore and off-shore fish harvesting and  
3 processing, and other trade or service facilities is essential to the  
4 development of the natural resources and the long term economic growth  
5 of the state, and will directly and indirectly alleviate unemployment  
6 in the state;

7 (5) the achievement of the goal of full employment, and of  
8 establishment and continuing operation and development of industrial,  
9 [AND] manufacturing, and other business enterprises [PLANTS] in the  
10 state, including facilities for air and water transportation, mass  
11 commuting facilities, parking facilities, pollution control and waste  
12 disposal facilities, [AND] facilities for the local furnishing of  
13 electric energy or gas, facilities for the furnishing of water, if  
14 available on demand to members of the general public, industrial parks  
15 and commercial agriculture, tourism, mining, on-shore and off-shore  
16 fish harvesting and processing and other trade or service facilities  
17 will be accelerated and facilitated by the creation of an instrumen-  
18 tality of the state with powers to incur debt and to make and insure  
19 loans to finance, and to assist private lenders to make loans to  
20 finance, [FOR ACQUIRING OR CONSTRUCTING] industrial, [AND] manufactur-  
21 ing, and other business enterprise projects [PLANTS], including facili-  
22 ties for air and water transportation, mass commuting facilities,  
23 parking facilities, pollution control and waste disposal facilities,  
24 [AND] facilities for the local furnishing of electric energy or gas,  
25 facilities for the furnishing of water, if available on demand to  
26 members of the general public, industrial parks and commercial agri-  
27 culture, tourism, mining, on-shore and off-shore fish harvesting and  
28 processing, and other trade or service facilities for private operation  
29 and thus provide financial assistance for the establishment, operation

1 and development of these projects [PLANTS ON A BASIS OFFSETTING IN  
2 WHOLE OR IN PART THE CONSTRUCTION, MARKETING OR OTHER COSTS INVOLVED  
3 IN THE PROJECTS].

4 (b) It is declared to be the policy of the state, in the in-  
5 terests of promoting the health, security and general welfare of all  
6 the people of the state, and a public purpose to increase job oppor-  
7 tunities and otherwise to encourage the economic growth of the state,  
8 including the development of its natural resources, through the  
9 establishment of manufacturing, [AND] industrial, and other business  
10 enterprises by creating the public corporation with power, duties and  
11 functions as provided in this chapter.

12 \* Sec. 3. AS 44.61.050(c) is amended to read:

13 (c) The authority may appoint persons as officers it considers  
14 advisable, including an executive director [OR EXECUTIVE VICE-PRESI-  
15 DENT], and may employ professional advisors, counsel, technical experts,  
16 agents, and other employees it considers advisable. The executive  
17 director and employees of the authority are in the exempt service  
18 under AS 39.25.

19 \* Sec. 4. AS 44.61.070 is amended to read;

20 Sec. 44.61.070. PURPOSE OF THE AUTHORITY. The purpose of the  
21 authority is to promote, develop and advance the general prosperity  
22 and economic welfare of the people of Alaska, to relieve problems of  
23 unemployment and to create additional employment by providing various  
24 [A] means of financing or facilitating the financing of industrial,  
25 [AND] manufacturing, and other business enterprises [PLANT] CONSTRUCTION,  
26 CONVERSION OR EXPANSION] within the state [INCLUDING THE ACQUISITION  
27 OF REAL PROPERTY, FOR LEASE OR SALE TO BUSINESS ENTERPRISES FOR INDUS-  
28 TRIAL OR MANUFACTURING PURPOSES].

29 \* Sec. 5. AS 44.61.080 is amended to read:

1           Sec. 44.61.080. POWERS OF THE AUTHORITY. In furtherance of its  
2 corporate purposes, the authority has the following powers in addition  
3 to its other powers:

4           (1) to sue and be sued;

5           (2) to have a seal and alter it at pleasure;

6           (3) to make and alter bylaws for its organization and  
7 internal management;

8           (4) to adopt [MAKE RULES AND] regulations governing the  
9 exercise of its corporate powers;

10           (5) to acquire interests for financing purposes in any pro-  
11 ject, whether by [CONSTRUCTION,] purchase, gift or lease [, AND TO  
12 IMPROVE AND EQUIP PROJECTS IN THE STATE];

13           (6) to lease to others a project acquired by it for the  
14 rentals and upon the terms and conditions the authority may consider  
15 advisable, including, without limitation, provisions for options to  
16 purchase or renew;

17           (7) to issue bonds to pay the cost of [ACQUIRING BY CON-  
18 STRUCTION, PURCHASE OR LEASE OR IMPROVING AND EQUIPPING] a project and  
19 to secure payment of the bonds as provided in this chapter;

20           (8) to sell, by installment sale or otherwise, exchange,  
21 donate, convey or encumber in any manner by mortgage or by creation of  
22 any other security interest, real or personal property owned by it, or  
23 in which it has an interest, including any project, when, in the  
24 judgment of the authority, the action is in furtherance of its cor-  
25 porate purposes;

26           (9) to make, purchase or insure loans to finance the costs  
27 of manufacturing, industrial, or other business enterprise projects;

28           (10) to enter into loan agreements with others with respect  
29 to one or more projects providing for payments and upon the terms and

1 conditions the authority considers advisable;

2 (11) to acquire, manage, and operate any project when it  
3 becomes necessary or desirable to do so to safeguard the authority  
4 from losses;

5 (12) to assist private lenders to make loans to finance the  
6 costs of projects through loan commitments, short-term financing, or  
7 otherwise;

8 (13) to accept gifts, grants, or loans from a federal  
9 agency, from an agency or instrumentality of the state or a munici-  
10 pality, or from any other source;

11 (14) to enter into contracts or other transactions with a  
12 federal agency, with an agency or instrumentality of the state or a  
13 municipality, or with a private organization or other entity regarding  
14 the exercise of any power under this chapter;

15 [(9) TO ACCEPT GIFTS, GRANTS OR LOANS FROM, AND ENTER INTO  
16 CONTRACTS OR OTHER TRANSACTIONS REGARDING THEM, WITH A FEDERAL AGENCY  
17 OR AN AGENCY OR INSTRUMENTALITY OF THE STATE, A MUNICIPALITY, PRIVATE  
18 ORGANIZATION OR OTHER SOURCE;]

19 (15) [(10)] to deposit or invest its funds, subject to  
20 agreements with bondholders;

21 (16) [(11)] to enter into contracts or agreements with  
22 respect to the exercise of any of its powers, and do all things neces-  
23 sary or convenient to carry out its corporate purposes and exercise  
24 the powers granted in this chapter.

25 \* Sec. 6. AS 44.61.100 is amended by adding new subsections to read:

26 (b) For the purpose of securing one or more issues of its bonds,  
27 the authority may establish one or more special funds, called "capital  
28 reserve funds," and shall pay into those capital reserve funds the  
29 proceeds of the sale of its bonds and any other money which may be

1 made available to the authority for the purposes of those funds from  
2 any other source. A capital reserve fund may be established only if  
3 the authority determines that the establishment would enhance the  
4 marketability of the bonds. All money held in a capital reserve fund,  
5 except as provided in this section, may be used as required, only for  
6 (1) the payment of the principal of, and interest on, bonds or of the  
7 sinking fund payments with respect to those bonds; (2) the purchase or  
8 redemption of the bonds; or (3) the payment of a redemption premium  
9 required to be paid when the bonds are redeemed before maturity.  
10 However, money in a fund may not be withdrawn if the amount of the  
11 withdrawal would reduce the amount in the fund to less than the capital  
12 reserve requirement, except for the purpose of making, with respect to  
13 the bonds, payment, when due, of principal, interest, redemption  
14 premiums, and sinking fund payments when other money of the authority  
15 is not available for making the payments. Income or interest earned  
16 by, or increment to, a capital reserve fund, from the investment of  
17 all or part of the fund, may be transferred by the authority to other  
18 funds or accounts of the authority if the transfer does not reduce the  
19 amount of the capital reserve fund below the capital reserve fund  
20 requirement.

21 (c) If the authority decides to issue bonds secured by a capital  
22 reserve fund, the bonds may not be issued if the amount in the capital  
23 reserve fund is less than the capital reserve fund requirement,  
24 unless the authority, at the time of issuance of the bonds, deposits  
25 in the capital reserve fund from the proceeds of the bonds to be  
26 issued or from other sources, an amount which, together with the  
27 amount then in the fund, will not be less than the capital reserve  
28 fund requirement.

29 (d) In computing the amount of a capital reserve fund for the

1 purpose of this section, securities in which all or a portion of the  
2 fund is invested must be valued by a reasonable method established by  
3 the authority by resolution. Valuation on a particular date must  
4 include the amount of any interest earned or accrued to that date.

5 (e) The chairman of the authority shall annually, no later than  
6 January 2, certify in writing to the governor and the legislature the  
7 amount, if any, required to restore any capital reserve fund to the  
8 capital reserve fund requirement. The legislature may appropriate the  
9 amount, and the authority shall deposit in the proper capital reserve  
10 fund, all amounts appropriated during the then current fiscal year.  
11 Nothing in this section creates a debt or liability of the state.

12 (f) When the authority has established a capital reserve fund,  
13 the commissioner of revenue may lend surplus money in the general fund  
14 to the authority for deposit in a capital reserve fund in an amount  
15 equal to the capital reserve fund requirement. The loans may be made  
16 on the terms and conditions agreed upon by the commissioner of revenue  
17 and the authority, including, without limitation, terms and conditions  
18 providing that the loans need not be repaid until the bonds of the  
19 authority secured and to be secured by the capital reserve fund are no  
20 longer outstanding.

21 (g) In this section, "capital reserve fund requirement" means  
22 the amount required to be on deposit in the capital reserve fund as of  
23 the date of computation as determined by resolution of the authority.

24 \* Sec. 7. AS 44.61 is amended by adding new sections to read:

25 Sec. 44.61.155. ENTERPRISE DEVELOPMENT FUND. (a) There is  
26 established in the authority the "enterprise development fund." The  
27 enterprise development fund must be completely segregated and set  
28 apart from all other funds of the authority, and is a trust fund for  
29 the uses and purposes of this section. Money may be paid into and out

1 of the enterprise development fund only as provided in this chapter.  
2 The enterprise development fund may be composed of money or assets  
3 appropriated or transferred to the authority, interest on investments,  
4 and loans of the fund and any other money deposited in it by the  
5 authority.

6 (b) The authority shall establish within the enterprise develop-  
7 ment fund a loan insurance account, a direct loan account, a loan  
8 interest reduction account and other accounts it considers appropriate.  
9 All amounts within the enterprise development fund must be held and  
10 invested by the authority in investments authorized under AS 37.10.-  
11 070(a)(1)-(6) or as may be authorized in agreements with bondholders  
12 respecting amounts in the loan insurance account, the direct loan  
13 account, and other accounts the authority may establish.

14 Sec. 44.61.157. LOAN INSURANCE ACCOUNT. (a) The purpose of the  
15 loan insurance account is to provide insurance of mortgage loans and  
16 other loans made or purchased by the authority, or made by others and  
17 approved for insurance by the authority, for any project. The author-  
18 ity may enter into agreements as to the use of money in the loan  
19 insurance account and may pledge, assign, or grant interests in the  
20 loan insurance account as provided in this section. The authority may  
21 adopt regulations and enter into agreements with respect to the exer-  
22 cise of any power or approval relating to the loan insurance account  
23 under this section, including, without limitation, agreements as to  
24 the use of money in the loan insurance account, agreements with respect  
25 to the terms and conditions upon which payments from the loan insurance  
26 account must be made with respect to a loan insured under this section,  
27 agreements as to separate subaccounts in the account for different  
28 categories of loans or with respect to loans made by the authority or  
29 any other person, and agreements regarding the payment of and security

1 for bonds issued by the authority. Any agreement, any of the rights  
2 of the authority under an agreement, or any payments received or to be  
3 received under the agreement may be pledged or assigned by the author-  
4 ity for the benefit of the holders of bonds issued by the authority.

5 (b) The authority may, upon application of a proposed borrower,  
6 insure and make advance commitments to insure loan repayments required  
7 under the terms of any loan made by it or by another lender with  
8 respect to a project, upon the terms and conditions the authority pre-  
9 scribes. To be eligible for insurance under this chapter, a loan for  
10 a project must:

11 (1) be one which is held by the authority or by a lender  
12 approved by the authority as responsible and able to service the loan;

13 (2) involve principal not to exceed \$10,000,000 for any one  
14 project and not to exceed 90 percent of the cost or appraised value of  
15 the project, whichever is less;

16 (3) have a maturity satisfactory to the authority but in no  
17 case later than three-quarters of the authority's estimate of the life  
18 of the project or 25 years from the date of issuance of the insurance,  
19 whichever is earlier;

20 (4) contain complete amortization provisions satisfactory  
21 to the authority requiring periodic payments by the borrower; and

22 (5) be in the form and contain the terms and provisions  
23 with respect to insurance, repairs, alterations, payment of taxes and  
24 assessments, default reserves, delinquency charges, default remedies,  
25 acceleration of maturity, additional and secondary liens, and other  
26 matters that the authority prescribes.

27 (c) In addition to any other fees and charges which the authority  
28 may charge on loans, the authority may collect or cause to be collected  
29 on all loans insured under this section, either a loan insurance

1 commitment fee or a loan insurance premium or both. The loan insurance  
2 fee and loan insurance premium need not be uniform among the various  
3 loans insured. The loan insurance commitment fees and loan insurance  
4 premiums when received must be deposited in the insurance account by  
5 the loan servicer, trustee, or agent designated by the authority to  
6 receive them.

7 (d) If, at any time after receipt by the authority of a payment  
8 from the loan insurance account with respect to a loan, a portion of  
9 the principal and interest, or other amounts payable on a loan, the  
10 authority recovers an amount on the loan or portion of it from any  
11 source other than the loan insurance account, the authority shall  
12 apply the amount recovered in the following order: first to repay the  
13 general fund of the state to the extent of any appropriations made  
14 under (g) of this section, and second, to repay the loan insurance  
15 account.

16 (e) Loans may be insured only when the amount either in the  
17 loan insurance account insuring the loans or a subaccount in the loan  
18 insurance account insuring the loans, as a percentage of the sum of  
19 all loans to be insured and all unpaid principal on loans insured by  
20 the loan insurance account or the subaccount, equals or exceeds the  
21 fund requirement. The fund requirement is calculated as a percentage  
22 which the authority determines is actuarially sound for operation of  
23 the loan account or a subaccount.

24 (f) When the authority determines what is "actuarially sound"  
25 with respect to the operation of the loan insurance account or a sub-  
26 account in the loan insurance account, it shall consider means of pro-  
27 viding sufficient revenue for the operation of the account or sub-  
28 account, without regard to amounts which may have been or may, after  
29 the date of determination of actuarial soundness, be appropriated

1 under (g) of this section. It shall also consider factors which must  
2 include, without limitation, estimates of future defaults and losses  
3 of loans insured under this section based on actual default and loss  
4 experience on those loans or on similar loans in Alaska or elsewhere,  
5 estimates of recoveries on defaulted or foreclosed loans based on that  
6 experience, the terms and conditions of the loans insured under this  
7 section, estimates of earnings and income of amounts on deposit in the  
8 loan insurance account, and other appropriate factors.

9 (g) On December 1 of each year the authority shall ascertain the  
10 amount on deposit in the loan insurance account and in each subaccount  
11 in the loan insurance account. If the amount in the loan insurance  
12 account or the amount in any subaccount in the account is less than  
13 the fund requirement for the account or for the subaccount, the author-  
14 ity shall transfer the amount necessary to restore the subaccount or  
15 the loan insurance account to the fund requirement from any available  
16 funds which are not encumbered or restricted for other use under the  
17 terms of contracts with bondholders or others. If sufficient money is  
18 not available for transfer, the chairman of the authority shall, no  
19 later than January 2 of the following year, certify in writing to the  
20 governor and to the legislature the amount, if any, required to  
21 restore the account or a subaccount to the fund requirement. The  
22 legislature may appropriate the amount and the authority shall deposit  
23 in the account or proper subaccount all amounts appropriated by the  
24 legislature during the then current state fiscal year. Nothing in  
25 this subsection creates a debt or liability of the state.

26 (h) A contract of insurance executed by the authority under this  
27 section is conclusive evidence of eligibility for the insurance. The  
28 validity of a contract of insurance executed by the authority or of an  
29 advance commitment to insure is incontestable from the date of the

1 execution of the contract or commitment, except for fraud or misrepresenta-  
2 tion on the part of the insured or, as to commitments to insure,  
3 noncompliance with the terms of the advance commitment or authority  
4 regulations in force at the time of issuance of the advance commitment.

5 (i) In this section:

6 (1) "loan insurance commitment fee" means a fee of such  
7 percent of the principal amount of a loan to be insured under this  
8 section as the authority determines is actuarially sound for the  
9 operation of the loan insurance account;

10 (2) "loan insurance premium" means an annual insurance  
11 premium of such percent of the portion of the unpaid principal amount  
12 of a loan insured under this section as the authority determines is  
13 actuarially sound for the operation of the loan insurance account or  
14 any subaccount.

15 Sec. 44.61.158. DIRECT LOAN ACCOUNT. (a) The purpose of the  
16 direct loan account is to provide money for making loans, or pur-  
17 chasing loans made by others, to a business enterprise to pay the cost  
18 of a project as defined in AS 44.61.220 which is not eligible to be  
19 funded with the proceeds of bonds of the authority the interest on  
20 which is exempt from federal income tax. No loan made or purchased  
21 with amounts in the account to a business enterprise for a single  
22 project may exceed \$500,000.

23 (b) The interest rate on loans made or purchased from amounts in  
24 the direct loan account must be equal to (1) the yield on 10-year  
25 United States Treasury bonds rounded to the nearest one-eighth of one  
26 percent, as reported as of the last day of the month immediately  
27 preceding the date of commitment to make or purchase the loan, or (2)  
28 the interest rate which the authority estimates would be payable on  
29 bonds issued to provide amounts to make the loans.

1 (c) A loan for a project made or purchased from amounts in the  
2 direct loan account must:

3 (1) involve principal which does not exceed 90 per cent of  
4 the cost or 90 per cent of the appraised value of the project, which-  
5 ever is less;

6 (2) have a maturity satisfactory to the authority but in no  
7 case later than three-quarters of the authority's estimate of the life  
8 of the project or 25 years from the date of the loan, whichever is  
9 earlier;

10 (3) contain complete amortization provisions satisfactory  
11 to the authority requiring periodic payments by the borrower;

12 (4) be in the form and contain the terms and provisions  
13 with respect to insurance, repairs, alterations, payment of taxes and  
14 assessments, default reserves, delinquency charges, default remedies,  
15 acceleration of maturity, secondary liens and other matters the  
16 authority prescribes; and

17 (5) be secured as to repayment by a mortgage or other  
18 security instrument in the manner the authority determines is feasible  
19 to assure timely repayment under a loan agreement entered into with  
20 the borrower.

21 (d) The authority may adopt regulations for the administration  
22 of the direct loan account which may include, without limitation, pro-  
23 visions for fees and agreements relating to application, loan commit-  
24 ment, servicing, and origination of loans directly or by other lenders.

25 (e) The authority may enter into agreements as to the use of the  
26 money in the direct loan account, including without limitation, trust  
27 or custody arrangements with banks or trust companies. It may also  
28 pledge, assign, or grant the agreement, interests under an agreement,  
29 or interests in the direct loan account as may be necessary or appro-

1        priate to provide for payment and security for bonds of the authority.

2            Sec. 44.61.159. LOAN INTEREST REDUCTION ACCOUNT. (a) The pur-  
3        pose of the loan interest reduction account is to provide for interest  
4        rate reductions to borrowers on loans made or purchased from amounts  
5        in the direct loan account, loans made by others and insured under AS  
6        44.61.157. and loans made by the authority from the proceeds of bonds  
7        of the authority the interest on which is not exempt from federal  
8        income tax.

9            (b) The authority shall fix an interest rate reduction from time  
10       to time in an amount such that the interest rate on a loan to a state  
11       veteran does not exceed nine and one-quarter per cent a year and the  
12       interest rate on a loan to any other borrower does not exceed nine and  
13       one-half per cent a year, or another amount or percentage the legisla-  
14       ture may fix. The interest rate reduction account may be funded only  
15       from appropriations by the legislature. In this section, "state  
16       veteran" means a veteran eligible for a loan under AS 26.15.

17           (c) When the authority determines the amount of the interest  
18       reduction on a loan eligible for interest rate reduction under this  
19       section, it shall calculate the total amount of the interest reduction  
20       over the scheduled term of the loan, together with the total amount of  
21       servicing fees estimated to be payable over the scheduled term of the  
22       loan. To the extent investments are available, the authority shall  
23       invest an amount held in the interest reduction account in investments  
24       earning interest payable or yielding amounts at the times and in the  
25       amounts which together with the principal of the investments and cash  
26       held will be sufficient to pay the interest reduction and servicing  
27       fees as they become due. The authority shall set aside the investments  
28       and cash held irrevocably in trust or otherwise for the purpose of  
29       paying the interest reduction and servicing fees. The statement of

1 the authority on the instrument evidencing the loan that the amount of  
2 the interest reduction is payable from the interest reduction account  
3 constitutes the obligation of the authority to pay that amount accord-  
4 ing to the terms of the statement from the interest reduction account  
5 and is conclusive evidence that the amount of the interest reduction  
6 is so payable. Interest reductions may be paid only from the interest  
7 reduction account. The authority may enter into agreements as to the  
8 use of money in the interest reduction account, including, without  
9 limitation, trust or custody agreements with banks or trust companies,  
10 and may pledge, assign, or grant the agreement, interests under the  
11 agreement, and interests in the interest reduction account to provide  
12 for timely payments of the amounts of the interest reduction and ser-  
13 vicing fees as may be necessary or appropriate to provide for the  
14 payment of and security for bonds of the authority.

15 \* Sec. 8. AS 44.61.160 is amended to read:

16 Sec. 44.61.160. FINDINGS OF THE AUTHORITY. Before entering into  
17 a lease or other agreement as provided in AS 44.61.090(e) regarding a  
18 project for which bonds are agreed to be issued by the authority in an  
19 amount in excess of \$3,000,000, or before approving insurance or a  
20 commitment to insure a loan as provided in AS 44.61.157(b) with a  
21 principal amount in excess of \$3,000,000, [AS MENTIONED IN SEC. 90(e)  
22 OF THIS CHAPTER] there must have been filed with the authority a  
23 certified copy of a resolution of the governing body of the political  
24 subdivision of the state, if any, in which the project is to be located,  
25 consenting to the location (which consent need only refer to the  
26 general nature of the project ultimately to be acquired as set out in  
27 a request of the proposed project occupant), and the authority must  
28 find, on the basis of all information reasonably available to it, that  
29 (1) the project and its development under this chapter will

1 be economically advantageous to the state and the general public  
2 welfare and will contribute to the economic growth of the state;

3 (2) the project occupant is financially responsible; and

4 (3) provision to meet increased demand upon public facili-  
5 ties that might result from the project is reasonably assured.

6 \* Sec. 9. AS 44.61.220 is amended to read:

7 Sec. 44.61.220. DEFINITIONS. In this chapter

8 (1) "authority" means the Alaska Industrial Development  
9 Authority created by this chapter;

10 (2) "business enterprise" means a corporation, firm, partner-  
11 ship or other association of persons organized in any manner, or a  
12 single proprietorship;

13 (3) "federal agency" means the United States and any officer,  
14 department, agency or instrumentality of the United States;

15 (4) "governing body of a political subdivision" means, when  
16 used with respect to the location of a project, the council of a city  
17 if the project is to be located in a city in the unorganized borough,  
18 or the [BOROUGH] assembly if the project is to be located in an  
19 organized borough or a unified municipality;

20 (5) "project" ["INDUSTRIAL PLANT" OR "MANUFACTURING PLANT"]  
21 means a plant or facility used or intended for use in connection with  
22 making, processing, preparing or producing in any manner, goods,  
23 products or substances of any kind or nature or in connection with  
24 developing or utilizing a natural resource, or extracting, smelting,  
25 transporting, converting, assembling or producing in any manner,  
26 minerals, raw materials, chemicals, compounds, alloys, fibers, commodi-  
27 ties and materials, products or substances of any kind or nature, any  
28 plant or facility used or intended for use in connection with air and  
29 water transportation, mass commuting facilities and parking facilities.

1 or any plant or facility for the prevention, limitation or control of  
2 air or water pollution, for the disposal of sewage or solid waste,  
3 [OR] for the local furnishing of electric energy or gas, or for fur-  
4 nishing water, if available on demand to members of the general public,  
5 industrial parks and any other business or commercial plant or facility,  
6 including, but not limited to, a plant or facility used in connection  
7 with commercial agriculture, on-shore and off-shore fish harvesting  
8 and processing, mining, tourism, warehouse, transportation, and  
9 research and development enterprises; "project" does not mean residen-  
10 tial housing but includes child care facilities and residential care  
11 facilities;

12 (6) "plant" or "facility" means real property, whether  
13 above or below mean high water, or an interest in it, and the buildings,  
14 improvements and structures constructed or to be constructed on or in  
15 it, [WHETHER ABOVE, AT OR BELOW GROUND OR WATER LEVEL,] and may include  
16 fixtures, machinery, and equipment on it, and any tangible personal  
17 property, whether or not the tangible personal property is attached to  
18 or connected with real property, except work in process or stock in  
19 trade, if the owner has agreed not to remove the tangible personal  
20 property permanently from the state for the period the authority sets;  
21 "plant" or "facility" does not include work in process or stock in  
22 trade;

23 [(7) "PROJECT" MEANS A MANUFACTURING OR INDUSTRIAL PLANT OR  
24 PLANTS, THE CONSTRUCTION OR ACQUISITION OF WHICH IS TO BE FINANCED IN  
25 WHOLE OR IN PART BY THE AUTHORITY UNDER THIS CHAPTER;]

26 (8) "project cost" or "cost of a project" means all or any  
27 part of the aggregate costs determined by the authority to be necessary  
28 to finance the construction or acquisition of a project, including  
29 without limitation the cost of acquiring real or tangible personal

1 property, and, in connection with real property, the cost of construc-  
2 ting buildings and improvements, the cost of constructing means of  
3 access to and from the project, the cost of constructing extensions of  
4 utility systems to the site of the project; the cost of a project  
5 includes, without limitation, the cost of financing the project,  
6 [INCLUDING, WITHOUT LIMITATION,] interest charges before, during or  
7 after construction or acquisition of the project, costs related to the  
8 determination of the feasibility, planning, design or engineering of  
9 the project and, to the extent determined necessary by the authority,  
10 administrative expenses, the cost of machinery or equipment to be used  
11 in the operation of the project and expenses of installation, replace-  
12 ment or rehabilitation, and all other costs, charges, fees and expenses  
13 which may be determined by the authority to be necessary to finance  
14 the construction or acquisition;

15 (9) "project occupant" means a business enterprise or  
16 enterprises proposing to use or [AND] occupy a project;

17 (10) "real property" means land and rights and interests in  
18 land, including, without limitation, interests less than full title  
19 such as easements, uses, leases, and licenses;

20 (11) "lease" includes, when used as a noun, an interest in,  
21 or when used as a verb, the transfer of an interest in, [REAL] property  
22 less than fee simple title, including, without limitation, when used  
23 as a noun, agreements to use or occupy [REAL] property.

24 \* Sec. 10. After July 1, 1981

25 (1) no further loans may be made under AS 16.10.310 and  
26 320(a) except for loans authorized under AS 16.10.333 pursuant to AS 16.10.-  
27 310 and 320(a); and

28 (2) no further loans may be made under AS 44.33.245, AS  
29 45.90.020, AS 45.95.020 and AS 26.15.040(3).

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\* Sec. 11. AS 44.61.030(b) and (c) are repealed.

\* Sec. 12. This Act takes effect July 1, 1980.