

Introduced: 2/14/84
Referred: State Affairs
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR .

1 IN THE SENATE

2 SENATE BILL NO. 489

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH 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 44.88.010(a)(5) is amended to read:

10 (5) the achievement of the goal of full employment, and of
11 establishment and continuing operation and development of industrial,
12 manufacturing, and business enterprises in the state, including,
13 without limitation, facilities for [AIR AND WATER] transportation,
14 facilities for pollution control and waste disposal, facilities for
15 the local furnishing of gas, facilities for water, [AND] facilities
16 for industrial parks, mass commuting vehicles, facilities for local
17 district heating or cooling, parking facilities, or a storage or
18 training facility relating to a plant or facility, will be accelerated
19 and facilitated by the creation of an instrumentality of the state
20 with powers to incur debt, to own and operate facilities, [AND] to
21 make and insure loans to finance, and to assist private lenders to
22 make loans to finance, the establishment, operation, and development
23 of industrial, manufacturing, and business enterprises, including,
24 without limitation, facilities for [AIR AND WATER] transportation,
25 facilities for pollution control and waste disposal, facilities for
26 the local furnishing of gas, facilities for water, [AND] facilities
27 for industrial parks, mass commuting vehicles, facilities for local
28 district heating or cooling, parking facilities, or a storage or
29 training facility relating to a plant or facility;

1 * Sec. 2. AS 44.88.070 is amended to read:

2 Sec. 44.88.070. PURPOSE OF THE AUTHORITY. The purpose of the
3 authority is to promote, develop and advance the general prosperity
4 and economic welfare of the people of Alaska, to relieve problems of
5 unemployment, and to create additional employment by providing various
6 means of financing and means of facilitating the financing of indus-
7 trial, manufacturing, and business enterprises and the other facil-
8 ities referred to in AS 44.88.010(a)(5) within the state, and owning
9 and operating the enterprises and other facilities.

10 * Sec. 3. AS 44.88.080(14) is amended to read:

11 (14) to acquire, manage, and operate projects as the author-
12 ity considers [A PROJECT WHEN IT BECOMES] necessary or appropriate
13 [DESIRABLE] to serve a public purpose [DO SO TO SAFEGUARD THE AUTHORI-
14 TY FROM LOSSES];

15 * Sec. 4. AS 44.88.080 is amended by adding a new paragraph to read:

16 (19) to charge fees or other forms of remuneration for the
17 use or possession of the projects described in (14) of this section in
18 accordance with the agreements described in (11) and (17) of this
19 section, other agreements pertaining to the projects, covenants, or
20 representations made in bond documents pertaining to the projects, or
21 regulations of the authority pertaining to the projects.

22 * Sec. 5. AS 44.88.105 is amended by adding a new subsection to read:

23 (h) Notwithstanding any other provision of this section, the
24 authority may waive or modify the requirements of (a) of this section
25 establishing maximum costs of \$10,000,000 for a project and the re-
26 quirements of (f) of this section as it considers appropriate and
27 prudent in order to finance a project if the authority intends to own
28 the project. However, if the authority intends to lease or otherwise
29 permit the state to use or occupy a majority of the project, the

1 authority may only establish a reserve fund under (g) of this section
2 to secure bonds issued to finance a project.

3 * Sec. 6. AS 44.88.155 is amended by adding a new subsection to read:

4 (g) Notwithstanding any other provision of this section, the
5 authority may waive or modify the requirements of this section as it
6 considers appropriate and prudent in order to finance a project if the
7 authority intends to own the project.

8 * Sec. 7. AS 44.88 is amended by adding new sections to read:

9 Sec. 44.88.173. ECONOMIC DEVELOPMENT FUND. (a) There is estab-
10 lished in the authority the economic development fund. The fund
11 consists of money or assets appropriated or transferred to the author-
12 ity, and other money or assets deposited in the fund by the authority.
13 The fund may only be used to finance, acquire, manage, and operate
14 projects which the authority intends to own and operate. The term
15 "operate" includes operation directly by the authority, or by an agent
16 of the authority.

17 (b) If a project is financed or developed through use of the
18 assets of the economic development fund, the authority may not pledge
19 or use other assets of the authority to assist in the financing,
20 development, or operation of the project. However, whether or not the
21 authority uses the economic development fund, the authority may issue
22 bonds to finance a project and may secure the bonds with a mortgage,
23 pledge, or assignment of the project or of revenues, money, or agree-
24 ments attributable to the project or the bonds.

25 Sec. 44.88.174. REGIONAL DEVELOPMENT ADVISORY COUNCIL.

26 (a) A Regional Development Advisory Council may be established
27 in each area of the state within the unorganized boroughs in which a
28 regional housing authority is established under AS 18.55.996, to
29 assist the authority in its review of projects which the authority

1 intends to finance under AS 44.88.173. A council may be organized in
2 a region only after the authority has received a proposal for the
3 development of a project within the region.

4 (b) A Regional Development Advisory Council consists of five
5 members registered to vote in the region. The governor shall appoint
6 the members to reflect the economic and geographic diversity of the
7 region. Council members serve three-year terms at the pleasure of the
8 governor, except that the initial members may be appointed for less
9 than three years so that the term of at least one of the members
10 expires each year. The governor shall appoint a chairperson who shall
11 call meetings as required and preside over the deliberations of the
12 council. A majority of the council constitutes a quorum for transact-
13 ing the affairs of the council.

14 (c) Members of a Regional Development Advisory Council receive
15 no compensation for their services on the council, but are entitled to
16 per diem and travel expenses authorized by law for state boards and
17 commissions under AS 39.20.180.

18 Sec. 44.88.175. APPROVAL OF PROJECTS. (a) Before entering into
19 an agreement to finance or to develop a proposed project which costs
20 in excess of \$10,000,000, and which is financed under AS 44.88.173,
21 the authority shall obtain the approval of each Regional Development
22 Advisory Council or municipality in the area in which the proposed
23 project is to be located. Approval under this subsection must be
24 evidenced by a certified copy of a resolution of the council or of the
25 governing body of the municipality.

26 (b) Before issuing bonds to provide financing for a project
27 under AS 44.88.173, the authority shall

- 28 (1) obtain approval under (a) of this section;
29 (2) find, on the basis of all information reasonably

1 available to it, that

2 (A) the project and its development under this chapter
3 will be economically advantageous to the state and to the general
4 public welfare and will contribute to the economic growth of the
5 state;

6 (B) the project applicant is financially responsible;

7 (C) the project is financially feasible and able to
8 produce revenue adequate to repay the bonds with which it is
9 financed;

10 (D) provision to meet increased demand on public
11 facilities that might result from the project is reasonably
12 assured;

13 (E) the project will provide or retain employment
14 reasonably related to the amount of the financing by the authori-
15 ty, considering the amount of investment per employee for compa-
16 rable facilities, and other relevant factors;

17 (F) the scope of the project is sufficient to provide
18 a reasonable expectation of a benefit to the economy of the
19 state; and

20 (G) the project is in compliance with applicable law.

21 Sec. 44.88.176. HEARING TO CONSIDER PROPOSED PROJECT. Before
22 considering a resolution regarding the approval or rejection of the
23 development or financing of a proposed project which costs in excess
24 of \$10,000,000, and which is financed under AS 44.88.173, a Regional
25 Development Advisory Council shall conduct a public hearing within the
26 region. If a proposed project is located within a municipality, the
27 governing body of a municipality shall conduct a hearing on the pro-
28 posed project.

29 Sec. 44.88.177. OPERATION OF PROJECTS. If a project is financed

1 under AS 44.88.173, the authority shall solicit the review and advice
2 of the council or governing body in the area in which a project is
3 located before the execution of contracts, agreements, resolutions, or
4 other matters that directly concern the development, maintenance, and
5 operation of a project.

6 * Sec. 8. In addition to any other authorization to issue bonds or
7 notes, the authority may issue bonds in a principal amount not to exceed
8 \$500,000,000 to assist in the acquisition, financing, or operation of
9 projects under AS 44.88.173.

10 * Sec. 9. AS 44.88.220(5)(A) is amended to read:

11 (A) a plant or facility used or intended for use
12 (i) in connection with making, processing, pre-
13 paring, or producing in any manner, goods, products or
14 substances of any kind or nature or in connection with
15 developing or utilizing a natural resource, or extracting,
16 smelting, transporting, converting, assembling or producing
17 in any manner, minerals, raw materials, chemicals, com-
18 pounds, alloys, fibers, commodities and materials, products
19 or substances of any kind or nature;

20 (ii) [, ANY PLANT OR FACILITY USED OR INTENDED
21 FOR USE] as an industrial park; [OR] in connection with [AIR
22 AND WATER] transportation; [OR ANY PLANT OR FACILITY] for
23 the prevention, limitation or control of [AIR OR WATER]
24 pollution; [,] for the disposal of sewage or solid waste;
25 [,] for the local furnishing of gas; [, OR] for the furnish-
26 ing of water; as or in connection with mass commuting vehi-
27 cles; for local district heating or cooling; as a parking
28 facility; or as a storage or training facility directly
29 related to a plant or facility described in this paragraph;

1 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
2 10.070(c).