

HB

316

<TARGET><BILL>HB 316</BILL><SUBJECT>HB
316</SUBJECT><COMM>HMLV27</COMM></TARGET>

ALASKA STATE LEGISLATURE

Session:

**State Capitol Building
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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

SPONSOR STATEMENT HB 316

"An act relating to military facility zones in the state; relating to the development of housing in military facility zones; relating to the financing of projects in military facility zones; and providing for an effective date."

House Bill 316 gives statutory authority to the Department of Military and Veterans' Affairs to establish "military facility zones" within the State of Alaska. Military facility zones are designated areas in close proximity to a military base (facility) where industrial or economic development will directly enhance the base's ability to fulfill its mission.

Military facility zones are successfully employed in other states as vehicles to obtain and administer funds for business development specifically relating to military activities. Funding for such zones in Alaska may be available from the Alaska Industrial Development and Export Authority (AIDEA) and/or the Alaska Housing Finance Corporation (AHFC), or from federal New Market Tax Credits. Federal, state, or local public or private funding sources, credit, or guarantee programs can be made available directly to municipalities and boroughs that are working on specifically approved projects within a military facility zone.

Military facility zones create opportunities for significant benefits to Alaska and the nation. They will enhance economic activity near military installations and thereby facilitate economic growth and development in the state, especially where local governments are working in close partnership with their military counterparts. The zones promote expansion of infrastructure to benefit both military and civilian objectives, such as civil defense, homeland security and emergency response. They will enhance the nation's military capabilities by helping bases operate more effectively and efficiently.

Finally, military facility zones in Alaska will clearly demonstrate the state's continuing and substantive support for the armed services, and help defend against the negative impacts on Alaska's regional economies and military communities that might occur should Congress choose to implement the federal Base Realignment and Closure Act (BRAC).

E-mail [Representative Steve Thompson@legis.state.ak.us](mailto:Representative_Steve_Thompson@legis.state.ak.us)

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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

House Bill 316 - Sectional Analysis

"An Act relating to military facility zones in the state; relating to the development of housing in military facility zones; relating to the financing of projects in military facility zones; and providing for an effective date."

Section 1. This adds a new chapter to AS 26, Chapter 30 Military Facility Zones.

26.30.005. Establishes Military Facility Zones

26.30.010. Establishes application for a Military Facility Zone

26.30.020. Establishes the criteria for designating Military Facility Zones.

26.30.030. Establishes the designation of Military Facility Zone

26.30.040. Establishes for expansion of a Military Facility Zone

26.30.050. Establishes Military Facility Zone authorities.

26.30.060. Establishes benefits in a Military Facility Zone.

26.30.070. Establishes that regulations may be adopted to carry out the provisions of this chapter.

26.30.900. Establishes definitions

Section 2. This amends AS 44.62.175(a) to add an online public notice system maintained on the State's internet site.

E-mail [Representative Steve Thompson@legis.state.ak.us](mailto:Representative_Steve_Thompson@legis.state.ak.us)

Section 3. This amends AS 44.88.909(9) to define the word “project” as used in conjunction with this chapter

Section 4. This adds a new section to the uncodified law of the State of Alaska to include
TRANSITION: REGULATIONS may immediately adopt regulations necessary to implement the changes made by this Act.

Section 5. States Section 4 of this Act takes effect immediately under AS 01.10.070(c).

Section 6. States that the Act takes effect July 1, 2012 except as provided in Section 5 of this Act.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 316
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB316-DCCED-AIDEA-02-10-12 Dept. Affected DCCED
 Title Military Facility Zones Appropriation Authority
 Allocation Authority
 Sponsor Rep. Thompson
 Requester House Military & Veterans' Affairs OMB Component Number 1234

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time						
Part-time						
Temporary						

CHANGE IN REVENUES

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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required;
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial Version

Prepared by Ted Leonard, Executive Director
 Division Alaska Industrial Development & Export Authority
 Approved by JoEllen Hanrahan, Director Administrative Services
Commerce, Community, and Economic Development

Phone 907-771-3000
 Date/Time 02/10/11 10:00am
 Date 2/10/2012

FISCAL NOTE

**STATE OF ALASKA
2012 LEGISLATIVE SESSION**

BILL NO. HB 316

Analysis

This legislation allows DMVA to designate up to five military effectiveness zones in rural areas in the state. With respect to AIDEA it permits the authority to provide financing in these areas which could be beneficial. AIDEA currently has the authority to invest in federal facilities, which can include military buildings. This legislation would create an incentive for such financing, but would not require the creation of new programs within AIDEA.

There is no foreseeable fiscal impact to AIDEA as a result of this legislation.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB316
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB 316-DMVA-MVA-CO-02-13-12 Dept. Affected Dept. of Military & Veterans Affairs
 Title Military Facility Zones Appropriation Military and Veterans Affairs
 Allocation Office of the Commissioner
 Sponsor THOMPSON, Saddler, Feige, Chenault, Herron, T. Wilson, Lynn
 Requester (H) Military and Veterans Affairs OMB Component Number 414

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Prgm (DGF)							
1037 GF/MH (UGF)							
1178 temp code (UGF)							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

--	--	--	--	--	--	--	--

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version.

Prepared by McHugh Pierre, Deputy Commissioner
 Division Office of the Commissioner, DMVA
 Approved by Major General Thomas H. Katkus
Commissioner, DMVA

Phone (907) 428-6003
 Date/Time 2/13/12 3:00 PM
 Date 2/13/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB316

Analysis

This bill modifies AS 26 to allow the establishment of military zones in the state.

There is no fiscal impact to DMVA for this bill.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB316
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB316-DOR-AHFC-02-10-2012 Dept. Affected Revenue
 Title Military Facility Zone Appropriation Alaska Housing Finance Corp.
 Allocation AHFC Operations
 Sponsor Representative Thompson
 Requester (H) MLV OMB Component Number 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version.

Prepared by Cary Bolling, Officer Governmental Relations & Public Affairs
 Division Alaska Housing Finance Corporation
 Approved by Dan Fauske, CEO
Alaska Housing Finance Corporation

Phone 907-350-2479
 Date/Time 1:05pm; 2/10/2012
 Date 1:05pm; 2/10/2012

FISCAL NOTE

**STATE OF ALASKA
2012 LEGISLATIVE SESSION**

BILL NO. HB316 _____

Analysis

The bill gives statutory authority to the Alaska Department of Military and Veterans' Affairs to establish "Military Facility Zones" (MFZ) within the State of Alaska which are designated areas in close proximity to a military base (facility) where industrial or economic development will directly enhance the base's ability to fulfill its mission. The MFZ includes zoning for residential use. A municipality in which a military facility zone is located or a military facility zone authority may receive financing for one or more projects from the Alaska Housing Finance Corporation.

The bill does not provide any additional advantage to AHFC's current ability to provide financing to municipalities or the military for housing development. It may prove advantageous to other entities. Zero fiscal note from AHFC for this bill.

ALASKA STATE LEGISLATURE

Session:
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REPRESENTATIVE DAN SADDLER

To Co-Chair Thompson and Members of the MLV Committee:

Though I can't be there today, I wanted to put on record my strong support for HB 316, Military Facilities Zones. I was pleased to work on this legislation during the interim with Representatives Thompson and Feige, and to see it come before our committee. I see HB 316 as an important legislative tool to strengthen the position of military facilities in our state.

Alaska has 32 different military installations that are critical elements in our state economy. There are more than 24,000 active-duty, Guard and Reserve troops serving in Alaska, with an annual payroll of more than \$1.5 billion. About 13 percent of the state economy depends on the military, with the impact being especially significant near the larger installations.

These bases are a significant part of our nation's defense structure. They defend the nation's airspace and outer space; rapidly deploy forces around the world in times of crisis; support global logistics and transportation functions; and provide training opportunities that are unmatched elsewhere in the world.

We've heard recent news that does not bode well for Alaska's military bases. We've heard news of nearly half-trillion dollars in defense budget cuts over the next 10 years. We've heard of the possible loss of F-16s from Eielson Air Force Base, and of HC-130s from Joint Base Elmendorf-Richardson. We've heard that nearly 270 civilian jobs are being cut from these two bases. And we've heard the Secretary of Defense raise the prospect of another round in the Base Realignment and Closure (BRAC) process that could mean the further diminution of the military's presence in Alaska.

HB 316 can provide a number of significant benefits to our state and nation:

- It will provide a mechanism for bringing new federal and state money to bear on the bases.
- It will help develop infrastructure that can improve living conditions and economic prospects for the communities surrounding military facilities.
- It will help Alaska's bases become more efficient and better able to effectively perform their missions, strengthening the case against their realignment or closure.
- It will provide a mechanism to fund expansion of existing facilities to embrace new missions.
- It will help protect private - and public-sector jobs.
- It will provide another positive demonstration of Alaska's support for the military.

I am proud to be a co-sponsor of this legislation; please join me in supporting its passage.

A handwritten signature in cursive script that reads "Dan Saddler".

Rep. Dan Saddler, Co-Chair, Military and Veterans Affairs Committee

B Interior/Alaska

Contact the newsroom at newsroom@newsminer.com or 459-7572

Sunday, February 12, 2012

Thompson proposes economic support for military bases

By **MATT BUXTON**
mbuxton@newsminer.com

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Less than a week after the U.S. Air Force announced plans to move Eielson Air Force Base's F-16 fighter planes to Anchorage to cut costs, Alaska House lawmakers introduced a bill Thursday to create economic incentive zones to support the state's military bases.

The measure, HB 316, would create "Military Facility Zones" to extend state and federal incentives for businesses and communities to better support infrastructure and development around the

bases. The bill's lead sponsor, Fairbanks Republican Rep. Steve Thompson said the measure wasn't prompted directly by the F-16 move, but is aimed at building long-term support around bases to lower operating costs and, therefore, keep bases open.

"We've been considering it since last summer and it has a good possibility of being used anywhere in the state," he said, "but the F-16 move and the possibility of another BRAC process makes it more important."

The idea is low-cost loans or tax credits would spur private companies to do projects that would make it cheaper or easier for the bases to operate. Thompson said that could range from housing development to opening a business specialized in repairing fighter jet engines.

The measure, Thompson said, simply provides an economic framework and leaves it open to private industry



Thompson



to determine what projects make the most sense.

"It's a tool in everybody's box to make the base more efficient and more effective," he said. "Anything

that can be done to expand the mission of the base and something private industry might want to put on could benefit and help keep the bases open."

Many other states and communities have implemented similar programs,

said Jim Dodson, president and chief operating officer of the Fairbanks Economic Development Corporation. And while he said he wasn't familiar with the specifics of Thompson's measure, he said such programs can do a lot to save a base.

"Whatever a community can do and whatever a state can do to lower the cost of the military doing business, it helps secure their place in the community," he said.

That's a particularly important goal in Fairbanks, where Eielson and Fort Wainwright Army Base make up about 35 percent of

the local economy.

The measure specifically would extend low-cost loans or tax credits from the Alaska Industrial Development and Export Authority, the Alaska Housing Finance Corporation or from federal New Market Tax Credits.

Reps. Dan Saddler, Eric Feige, Mike Chenault, Bob Herron, Bob Lynn and Tammie Wilson also have signed onto the bill, which has been referred to the Military and Veterans' Affairs Committee.

For more updates from the legislative session follow staff writer Matt Buxton on twitter at [@FDNMpolitics](https://twitter.com/FDNMpolitics) or contact him at 459-7544.