

HB

417

1992 LEGISLATIVE SESSION

BILL NO. 10-17

Revision Date: _____
 Title: An Act Relating To The Financing Authority of AIDEA

Department Affects: Commerce & Econ. Development
 BRU: AIDEA
 Component: AIDEA

Sponsor: Rep. Choquette
 Requestor: _____

COMPONENT SERIAL NO.

1	2	3	4
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

This bill will have no fiscal impact on AIDEA.

Prepared By: William H. Scott, Executive Director

Phone: 561-8050

Division: AIDEA

Date: 1/27/92

Approved by Commissioner: [Signature]

Agency: _____

Date: 1-29-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Rev 10/7/91

Page 1 of 1

Alaska State Legislature
House of Representatives



INTERIM

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Anchorage, Alaska 99503
(907) 561-2032

SESSION

P.O. Box V
Juneau, Alaska 99811
(907) 465-2995

Representative Dave Choquette



M E M O R A N D U M

DATE: January 27, 1992

TO: Rep. Richard Foster, Chairman
House Transportation Committee

FROM: Rep. Dave Choquette *D.C.*

RE: HB 417, "An Act relating to the loan authority of the Alaska Industrial Development and Export Authority (AIDEA) and to a project for which the legislature has approved the Authority's issuance of bonds; and providing for an effective date."

I would appreciate your scheduling HB 417 for consideration by the House Transportation Committee at the Committee's earliest convenience.

I've attached a copy of the legislation and a sectional analysis. My position paper, which will summarize the major components of the bill, will be forthcoming. In addition, I have requested a position paper from AIDEA and a fiscal note from the Department of Commerce and Economic Development, both of which I will forward upon receipt.

Your timely consideration is appreciated.



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Representative Dave Choquette

M E M O R A N D U M

DATE: January 31, 1992

TO: Wendy Mulder, Committee Aide
House Transportation Committee

FROM: Josh Fink, Legislative Aide
Representative Dave Choquette

RE: House Bill 417 (HB 417)

Per your request, I have summarized the components of HB 417.

* BONDING AUTHORITY

Chapter 123 SLA 1990 provided for a sunset of AIDEA's ability to issue bonds through a delayed effective date clause. HB 417 would repeal this subsection, which took effect on January 1, 1992, and provide language allowing AIDEA to continue to issue up to \$10 million in bonds without prior legislative approval.

* LOAN PARTICIPATION

Currently, AIDEA may participate up to 80% in loans up to \$10 million. In Alaska, the limited sources of funds for secondary financing has reached a crisis point, and AIDEA has become a primary source of secondary financing. HB 417 would allow AIDEA to participate in loans over \$10 million, but would limit AIDEA's exposure to \$10 million.

* FLOATING INTEREST RATE

Currently, interest rates charged by financial institutions on AIDEA's guarantees are fixed to the prime on the day the loan guarantee is made. HB 417 would allow the interest rates to be floating with the prime.



Wendy Mulder
Memo on HB 417
January 31, 1992
Page 2

* BROADENS DEFINITION OF PROJECT TO INCLUDE
TOURISM DESTINATION FACILITIES

Currently, AIDEA cannot develop, own, and/or operate facilities which enhance Alaska's tourism industry. HB 417 would allow AIDEA to develop, own, and/or operate a new tourism destination facility, or the expansion of a tourism destination facility, if it would not compete with an existing hotel, motel, or restaurant.

* AIR CARGO/AIR TRANSPORT SUPPORT FACILITY IN ANCHORAGE

HB 417 would amend the project approval given by sec. 25, ch. 123, SLA 1990, to express legislative project approval for AIDEA to construct, own, and operate a more versatile aircraft facility at Anchorage International Airport.

In 1990, the legislature gave approval for AIDEA to issue \$50 million in bonds to construct, own and operate a multi-bay aircraft maintenance facility at Anchorage International Airport to be used jointly by Alaska Airlines and Federal Express. Currently only Alaska Airlines wants to move forward with the Authority on this project, and their requirement is for a large maintenance hangar as well as air freight, storage, and ground maintenance complex, all located in a single facility. HB 417 would accommodate these changes.

Much of the language and renumbering in HB 417 is technical and necessary to clean-up the Statute and implement the new provisions.

HB 417 An Act relating to the loan authority of the Alaska Industrial Development and Export Authority and to a project for which the legislature has approved the Authority's issuance of bonds.

The Authority supports House Bill 417.

The bill as proposed reinstates the Authority's ability to issue bonds up to \$10,000,000 for projects which enhance Alaska's economy and provide job opportunities for Alaskans; modifies interest rate restrictions of the Authority's guarantee loan programs and allows the Authority to participate in business development or enhancement loans of any size while limiting the Authority's participation or exposure to \$10,000,000; improves the Authority's ability to develop infrastructure and superstructure to support Alaska's expanding tourism industry while not competing with the private sector; allows the Authority to invest assets of the Authority directly into the Alaskan economy without selling bonds; and diversifies the use of an aircraft facility at the Anchorage International Airport approved by the legislature in 1990.

While many section of the proposed legislation are technical amendments, the Authority believes that HB 417 is critical to our continued success. All sections of the proposed bill support and enhance the Authority's mission to promote, develop and advance the general prosperity and economic welfare of the people of Alaska, to relieve problems of unemployment and to create additional employment. The Alaskan banking industry has expressed an interest in increasingly utilizing the Authority's programs with the modifications to the guarantee loan programs and participation loan programs proposed in HB 417.

While the Authority is in full support of this legislation, we would suggest the following technical amendments:

Page 1:

Line 1: Change loan authority to financing authority.

Page 2:

Line 24: Change word application to applicant.

Line 30: Add the words in which the participation is following the word "loan"

Page 3:

Line 3, Line 6, Line 15 and Line 20:

Add the word the prior to word participation.

Staff of the Authority recommends full support of this bill with the technical amendments above.



Glenn A. Olds, Commissioner
Department of Commerce and Economic Development
Date: 1.27.92

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THE LEGISLATURE

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Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Transportation

2-4-92



House Transportation Committee

SUBJECT OF MEETING:
Overview - rural airports
HB 417

DATE: *2/4/92*

PLACE: *17*

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
<i>William H. Scott</i>	<i>AIDEA</i>	<i>Anchorage</i>			<i>561 8050</i>	<i>Y</i>	<i>N</i>	<i>HB 417</i>
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	
						<i>Y</i>	<i>N</i>	