

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

9050 SENATE STATE AFFAIRS

14. At the request of Attorney Wayne Anthony Ross, on 18 September 1998 I traveled to Elmendorf Air Force Base, Alaska, where I inspected some of the firearms that were destroyed by the defendants and their agents. I have also obtained a list of the firearms that were destroyed from the State of Alaska.

15. I have been advised that the State's attorney represented to this court, on or about 12 September 1995, at the hearing where plaintiff sought a temporary restraining order, that the firearms that the State intended to destroy "are in essence sawed off shotguns, some Class III assault rifles and small handguns... commonly known as 'Saturday Night Specials'". If the State's attorney told the court this, the State's attorney was either mis-informed, or not candid, with this court. Most of the firearms I personally examined did not fit into such categories, by anyone's definition or by anyone's stretch of the imagination. I am also informed that the State's attorney told this court that the State had "two Alaska State Troopers review the manifest of these weapons that are set for destruction and it's been determined that none of these guns would have any value to a collector". If

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the State did have two troopers review these firearms and those troopers determined that there were no collector firearms in the firearms that were destroyed, they don't know how to tell a "collector" gun from an axe handle, because "collector" guns were destroyed by the State on 15 September 1995.

15. The first firearm I examined had been a lovely little .22 caliber Colt "Huntsman", a version of the Colt "Woodsmen". A Colt "Woodsmen" is a lovely little semi-automatic pistol that was first manufactured prior to World War I, and continued in the Colt line until the early 1970's, in various versions. The Colt I saw was a late model, that is, a model manufactured after World War II. All of these little Colt "Woodsmen" pistols, in all variations, have great collector interest since they were high quality firearms that are no longer manufactured. Indeed, there are a number of collectors of national repute who specialize in these lovely little firearms. The Colt "Woodsmen" has always been popular in Alaska, and was favored by hunters and trappers who wished a handy, compact .22 pistol with a reputation for reliability. The Colt I examined had

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been totally destroyed by what appeared to be heat from a welding torch.

17. The second firearm I examined was a very unusual U S Air Force survival rifle, known as an M4. This little bolt action rifle was in .22 Hornet caliber and is quite rare. While I have not fully researched this firearm, I believe that it may not have been released for sale to civilians because of its short barrel, which is approximately 14 inches long, and thus, it would be subject to Federal regulations governing short-barreled rifles. Nonetheless, that survival rifle has much collector interest, and could have been offered to museums which feature unusual firearms, such as the National Firearms Museum in Washington, D.C. The rifle I examined had been totally destroyed by what appeared to be heat from a welding torch.

18. The third firearm I examined was a Glock semi-automatic pistol. This pistol had been in almost new condition before it was destroyed. The Glock pistol had created some controversy when first introduced because it was falsely labeled by the press as a "plastic gun". After its introduction, however,

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the Glock's popularity took off, and many police departments throughout the country have adopted it as their duty sidearm. Recently, a Glock Collectors Association has been formed and that group had a fine exhibit at the last NRA Annual Meetings. The Glock is a relatively expensive, high quality pistol, and is much in demand. The Glock I examined had been totally destroyed by what appeared to be heat from a welding torch.

19. The fourth firearm I examined was an unusual Uzi in 45 caliber. This model is rarely seen in this country and would be a great addition to any advanced collector of military or automatic weapons. This piece appeared to have been in good condition prior to having been destroyed by heat from a welding torch.

20. I next examined a group of five shotguns. This group of shotguns included a Winchester Mod 1200 12 gauge, a Winchester Mod 1300 12 gauge, a High Standard 12 gauge pump, a Mossberg Mod 500A 12 gauge, and a Western Mod 550ABD, also in 12 gauge. All of these guns are the same kind that are used every hunting season in Alaska by duck, grouse, ptarmigan, and rabbit

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hunters. The destroyed shotguns had barrels which had been shortened to less than legal length, but they could have, in all but one case, been easily refitted with a new barrel and restored to good, legal shooters. The actions appeared to have been in good condition, and the cost of the barrel refittings would have cost less than one-third of the cost of a new gun. Alternatively, the shortened barrels could have simply been taken off of the shotguns and the actions could have been legally sold.

21. I saw a Lorcin 25 caliber vest pocket pistol, possibly a different model than any I have previously seen. It was impossible to be sure, for the little piece had been severed in two by the heat of a welding torch. As a collector who specializes in this kind of firearm, I would have liked to research this piece before its destruction.

22. There was a Llama .45 caliber semiauto pistol, which is a Spanish clone of the Colt Model 1911 .45 that was carried by American troops through two world wars. There are numerous people who swear by these guns and many collectors who specialize in them because of the model variations available to the knowledgeable.

This is a heavy, hard to conceal piece, that a trapper might keep at his cabin to protect against bears. The Llama was cut in two (almost) by the heat of a welding torch.

23. There was a single shot H & R 10 gauge shotgun and a Mossberg 600AT shotgun, both with shorter than legal barrels; actions cut in two by the heat of a welding torch. Both shotguns could have been restored into practical hunting pieces with the addition of new barrels. Alternatively, the shortened barrels could simply have been thrown away or destroyed and the actions sold legally.

24. There were two Ruger 357 Magnum revolvers that had been destroyed by the heat of a welding torch. Ruger revolvers have long been collectors' delights. There is a National Ruger Collectors Club which puts on exhibits all over this country at major Gun Shows and exhibitions. These firearms, in addition to their sporting uses, have collector's value because of the number of variations that were manufactured. I was not able to determine anything further about these two revolvers due to their damaged condition, except the fact that these appeared to have been in nice

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condition prior to being cut apart across the middle by a torch.

25. There were two Ruger Blackhawks, one a .41 caliber and one a .357 caliber. There was also a Ruger Single Six revolver .22 caliber revolver destroyed. As I previously stated (refer to paragraph 24), Ruger revolvers are highly regarded by the collectors of Ruger handguns. The three revolvers that were destroyed might well have been collector pieces, but after being cut into lumps by the torch they were impossible to accurately assess.

26. There was another Ruger handgun, this time a .22 caliber semi-automatic, one of the recent guns from the Ruger factories. This type firearm enjoys a solid reputation as a less expensive hand gun, not easily concealable because of its size. It was cut apart at the action by the heat of a welding torch.

27. I spent some time examining a group of so-called "assault" weapons. Some of these firearms were made in a semi-automatic version, which would mean that such a firearm would not be an "assault weapon" at all. There were 6 pieces, being 2 Ingrams, 2 Cobrays, one RPB, and an Interdynamic, all in 9mm

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caliber. None of these firearms appeared to have been in poor condition prior to being cut up. One of the Ingrams may have been a true collectors piece because of its receiver, but I was not able to ascertain much about these firearms because they were butchered too badly by the heat of a welding torch.

28. I examined a Colt .223 rifle, similar to, or of the type of firearms used by U. S. Troops for the past 30 plus years in defense of this country. If in the full automatic version, known as an M-16, this rifle could have been utilized by many police agencies in the State, or by the National Guard. If in the semi-automatic version, known as an AR-15, this type of firearm is in great demand by Military Marksman teams. In Southeast Alaska these rifles are in great demand for deer hunting. Generally very accurate, the AR-15 has replaced the famous M-1 Garand of WW-2 and the Springfield of WW-1 for formal target competition. No longer manufactured for civilians in its pure form, this piece would definitely make some collector a happy person, especially if it had a history attached to it. Before its destruction, this rifle had a value of \$1,000.00 or more. After being cut up with the welding

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torch, it was rendered worthless.

29. Another piece I examined was an Intertec .22 caliber. This little semi automatic rifle reminded me of a happy Saturday I once spend in a sand pit with its mate and a carton of .22 loads. A fun little gun for informal shooting sessions, this one was cut apart at the head of the bolt by the heat of a welding torch.

30. There was a group of 4 firearms, possibly cut together. One was an FIE .22 revolver, one an Interarms .38 caliber, one a "Titon Tiger" .38 semi auto (I have never seen one before), and one a Baikal KB .380 auto, an imported imitation of a Marakov. While none of these handguns were of particularly high quality, their low cost could have provided a firearms to some Alaskans who could not afford to purchase something more expensive. These inexpensive but practical firearms were now cut with a torch so that there was no value left.

31. I found it most disconcerting to see a Smith & Wesson Model 27 .357 Magnum revolver, once long-barreled, totally destroyed. This model revolver is one of the "Backbone" guns of

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the Alaskan Bush, a workhorse that never fails, a protective device shooting diverse loads, a handloader's delight. This revolver was an extremely high quality firearm, and has always been much in demand by people who know their firearms. Its barrel had been cut off, and its action and receiver torched into a glob.

32. There was another S&W, a Model 48-4 .22 caliber magnum revolver with what was left of an 8 inch barrel. High quality and expensive, this firearm was designed to be a neat compromise between the .22LR and the .22 Hornet, a great piece to teach shooting to a person ready to move up to a higher caliber, and an ideal small game hunting handgun. It had been cut in two by the heat of a welding torch.

33. There was a Beretta .380 semi-auto, so badly chopped up I could not be sure of the model. I wondered how carefully this firearm was checked before destruction?? It might have possibly been one of the eighty odd pieces that had been specially made to commemorate an end run at the original Beretta plant. Unfortunately, this firearm had been also cut and burned apart and was too far destroyed to be readily identified.

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34. There was a Colt Trooper, MK V, .357 magnum. This had once been a high quality firearm. What finish was left showed good condition. Known informally as a "bread-and-butter" piece, these were originally made for police departments and later spread to civilian use due to their rugged reliability. Now destroyed.

35. There was a S&W .45 caliber semi-auto pistol. This was of recent manufacture, in stainless steel, and looked as if it could have been real fine condition. The Anchorage police department has chosen to carry the S&W .45 semiauto as a duty firearm. This pistol has many variations, but I could only wonder if it could have been a rare one. It was impossible to tell which variation it had been in the massacred condition in which it was seen.

36. There was a little AMT .380 stainless steel back-up gun. Lots of these are carried by police officers throughout the country as second weapons. Once high quality, it had now been destroyed.

37. There was a S&W Model 36, .38 special caliber, "Chief's Special", a small J-frame revolver carried by undercover

police officers all over the world as a principal weapon, easily concealable, tested over the years, and as reliable as a handgun can be.

38. There was a group of ten S&W Model 686s, .357 magnum, stainless steel revolvers, impossible after the torch caught them to tell condition, but by reputation and personal knowledge one of the toughest, longest lasting firearms ever on the market. These may have been Alaska State Trooper issued, or used by some other State Agency. The historical value, thirty years from now to a collector, or seventy years, of a firearms issued to, and used by the troopers of the State of Alaska, cannot be appreciated now. Anyone knowledgeable about such state police issued firearms need only look at what has happened to the issued and personal firearms of the Texas Rangers over the same period of time. They have increased and increased in value to such an extent that they are almost impossible to afford to purchase. Instead of offering a good investment for Alaskans, however, these high quality revolvers, purchased originally by the people of Alaska, were gutted and cut apart by a welding torch.

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39. Lastly, there was a lonely Crossman Pellet Pistol. One wondered what its crime was that justified it being cut in two by the welding torch. Not even a firearm, this little pellet gun could have brought joy to a youngster, and the opportunity for his or her parent to instill, in that youngster, knowledge of gun safety and the joy of owning that "first gun".

40. The firearms destroyed by the State of Alaska were worth in excess of Ten Thousand Dollars (\$10,000.00). A few of the firearms could not have been sold in their then current configuration. Shotguns with barrels with less than 18 inches could have been sold if the offending barrels had been removed, or if longer barrels had been installed. Several of the firearms may have been fully automatic. These could have been made available to military, police, or museums specializing in such firearms, or many of the parts could have been sold legally (although not the receivers). Most of the firearms were fully functional, useful, firearms that any Alaskan would have been proud to own and use. Some of the firearms had substantial collector value.

41. Even if the State did not want to sell the firearms

themselves, the guns could have been traded to police suppliers, or other jobbers, for police equipment or other items that the State would otherwise have had to purchase.

FURTHER YOUR AFFIANT SAYETH NAUGHT.

Norman B. Grant, Jr.
Norman B. Grant, Jr.

SUBSCRIBED AND SWORN to before me this 9 day of January 1996.

Lucas S. Burns
Notary Public in and for Alaska
My Commission Expires: 8-13-99

I certify that a true and correct copy was mailed to:

James Baldwin, Esq.
State of Alaska
Department of Law
Box 110300
Juneau, AK 99811-0300

this ___ day of January, 1996.

Wayne Anthony Ross



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Sec. 12.35.050. Disposition of property taken. (Repealed, § 42 ch 143 SLA 1982. For present provisions, see AS 12.36.)

Sec. 12.35.060. Malicious procurement of search warrant. A person who maliciously and without probable cause causes a search warrant to be issued and executed is guilty of a misdemeanor. (§ 4.06 ch 34 SLA 1962)

Sec. 12.35.070. Search of defendant in presence of judge or magistrate. When a person charged with a crime is believed by the judge or magistrate before whom that person is brought to have on the person a dangerous weapon, or anything that may be used as evidence of the commission of the crime, the judge or magistrate may direct the accused to be searched in the presence of the judge or magistrate, and the weapon or other thing be retained subject to the order of the judge or magistrate or the order of the court in which the defendant may be tried. (§ 4.07 ch 34 SLA 1962)

Secs. 12.35.080 — 12.35.110. Disposition of stolen property. (Repealed, § 42 ch 143 SLA 1982. For present provisions, see AS 12.36.)

Sec. 12.35.120. Definition of search warrant. A search warrant is an order in writing, signed by a judge or magistrate or signed at the direction of a judicial officer in accordance with AS 12.35.015, directed to a peace officer, commanding the peace officer to search for personal property and bring it before the judge or magistrate. (§ 4.01 ch 34 SLA 1962; am § 14 ch 8 SLA 1971; am § 20 ch 143 SLA 1982)

NOTES TO DECISIONS

Quoted in Johnson v. Johnson, 849 P.2d 1361 (Alaska 1993).

12-36

Chapter 36. Disposition of Recovered or Seized Property.

Section	Section
10. Property disposition	50. Remission of forfeited property
20. Return of property	60. Disposal of forfeited deadly weapons
30. Disposal of unclaimed property used as evidence	90. Definitions
40. Disposal of property when owner unknown	

Cross references. — For provisions relating to abandoned property, see AS 34.45.110 — 34.45.760.

Collateral references. — 68 Am. Jur 2d, Searches and Seizures, §§ 212-215; 79 C.J.S., Searches and Seizures, §§ 217-220.

Sec. 12.36.010. Property disposition. When property not belonging to a law enforcement agency comes into the custody of the agency, the property shall be disposed of in accordance with this chapter. (§ 21 ch 143 SLA 1982)

Sec. 12.36.020. Return of property. (a) A law enforcement agency may return property in its custody to the owner or the agent of the owner if

(1) the property is not in custody in connection with a children's court proceeding, a criminal proceeding, or an official investigation of a crime; and

(2) the property in custody is not subject to forfeiture under the laws of the state.

(b) In a criminal proceeding or a children's court proceeding involving the wrongful taking or damaging of property where photographs of the property are used as evidence in place of the property, the prosecuting attorney may release the property to the owner upon presentation of satisfactory proof of ownership.

(c) If wrongfully taken or damaged property is not photographed and authenticated under AS 12.45.086 and the property is used as evidence in a criminal proceeding or a children's court proceeding, the law enforcement agency in possession of the property shall return it to the owner upon presentation of satisfactory proof of ownership within 60 days after the final disposition of the case. (§ 21 ch 143 SLA 1982)

Revisor's notes. — In 1995, in subsection (c), "AS 12.45.086" was substituted

for "AS 12.80.050" to reflect the 1995 renumbering of AS 12.80.050.

NOTES TO DECISIONS

Municipal liability for unauthorized property transfer. — The municipal police had no authority to unilaterally transfer a criminal defendant's money seized by a search warrant because it was within the custody and exclusive jurisdiction of the court and the transfer of the

money without court approval to a federal agency violated this section, rendering the federal agency's forfeiture actions invalid, and consequently, the municipality liable for the full value of the resulting conversion. *Johnson v. Johnson*, 549 P.2d 1361 (Alaska 1993).

Sec. 12.36.030. Disposal of unclaimed property used as evidence. (a) If property that is used as evidence in a criminal proceeding or a children's court proceeding, including wrongfully taken or damaged property, is not claimed by the owner within one year after the final disposition of the case, the law enforcement agency having custody of the property shall dispose of it under (b) of this section.

(b) The law enforcement agency shall dispose of that part of the property referenced in (a) of this section that is

(1) subject to AS 34.45.110 — 34.45.780 in accordance with AS 34.45.110 — 34.45.780;

(2) not subject to AS 34.45.110 — 34.45.780 by selling the property in the same manner as a sale upon execution; after paying the expenses for the preservation and sale of the property, the law enforcement agency shall dispose of the proceeds of the sale in the same manner as money collected upon a judgment. (§ 21 ch 143 SLA 1982; am § 4 ch 133 SLA 1986)

Sec. 12.36.040. Disposal of property when owner unknown. When the owner of property is unknown and the property comes into the possession of a law enforcement agency as suspected evidence of a crime but is not used in a criminal proceeding or a children's court proceeding, or when the property comes into the possession of a law enforcement agency by other means, the property shall be held for two years. If the property is not claimed within two years of the date it comes into the possession of a law enforcement agency, the property shall be disposed of as provided in AS 12.36.030(b). (§ 21 ch 143 SLA 1982)

NOTES TO DECISIONS

Quoted in *Wilson v. State*, 758 P.2d 307 (Alaska Ct. App. 1988).

Sec. 12.36.050. Remission of forfeited property. (a) A claimant seeking remission of the claimant's interest in a weapon ordered forfeited under AS 12.55.015(a)(9) shall prove to the court by a preponderance of evidence that the claimant

(1) has a valid interest in the weapon, acquired in good faith;

(2) did not knowingly participate in the commission of the crime in which the weapon was used; and

(3) did not know or have reasonable cause to believe that the weapon was used or would be used to commit a crime.

(b) Upon a showing that a claimant is entitled to relief under (a) of this section, the court may order that the weapon be released to the claimant.

(c) A claim may not be filed under this section more than 120 days after the entry of the last final judgment in the case in which the weapon was ordered forfeited. (§ 1 ch 169 SLA 1988; am § 29 ch 50 SLA 1989)

Legislative history reports. — For an analysis of the 1989 amendment to (a) of this section, see Senate-House Joint Jour.

nal Supplement No. 10, May 5, 1989, p. 8, under "Sec. 29"

Sec. 12.36.060. Disposal of forfeited deadly weapons. (v) A deadly weapon forfeited under AS 12.55.015(a)(9), unless remitted under AS 12.36.050, shall be disposed of by the commissioner of public safety under this section. The commissioner of public safety may declare a weapon surplus and transfer it to the commissioner of administration. A weapon suitable for law enforcement purposes, ballistics testing, training, or identification may be retained by the Department of Public Safety or transferred to the municipal law enforcement agency making the arrest that led to the forfeiture. A weapon that is unsafe or unlawful shall be destroyed.

(b) The commissioner of public safety may adopt regulations necessary to carry out the provisions of this section. (§ 1 ch 169 SLA 1988)

Sec. 12.36.090. Definitions. In this chapter,

(1) "final disposition of a case" means the time when all appeals have been exhausted or the time when all appeals that could have been taken has expired;

(2) "law enforcement agency" means a public agency that performs as one of its principal functions an activity relating to crime prevention, control, or reduction or relating to the enforcement of the criminal law; "law enforcement agency" does not include a court;

(3) "peace officer" means a public servant vested by law with a duty to maintain public order or to make arrests, whether the duty extends to all offenses or is limited to a specific class of offenses or offenders. (§ 21 ch 143 SLA 1982)

Chapter 37. Authorized Communications Interceptions.

Article

1. Interception of Private Communications (§§ 12.37.010 — 12.37.130)
2. Pen Registers and Trap Devices (§ 12.37.200)
3. Communications in Electronic Storage (§ 12.37.300)
4. General Provisions (§ 12.37.900)

Legislative history reports. — For which enacted this chapter, see 1993 governor's transmittal letter on the bill House Journal 488 — 489. (HB 187) that became ch. 61, SLA 1993.

Article 1. Interception of Private Communications.

Section

- 10 Authorization to intercept communications
- 20 Application for order authorizing a communication interception
- 30 Requirements for an order authorizing a communications interception

Section

- 40 Contents of order authorizing a communications interception; limitations on disclosure
- 50 Privileged communications
- 60 Collateral authority of court, interpretation of 12.37.010 — 12.37.130

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§ 17.30.118

FOOD AND DRUGS

§ 17.30.122

against the claimant under this chapter or AS 11.71. (§ 4 ch 45 SLA 1982)

Revisor's notes. — Formerly AS 17.30.110(g) — (i). Renumbered in 1983. failure to furnish notification required under this chapter, see AS 11.71.060(A)(4).
Cross references. — For penalty for

Sec. 17.30.118. Petition for release of seized items. (a) A claimant under AS 17.30.116(b) may at any time petition for release of a seized item as follows:

- (1) to a court in which a warrant for seizure has been issued;
- (2) to a court in which a criminal or civil action alleging forfeiture of the item has been filed; or
- (3) before an action is filed, or if no seizure warrant was issued, to a court in the judicial district in which the violation took place.

(b) An item may not be released by the court under (a) of this section unless the claimant gives adequate assurance that the item will remain subject to the court's jurisdiction and

- (1) the court finds that the release is in the best interests of the state; or
- (2) the claimant provides a bond or other valid and equivalent security equal to twice the assessed value of the item. (§ 4 ch 45 SLA 1982)

Revisor's notes. — Formerly AS 17.30.110(j) and (k). Renumbered in 1983.

Sec. 17.30.120. Petition for sale of seized item. A claimant may petition the court for sale of an item before final disposition of court proceedings. The court shall grant a petition for sale upon a finding that the sale is in the best interests of the state and the preservation and maintenance of the item seized. Proceeds from the sale plus interest to the date of final disposition of the court proceedings become the subject of the forfeiture action. (§ 4 ch 45 SLA 1982)

Revisor's notes. — Formerly AS 17.30.110(l). Renumbered in 1983.

Sec. 17.30.122. State disposal of forfeited property. Property forfeited under AS 17.30.110 — 17.30.126 other than controlled substances shall be disposed of by the commissioner of administration in accordance with applicable law. The commissioner of administration may

- (1) destroy property harmful to the public;
- (2) sell the property and use the proceeds for payment of all proper expenses of the proceedings for forfeiture and sale, including expenses of seizure, custody, and court costs;

(3) take custody of the property and authorize its use in the enforcement of this chapter or AS 11.71, or transfer it to another agency of the state or a political subdivision of the state for a use in furtherance of the administration of justice;

(4) take custody of the property and remove it for disposition in accordance with law;

(5) forward it to the Drug Enforcement Administration of the United States Department of Justice for disposition; or

(6) transfer ownership of an aircraft to the Alaska Wing, Civil Air Patrol. (§ 4 ch 45 SLA 1982; am § 2 ch 18 SLA 1983)

Revisor's notes. — Formerly AS 17.30.110(m). Renumbered in 1983

Effect of amendments. — The 1983 amendment added paragraph (6).

Sec. 17.30.124. Remittance to claimant. (a) Upon a showing that a claimant is entitled to remittance under AS 17.30.110 — 17.30.126, the court shall order that

(1) if the claimant is entitled to the item, it shall be delivered to the claimant immediately;

(2) if the claimant is entitled to remittance of some value less than the total value of the item, the claimant is entitled, at the claimant's choice, to receive either the value of the claimant's interest or, upon receipt of payment of the difference in value by the claimant, the entire item.

(b) An offender who used an item subject to remission in violation of this chapter or AS 11.71 shall be assessed a fine which may not be less than the cost of any lien payment or remittance made by the state plus the reasonable costs of the seizure. (§ 4 ch 45 SLA 1982)

Revisor's notes. — Formerly AS 17.30.110(n) and (o). Renumbered in 1983

Sec. 17.30.126. Forfeiture of controlled substances. (a) A controlled substance manufactured, possessed, transferred, sold, or offered for sale in violation of this chapter or AS 11.71 is contraband and must be seized and summarily forfeited to the state. The commissioner of public safety or the commissioner's designee, including a municipal law enforcement agency authorized under AS 17.30.114(b) of this section to retain custody of controlled substances, is responsible for the disposal of controlled substances which have been forfeited. The controlled substances shall be disposed of in accordance with procedures and requirements prescribed by the commissioner.

(b) Plants from which controlled substances may be derived and which have been planted or cultivated in violation of this chapter or AS 11.71, or which are grown in the wild, may be seized and summarily forfeited to the state. (§ 4 ch 45 SLA 1982)

Revisor's n 17.30.110(p) am

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Section 140. Education

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SB

221

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. SB 221

Revision Date: 2/9/98 Dept. Affected: DOT&PF
 Title: "An Act naming Mountain View Road in Gustavus." BRU: Southeast Region
 Component: Maintenance and Operations
 Sponsor: Senator Zharoff
 Requester: STATRA COMPONENT SERIAL NO. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

POSITIONS	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

The cost of two signs to display the new name for this Gustavus highway segment can be added to our current roadway reconditioning project there, so a zero fiscal note is in order.

Prepared by: Loren Rasmussen, P.E., Acting Director Phone: 465-2960
 Division: Engineering and Operations Date: 2/9/98
 Approved by: Joseph L. Perkins Date: 2/9/98
 Agency: Department of Transportation and Public Facilities

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 1/16/96

FURTHER: Transportation

Date of 5-Day Notice: 2/8/96
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2/13/96

The State Affairs Committee considered SB 221

"An Act naming Mountain View Road in Gustavus."

and recommends:

- be replaced with _____ CS _____
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:
same title
new title
House Bill:
same title
technical title
new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
CHAIR: <i>[Signature]</i>	✓				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
DOT/PF	2/4/96	0	

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill



Senator Fred F. Zharoff

Alaska State Legislature

In Kodiak: P.O. Box 405, Kodiak, Alaska 99615 (907) 486-5259 (Fax also)

In Juneau: State Capitol, Room 121, Juneau, Alaska 99801-1182

Phone: (907) 465-3473 • Fax: (907) 463-3043

State Senate District C

Kodiak Island & Rural Southeast Alaska

January 12, 1996

To: Senator Burt Sharp
Chairman, Committee on State Affairs

From: Senator Fred F. Zharoff

Re: SB 221

I have introduced legislation to name a road in Gustavus at the request of the residents. I'd like to request a hearing for SB 221 before the State Affairs Committee at your earliest convenience. I have attached backup information - a petition signed by residents of Gustavus requesting the naming of their road, a letter from the Gustavus Community Association supporting the petition, and a sponsor statement.

Thank you for your attention to this request.



Senator Fred F. Zharoff
Alaska State Legislature

In Kodiak: P.O. Box 405, Kodiak, Alaska 99615 (907) 486-5259 (Fax also)

In Juneau: State Capitol, Room 121, Juneau, Alaska 99801-1182

Phone: (907) 465-3473 • Fax: (907) 463-3043

State Senate District C

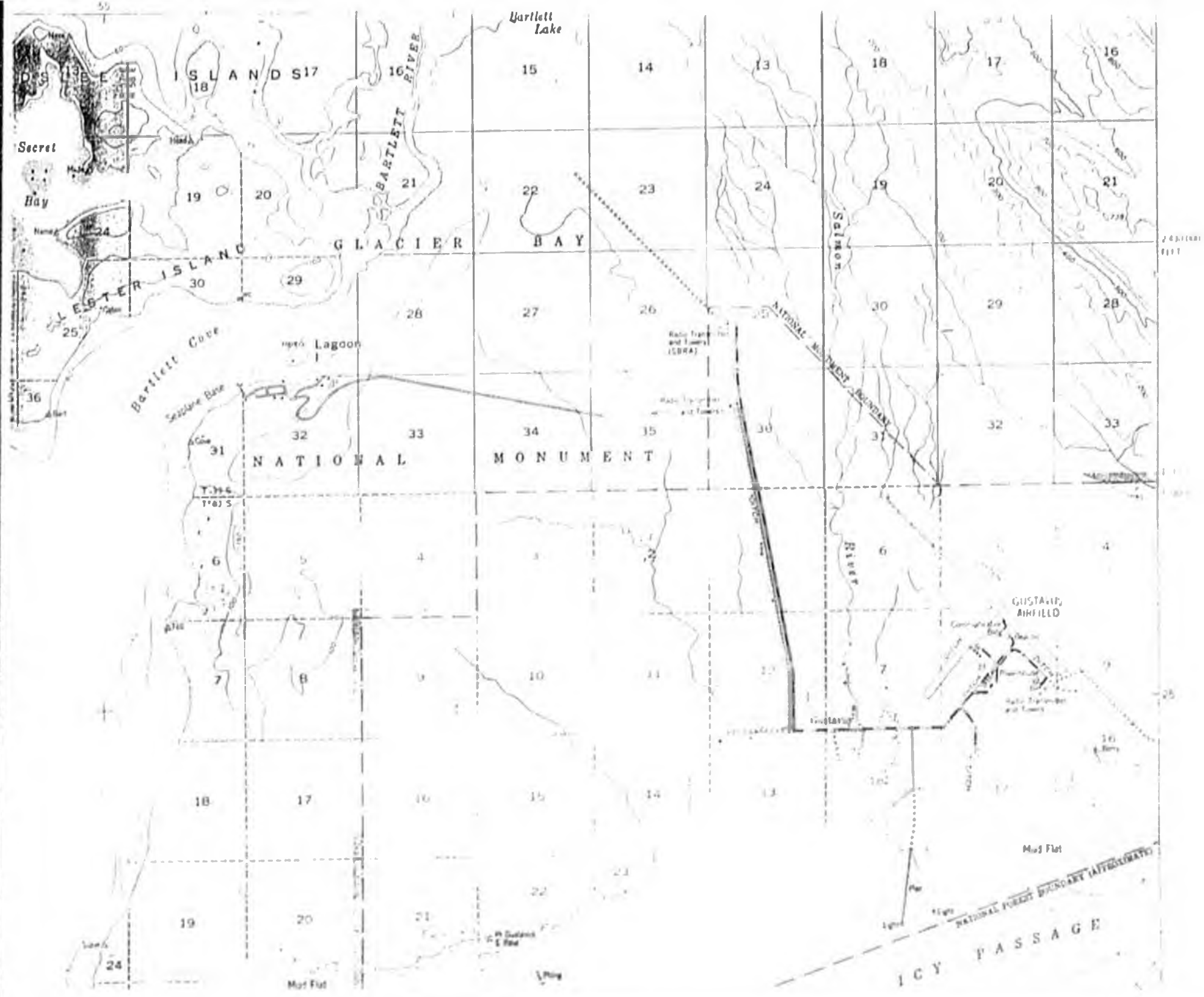
Kodiak Island & Rural Southeast Alaska

SPONSOR STATEMENT SB 221

"An Act naming Mountain View Road in Gustavus."

This bill is introduced at the request of the residents of Gustavus. The road was originally called Mountain View Road by Gene Chase, long time resident and postmaster of Gustavus who died several years ago. In recent years, it has been referred to by many names -- Airport Road, Main Road, Park Service Road. Officially naming it will avoid confusion in the future.

Secret



200,000
1:11

25

Gustavus Community Association



Post Office Box 62
Gustavus, Alaska 99826

Senator Fred Zharoff
Alaska State Legislature
Juneau, Alaska 99801-1182

OK

RECEIVED
JAN 25 1996

January 21, 1996

Re: "An Act naming Mountain View Road in Gustavus."

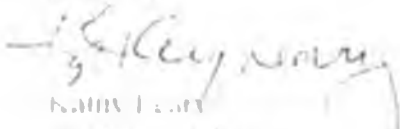
Dear Senator Zharoff:

On January 14th the Gustavus Community Association held their monthly meeting. One of the agenda items was the petition and your bill concerning "Mountain View Road."

This letter serves to advise you that the GCA members voted unanimously to support the petition and your legislation to officially name this road "Mountain View Road."

On behalf of the Gustavus Community Association, thank you for your prompt attention to this matter.

Sincerely,


KATHY LEARY
GCA Administrator

MOUNTAIN VIEW ROAD

HISTORY: IN THE LATE 1950'S EUGENE & ANNE CHASE ACQUIRED THEIR HOMESTEAD LAND WHICH CONTAINED 160 ACRES PLUS 50 ACRES FROM ARCHIE CHASE. THE LAND WAS LOCATED ON BOTH SIDES OF THE MAIN ROAD NORTH OF GOOD RIVER CORNER UP TO WHAT IS NOW KNOWN AS TONG ROAD. THE CHASES AT THAT TIME NAMED THE ROAD "MOUNTAIN VIEW ROAD". OVER THE YEARS THIS ROAD HAS BEEN CALLED "GUSTAVUS MAIN ROAD", "PARK SERVICE ROAD", "MAIN ROAD", AND VARIOUS OTHER NAMES.

THEREFORE: WE THE UNDERSIGNED RESIDENTS OF GUSTAVUS WOULD REQUEST THAT THIS MAIN HIGHWAY BE OFFICIALLY NAMED "MOUNTAIN VIEW ROAD"

PRINTED NAME	SIGNATURE	ADDRESS
Sylvia Pedersen	<i>Sylvia J. Pedersen</i>	Spruce Lane #2 Gustavus, AK
MICHAEL PEDERSEN	<i>Michael Pedersen</i>	" "
Gloria Chase	<i>Gloria Chase</i>	Mountain View Farm Gust. AK
Jon TRAUBSH	<i>Jon Traubsh</i>	40 Tong Rd
BOB CHASE	<i>Bob Chase</i>	SPRUCE LANE #5 GUSTAVUS, AK
MICHAEL CERFT	<i>Michael Cerft</i>	Mountain View Farm Gustavus Alaska
Jean Scott	<i>Jean Scott</i>	Milk 3 Park Road Gustavus, AK 99826
Greg Streveter	<i>Greg Streveter</i>	1/2 mile Spruce Lane Box 44 Gustavus AK
Ledith Brakel	<i>Ledith T. Brakel</i>	Box 34 Gustavus AK 99826
DON CHASE	<i>Don Chase</i>	Box 799 #4 Spruce Lane Gustavus, AK 99826

MOUNTAIN VIEW ROAD

HISTORY: IN THE LATE 1950'S EUGENE & ANNE CHASE ACQUIRED THEIR HOMESTEAD LAND WHICH CONTAINED 160 ACRES PLUS 50 ACRES FROM ARCHIE CHASE. THE LAND WAS LOCATED ON BOTH SIDES OF THE MAIN ROAD NORTH OF GOOD RIVER CORNER UP TO WHAT IS NOW KNOWN AS TONG ROAD. THE CHASES AT THAT TIME NAMED THE ROAD "MOUNTAIN VIEW ROAD". OVER THE YEARS THIS ROAD HAS BEEN CALLED "GUSTAVUS MAIN ROAD", "PARK SERVICE ROAD", "MAIN ROAD", AND VARIOUS OTHER NAMES.

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PRINTED NAME	SIGNATURE	ADDRESS
MARIE BERRY	<i>Marie Berry</i>	105, GUSTAVUS
JUDITH CHALLON WOOD	<i>Judith Challon Wood</i>	25 PARKER DRIVE.
FANN M BROWN	<i>Fann M Brown</i>	BARTLETTS Cove
L. VANDERZANDEN	<i>L. Vanderzanden</i>	GUSTAVUS
PAUL PAUL N BERRY	<i>Paul N Berry</i>	PO 143
EEL BOND	<i>Eel Bond</i>	223 GUSTAVUS.
MAURENE MOORE	<i>Maureen E Moore</i>	Box 228
KATY WHITE	<i>Katy White</i>	Box 247
LOZEE ARCHAMBAULT	<i>Lozee Archambault</i>	Box 75
MARTHA Y ROMEO	<i>Marta Y Romeo</i>	Box 284
LYNNE MORROW	<i>Lynne Morrow</i>	Box 216
HEIDI ROUBICAUD	<i>Heidi Roubicaud</i>	Box 116
JOHN V. SPUTE	<i>John V. Spute</i>	Box 184
JUDITH R. MACCORMAC	<i>Judith R. MacCormac</i>	Box 203
		Box 203

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

MOUNTAIN VIEW ROAD

HISTORY: IN THE LATE 1950'S EUGENE & ANNE CHASE ACQUIRED THEIR HOMESTEAD LAND WHICH CONTAINED 160 ACRES PLUS 50 ACRES FROM ARCHIE CHASE. THE LAND WAS LOCATED ON BOTH SIDES OF THE MAIN ROAD NORTH OF GOOD RIVER CORNER UP TO WHAT IS NOW KNOWN AS TONG ROAD. THE CHASES AT THAT TIME NAMED THE ROAD "MOUNTAIN VIEW ROAD". OVER THE YEARS THIS ROAD HAS BEEN CALLED "GUSTAVUS MAIN ROAD", "PARK SERVICE ROAD", "MAIN ROAD", AND VARIOUS OTHER NAMES.

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Sylvia Pedersen	<i>Sylvia J. Pedersen</i>	Spruce Lane #2 Gustavus, AK
MICHAEL PEDERSEN	<i>Michael Pedersen</i>	" "
Gloria Chase	<i>Gloria Chase</i>	Mountain View Park Gust. AK
Jon TRAIBUSH	<i>Jon Traibush</i>	40 Jones Rd
BOB CHASE	<i>Bob Chase</i>	SPRUCE LANE #5 80576005, 215
MICHAEL CRAFT	<i>Michael Craft</i>	Mountain View Farm Gustavus Alaska
Jean Scott	<i>Jean Scott</i>	Mile 3 Park Road Gustavus, AK 99826
Greg Streveter	<i>Greg Streveter</i>	1/3 mile Spruce Lane Box 44, Gustavus AK
Judith Brakel	<i>Judith P. Brakel</i>	Box 21 Gustavus, AK 99826
DON CHASE	<i>Don Chase</i>	Box 799 #4 Spruce Lane Gustavus, AK 99826

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PRINTED NAME	SIGNATURE	ADDRESS
Allen C. Trump	Allen C. Trump	P.O. Box 222 GUSTAVUS AK 9982
Maibly D. Trump	Maibly Trump	P.O. Box 222 GST, AK 99826
Tom Nash	Tom Nash	Box AK 99826
Chris Spate (CHRIS SPATE)	Chris Spate	P.O.B 103
Marion Farley	Marion Farley	Box 182, GUSTAVUS
Denise L Healey	Denise Healey	PO BOX 10 GUSTAVUS
Kathleen Ford	Kathleen Ford	PO Box 4 GUSTAVUS
James R Healey	James HEALEY	Box 10 GUSTAVUS AK 9982
Kathy Strevell	Kathy Strevell	Box 155 GUS 99826
Sharon Anne	Sharon Anne	Box 336 GUS AK 99826
JOE SARGENT	Joe Sargent	P.O. Box 27 GUS AK 998
KIM NEY		32
Paul Barnes	Paul Barnes	155 GUS
Jamie Ojilva	Jamie Ojilva	106 GST
G.F. Chamberlain		220 GST

MOUNTAIN VIEW ROAD

HISTORY: IN THE LATE 1950'S EUGENE & ANNE CHASE ACQUIRED THEIR HOMESTEAD LAND WHICH CONTAINED 160 ACRES PLUS 50 ACRES FROM ARCHIE CHASE. THE LAND WAS LOCATED ON BOTH SIDES OF THE MAIN ROAD NORTH OF GOOD RIVER CORNER UP TO WHAT IS NOW KNOWN AS TONG ROAD. THE CHASES AT THAT TIME NAMED THE ROAD "MOUNTAIN VIEW ROAD". OVER THE YEARS THIS ROAD HAS BEEN CALLED "GUSTAVUS MAIN ROAD", "PARK SERVICE ROAD", "MAIN ROAD", AND VARIOUS OTHER NAMES.

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MARIE BERRY	<i>Marie Berry</i>	105, GUSTAVUS
JUDITH CHALLONWOOD	<i>Judith Challon Wood</i>	25 PARKER DR.
FARM M BAUER	<i>Farm M Bauer</i>	BARTLETTS COVE
L. VANDERZANDEN	<i>Liz Vanderzanden</i>	GUSTAVUS
PAUL PAUL N BEARY	<i>Paul N Beary</i>	PO 143
EEL BOND	<i>Eel Bond</i>	223 GUSTAVUS.
MAURENE MOORE	<i>Maureen E Moore</i>	Box 228
Katy White	<i>Katy White</i>	Box 247
LOZEE ARCHAMBAULT	<i>Lozee Archambault</i>	Box 75
MARtha V Romeo	<i>Martha V Romeo</i>	Box 284
Lynne Morrow	<i>Lynne Morrow</i>	Box 216
Heidi Robichaud	<i>Heidi Robichaud</i>	Box 116
JOHN V. SPITE	<i>John V. Spite</i>	Box 104
JIMMIE R. MARCASAC	<i>Jimmie R. Marcasac</i>	Box 103
		Box 103

MOUNTAIN VIEW ROAD

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PRINTED NAME	SIGNATURE	ADDRESS
Marilyn Jackson	<i>Marilyn Jackson</i>	Box 195 Gustavus
Becky Walker	<i>Becky Walker</i>	Box 318 99826
LAURA LOBI	<i>Laura Lobi</i>	Gustavus Box 23
JOHN SCOTT	<i>John W Scott</i>	GUSTAVUS 99826
Judith Bon	<i>Judith Bon</i>	Box 254 99826
DAN RINNER	<i>Dan Rinner</i>	Box 281 99826
PERR TURNER	<i>Perr Turner</i>	Box 212 99826
CHAR DAMRON	<i>Char Damron</i>	PO 217 99826
KARLA TEDDSEN	<i>Karla Teddson</i>	PO Box 153 Gustavus, AK
Kate Boesser	<i>Kate Boesser</i>	Gustavus Box 47, Dock Rd. 99826
Aaron Bohlke	<i>Aaron V Bohlke</i>	PO Box 324
Paul Byers	<i>Paul Byers</i>	PO Box 324
Kathy Cozby	<i>Kathy Cozby</i>	PO Box 124
Bruce McDonough	<i>Bruce McDonough</i>	Box 260
Philip Riddle	<i>Philip Riddle</i>	Box 216 Gustavus, AK

MOUNTAIN VIEW ROAD

HISTORY: IN THE LATE 1950'S EUGENE & ANNE CHASE ACQUIRED THEIR HOMESTEAD LAND WHICH CONTAINED 100 ACRES PLUS 50 ACRES FROM ARCHIE CHASE. THE LAND WAS LOCATED ON BOTH SIDES OF THE MAIN ROAD NORTH OF GOOD RIVER CORNER UP TO WHAT IS NOW KNOWN AS TONG ROAD. THE CHASES AT THAT TIME NAMED THE ROAD "MOUNTAIN VIEW ROAD". OVER THE YEARS THIS ROAD HAS BEEN CALLED "GUSTAVUS MAIN ROAD", "PARK SERVICE ROAD", "MAIN ROAD", AND VARIOUS OTHER NAMES.

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PRINTED NAME	SIGNATURE	ADDRESS
Diana Berry	<i>Diana Berry</i>	P.O. Box 105 Gustavus, AK 99826
James Kearns	<i>James Kearns</i>	Box 148 Gustavus, AK 99826
JOHN SCHERENS	<i>John Scherens</i>	Box 161 Gustavus, AK 99826
<i>Amy Thomas</i>	<i>AMEE youmanis</i>	Box 40 GUSTAVUS AK 99826
ROBERT L. MILLS	<i>Robert L. Mills</i>	Box 93 GUSTAVUS, AK
Chris Smith	<i>Chris Smith</i>	Gustavus
Glen R. B. Parker	<i>Glen R. B. Parker</i>	Box 52, Gustavus
Kara Berg	<i>Kara Berg</i>	Box 154 Gustavus, AK 99826
Michael J. Nisero	<i>Michael J. Nisero</i>	Box 81, Gustavus, AK 99826
Gene Morgan	<i>Gene Morgan</i>	10 Box 197 Gustavus, AK 99826
CHRISTY OLSEN	<i>Christy Olsen</i>	Box 244, Gustavus, AK 99826
Scott Olsen	<i>Scott Olsen</i>	" " "
Kenneth L. Klawunder	<i>Kenneth L. Klawunder</i>	Box 156, Gustavus, AK 99826
DIANNE S. KLAUNDER	<i>Dianne S. Klawunder</i>	Box 156, GUSTAVUS, AK 99826
Cindy L. Morgan	<i>Cindy L. Morgan</i>	Box 191, Gustavus, AK 99826

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PRINTED NAME	SIGNATURE	ADDRESS
LEILANI JOSEPH	Leilani Joseph	71 Tong Rd Box 258, Gustavus
BRUCE SHINGLEDECKER	Bruce Shingledecker	49 TONG RD GUS.
Floyd M. Burton	Floyd M. Burton	7 Cape Drive
Garrick L. Walker	Garrick L. Walker	Box 319
David J. Walker	David Walker	Box 318
WILLIAM L. WHITE	William L. White	Box 84
Bette J. White	Bette J. White	Box 84
Jamie F. Coby	Jamie F. Coby	Box 2
Mary E. Evans	Mary E. Evans	Box 327
Shelly A. Webb	Shelly Webb	Box 58
Mary E. Luyton. Opp	Mary E. Luyton Opp	Box 92
John N. Wick	John N. Wick	Box 119
Steve Wilson	Steve Wilson	P.O. Box 16
Connie Mills	Connie Mills	BOX 151
Lynn Savonen	Lynn Savonen	Box 172

MOUNTAIN VIEW ROAD

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PRINTED NAME

SIGNATURE

ADDRESS

PRINTED NAME	SIGNATURE	ADDRESS
Dena Matkin	<i>Dena Matkin</i>	Box 22 GUSTAVUS
Tania Keim	<i>Tania Keim</i>	Box 315 Gustavus
DAVID MARTINSON	<i>David Martinson</i>	Box 173 GUSTAVUS
<i>Dorothy O'Donoghue</i>	<i>Dorothy O'Donoghue</i>	Box 188 Local
Carol Dejka	<i>Carol Dejka</i>	Box 168 local
Lois Belorai	<i>Lois Belorai</i>	Box 339 local
Chuck Rice	<i>C. Rice</i>	Box 116
Maramba Eggen	<i>Maramba Eggen</i>	Box 260 Local
<i>W. J. Howell</i>	<i>W. J. Howell</i>	Box 32
<i>Leslie C. Sirostad</i>	<i>Leslie C. Sirostad</i>	Box 80 GUSTAVO
<i>M. M. Sparsen</i>	<i>M. M. Sparsen</i>	
Art Hayes	<i>Art Hayes</i>	Box 165T
ALBERT MANCHESTER	<i>Albert Manchester</i>	Box 225
Rhea HARPER	<i>Rhea Harper</i>	PO 214
Thomas IMPORDEN	<i>Thomas Imporden</i>	PO 214

not
over 18

MOUNTAIN VIEW ROAD

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PRINTED NAME	SIGNATURE	ADDRESS
SAM C. Rice	<i>Sam C. Rice</i>	PO Box 68 Gustavus AK 99826
JOHN SIDWELL	<i>John Sidwell</i>	P.O. Box 134 Gustavus AK 99826
John Scott	<i>John Scott</i>	Box 78 Gustavus AK 99826
Pete Wilson	<i>Pete Wilson</i>	Box 13 Gustavus
Jim Wagner	<i>James M. Wagner</i>	Box 111 Gustavus
Tom Taylor	<i>Tom Taylor</i>	Box 88 Gustavus AK
Lavern Cannon	<i>Lavern Cannon</i>	P.O. Box 99, Gustavus AK

SB

222

BILL: HB 526 SHORT TITLE: AIDEA OPERATIONS/PROJECTS/LOANS
BILL VERSION: SCS CSHB 526(FIN) AM S
SPONSOR(S): LABOR & COMMERCE

CURRENT STATUS: (H) CONCURRD (S) AM STATUS DATE: 05/07/96

TITLE: "An Act relating to the financing authority, programs, operations, and projects of the Alaska Industrial Development and Export Authority; providing an exemption from the procurement code for certain projects of the authority; and providing for an effective date."

02/22/96	2854	(H)	READ THE FIRST TIME - REFERRAL(S)
02/22/96	2855	(H)	LABOR & COMMERCE, FINANCE
03/18/96	3177	(H)	L&C RPT CS(L&C) 4DP 1NR
03/18/96	3178	(H)	DP: ELTON, KOTT, SANDERS, PORTER
03/18/96	3178	(H)	NR: ROKEBERG
03/18/96	3178	(H)	ZERO FISCAL NOTE (DCED)
04/01/96	3509	(H)	FIN RPT CS(FIN) 4DP 7NR
04/01/96	3509	(H)	DP: FOSTER, HANLEY, GRUSSENDORF, NAVARRE
04/01/96	3509	(H)	NR: MULDER, MARTIN, PARNELL, KOHRING
04/01/96	3509	(H)	NR: KELLY, THERRIAULT, BROWN
04/01/96	3510	(H)	ZERO FISCAL NOTE (DCED) 3/18/96
04/12/96	3709	(H)	RULES TO CALENDAR 4/12/96
04/12/96	3709	(H)	READ THE SECOND TIME
04/12/96	3710	(H)	FIN CS ADOPTED UNAN CONSENT
04/12/96	3710	(H)	AM NO 1 ADOPTED UNAN CONSENT
04/12/96	3710	(H)	ADVANCED TO THIRD READING UNAN CONSENT
04/12/96	3710	(H)	READ THE THIRD TIME CSHB 526(FIN) AM
04/12/96	3711	(H)	PASSED Y35 H1 A4
04/12/96	3711	(H)	EFFECTIVE DATE(S) SAME AS PASSAGE
04/12/96	3711	(H)	KUBINA NOTICE OF RECONSIDERATION
04/15/96	3786	(H)	RECONSIDERATION NOT TAKEN UP
04/15/96	3786	(H)	TRANSMITTED TO (S)
04/16/96	3259	(S)	READ THE FIRST TIME - REFERRAL(S)
04/16/96	3259	(S)	TRANSPORTATION, FINANCE
05/02/96	3812	(S)	TRA RPT SCS 3DP 2NR SAME TITLE
05/02/96	3812	(S)	PREVIOUS H ZERO FIN (DCED)
05/06/96	4049	(S)	FIN RPT SCS 6DP 1NR
05/06/96	4050	(S)	ZERO FISCAL NOTE TO SCS (DCED)
05/06/96	4064	(S)	RULES TO CALENDAR 5/6/96
05/06/96	4092	(S)	READ THE SECOND TIME
05/06/96	4092	(S)	FIN SCS ADOPTED UNAN CONSENT
05/06/96	4092	(S)	AM NO 1 ADOPTED UNAN CONSENT
05/06/96	4092	(S)	ADVANCED TO THIRD READING UNAN CONSENT
05/06/96	4093	(S)	READ THE 3RD TIME SCS CSHB 526(FIN)AM S
05/06/96	4093	(S)	PASSED Y20 H-
05/06/96	4093	(S)	EFFECTIVE DATE(S) SAME AS PASSAGE
05/06/96	4104	(S)	TRANSMITTED TO (H) AS AMENDED
05/07/96	4529	(H)	HELD UNDER UNFINISHED BUSINESS
05/07/96	4536	(H)	CONCUR AM OF (S) Y37 H1 A2
05/07/96	4537	(H)	EFFECTIVE DATE(S) SAME AS PASSAGE
05/07/96	4537	(H)	AWAITING TRANSMITTAL TO GOVERNOR

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 526(TRA), Draft version K

1 Page 7, following line 2:

2 Insert a new bill section to read:

3 "* Sec. 18. Section 2(a), ch. 27, SLA 1993 is amended to read:

4 Sec. 2. (a) The Alaska Industrial Development and Export Authority may
5 issue bonds to finance the acquisition, design, and construction of a port facility and
6 related loading and conveyor equipment related to the development and operation of
7 a hulk commodity loading and shipping terminal. The terminal may be located
8 anywhere within Cook Inlet. The facility will be [DIRECT REDUCTION IRON
9 ORE PROCESSING FACILITY FOR USE BY THE MIDREX CORPORATION, TO
10 BE LOCATED AT POINT MACKENZIE AND] owned by the authority. The
11 principal amount of the bonds may not exceed \$50,000,000."

12 Renumber the following bill sections accordingly.

13 Page 7, line 4:

14 Delete "Sections 1 and 2"

15 Insert "Section 1"

16 Delete "is"

17 Insert "are"

9-LS1549AK
Cook
4/22/96

SENATE CS FOR CS FOR HOUSE BILL NO. 526(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the financing authority, programs, operations, and projects
2 of the Alaska Industrial Development and Export Authority; providing an
3 exemption from the procurement code for certain projects of the authority; and
4 providing for an effective date."

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

6 • Section 1. AS 36.30.850(b) is amended by adding a new paragraph to read:

7 (34) ^{deleted} contracts of the Alaska Industrial Development and Export
8 Authority ^{related to} made with the developer of an integrated transportation and port facility
9 owned by the authority.

10 • Sec. 2. AS 44.88.159(a) is amended to read:

11 (a) The interest rate on a loan participation purchased [FINANCED] from
12 the proceeds of tax-exempt bonds or expected by the authority to be purchased
13 [FINANCED] from the proceeds of tax-exempt bonds is equal to the cost of funds to
14 the authority. In this subsection "cost of funds" means the true interest cost expressed

1 as a rate on tax-exempt bonds of the authority plus an additional percentage as
 2 determined by the authority to represent the allocable expenses of operation, costs of
 3 issuance, and loan servicing.

4 * Sec. 3. AS 44.88.159(b) is amended to read:

5 (b) The interest rate on a loan participation purchased [FINANCED] from
 6 the proceeds of taxable bonds or expected by the authority to be purchased
 7 [FINANCED] from the proceeds of taxable bonds is equal to the cost of funds to the
 8 authority. In this subsection "cost of funds" means the true interest cost expressed as
 9 a rate on taxable bonds, plus an additional percentage as determined by the authority
 10 to represent the allocable expenses of operation, costs of issuance, and loan servicing
 11 costs.

12 * Sec. 4. AS 44.88.159(c) is amended to read:

13 (c) The interest rate on a loan participation purchased [FINANCED] directly
 14 from the assets of the authority shall be determined under the regulations adopted by
 15 the authority under AS 44.88.085(g)(2)(C). ^{Added} However, the interest rate on a loan
 16 participation purchased from assets of the authority may not be less than the rate
 17 for treasury bonds that mature at the same time as that loan participation, plus
 18 150 basis points.

19 * Sec. 5. AS 44.88.205(b) is amended to read:

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

22 (1) annually review the authority's assets to determine whether assets
 23 of the authority exceed an amount required to fulfill the purposes of the authority as
 24 defined in this chapter; in making its review, [THE MEMBERS OF] the authority shall
 25 determine whether, and to what extent, assets in excess of the amount required to
 26 fulfill the purposes of the authority during at least the next fiscal year are available
 27 without

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

29 (B) materially impairing the operations or financial integrity of
 30 the authority; or

31 (C) materially affecting the ability of the authority to fulfill the

1 authority's purposes set out in AS 44.88.070; and

2 (2) make available [PRESENT] to the legislature by January 10 of
3 each year a complete accounting of all assets of the authority and a report of the
4 review and determination made under (1) of this subsection; the accounting shall be
5 audited by the auditor who conducts the audit required by AS 44.88.200 and must
6 include a full description of all loan interest and principal payments and program
7 receipts, including

8 (A) loan commitment fees received by or accrued to the
9 authority during the preceding fiscal year; [,] and

10 (B) all income earned on assets of the authority during that
11 period.

12 * Sec. 6. AS 44.88.500(a) is amended to read:

13 (a) [THE BUSINESS ASSISTANCE FUND IS ESTABLISHED IN THE
14 AUTHORITY FROM MONEY IN THE AUTHORITY'S RESERVES DESIGNATED
15 BY THE AUTHORITY FOR THE PURPOSE.] Subject to the requirements of
16 AS 44.88.500 - 44.88.599, the authority may [USE MONEY IN THE FUND]

17 (1) [TO] guarantee new business assistance loans; and

18 (2) [TO] guarantee new business assistance loans made to refinance
19 existing loans.

20 * Sec. 7. AS 44.88.530 is amended to read:

21 Sec. 44.88.530. APPLICABILITY OF PROVISIONS. AS 44.88.535 -
22 44.88.560 apply to

23 [(1)] new loan guarantees and refinancing guarantees under
24 AS 44.88.500 [AS 44.88.500(a)(1); AND

25 (2) DEBT REFINANCING GUARANTEES UNDER
26 AS 44.88.500(a)(2)].

27 * Sec. 8. AS 44.88.535(a) is amended to read:

28 (a) The authority may guarantee a loan under AS 44.88.500 - 44.88.599 if the

29 (1) loan

30 (A) is commercially reasonable;

31 (B) contains amortization provisions satisfactory to the

Deleted (c) that would allow the authority to guarantee the payment of interest on the guaranteed portion of a loan for the time in the manner established by the authority by regulation.

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authority;

(C) is secured by adequate collateral; however, the authority may waive on a case-by-case basis the requirement of collateral for a loan guarantee of \$100,000 [\$75,000] or less for which the proposed loan amortization period does not exceed five years, but the ability to waive the requirement of this subparagraph or the grant of a waiver does not prevent the financial institution that holds the loan guaranteed by the authority from requiring reasonable collateral for the loan;

(2) net cash flow from the borrower provides adequate coverage for the debt service on the loan;

(3) term of the loan does not exceed 20 years;

(4) loan is originated with and serviced by a state chartered or federally chartered financial institution;

(5) portion of the loan not guaranteed by the authority is held by the originating financial institution or another [FINANCIAL] institution approved by the authority;

(6) proceeds of the loan will be used [IS MADE] to benefit a business conducted in the [WITH A MAJORITY INTEREST HELD BY] state [RESIDENTS]; and

(7) loan guarantee provides a benefit to the borrower.

* Sec. 9. AS 44.88.535(b) is amended to read:

(b) The authority may provide a guarantee [FROM THE FUND

(1) of ^{Added} up to 80 percent of a loan [OF \$50,000 OR LESS] that qualifies under AS 44.88.500 - 44.88.599. The [;

(2) FOR UP TO 80 PERCENT OF A LOAN OF MORE THAN \$50,000 THAT QUALIFIES UNDER AS 44.88.500 - 44.88.599; THE] ratio of the guarantee to the outstanding principal of the loan may not increase over the term of the loan.

* Sec. 10. AS 44.88.540 is amended to read:

Sec. 44.88.540. LIMITATIONS OF GUARANTEES [FROM THE FUND].

The authority may not issue a total of more than [GUARANTEE]

1 (1) [A TOTAL OF MORE THAN] \$50,000,000 of loan guarantees
2 [LOANS];

3 (2) [MORE THAN] \$25,000,000 of loan guarantees [LOANS] in
4 which the amount of the loan guarantee exceeds \$500,000.

5 * Sec. 11. AS 44.88.550(a) is amended to read:

6 (a) The maximum interest rate that may be charged by a financial
7 institution on a loan guaranteed by the authority is two and three-quarters percentage
8 points above the prime rate.

9 * Sec. 12. AS 44.88.560 is amended to read:

10 Sec. 44.88.560. POWERS OF THE AUTHORITY. The authority may

11 (1) adopt regulations to implement AS 44.88.500 - 44.88.599;

12 (2) establish terms and conditions for loan guarantees and refinancing
13 agreements subject to the requirements of AS 44.88.500 - 44.88.599;

14 (3) make and execute contracts and other instruments to implement
15 AS 44.88.500 - 44.88.599;

16 (4) charge

17 (A) one percent of the amount guaranteed for the service it
18 provides under AS 44.88.500 - 44.88.599; and

19 (B) any other reasonable fee that the authority may establish by
20 regulation;

21 (5) acquire real or personal property by purchase, transfer, or
22 foreclosure when the acquisition is necessary to protect the authority's [AN] interest
23 in ^{Added} a loan or a loan guarantee [THE FUND];

24 (6) exercise any other power necessary to implement AS ~~44.88.500 -~~
25 ~~44.88.599;~~ and

26 (7) to the extent the authority considers it to be in its best interest to
27 do so, use money [IN THE BUSINESS ASSISTANCE FUND] to pay expenses
28 relating to the liquidation of collateral securing loans guaranteed by the authority
29 [BUSINESS ASSISTANCE FUND].

30 * Sec. 13. AS 44.88.599(2) is amended to read:

31 ^{New Section} (2) "prime rate" means the lowest United States money center prime

1 rate of interest that is published in the Wall Street Journal.

2 * Sec. 14. AS 44.88.900(3) is amended to read:

3 (3) "development project" has the meaning given to "project" in (9)(A)
4 and (D) - (F) [, (D), AND (E)] of this section;

5 * Sec. 15. AS 44.88.900(7) is repealed and reenacted to read:

6 (7) "loan participation" means the purchase of a portion of a loan from
7 a financial institution if the financial institution has obtained a commitment from the
8 authority to purchase the portion of that loan before the financial institution has
9 disbursed money as part of the loan to the borrower;

10 * Sec. 16. AS 44.88.900(9) is amended to read:

11 (9) "project" means

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

19 (B) a plant or facility used or intended for use in connection
20 with a business enterprise;

21 (C) commercial activity by a business [SMALL] enterprise;

22 (D) a plant or facility demonstrating technological advances of
23 new methods and procedures and prototype commercial applications for the
24 exploration, development, production, transportation, conversion, and use of
25 energy resources;

26 (E) infrastructure for a new tourism destination facility or for
27 the expansion of a tourism destination facility;

28 (F) a plant or facility, other than a plant or facility described in
29 (D) of this paragraph, for the generation, transmission, development,
30 transportation, conversion, or use of energy resources;

31 * Sec. 17. Section 4, ch. 162, SLA 1988, as amended by sec. 4, ch. 25, SLA 1991, and
This section was repealed in CSHB 526 (FIN) am

1 sec. 4, ch. 27, SLA 1993, is amended to read:

2 Sec. 4. AS 44.88.500 - 44.88.599 are repealed July 1, 1998 [1996].

3 * Sec. 18. AS 44.88.542, 44.88.599(1), and 44.88.900(14) are repealed. *The repeal of*

4 * Sec. 19. Sections 1 and 2, ch. 27, SLA 1993, are repealed.

AS 44.88.500 (b) was deleted

5 * Sec. 20. ^{New Section} TRANSITION. On the effective date of this Act, assets of the business
6 assistance fund (AS 44.88.500(a)) shall be transferred to the Alaska Industrial Development
7 and Export Authority revolving fund (AS 44.88.060).

8 * Sec. 21. ^{New Section} Notwithstanding AS 44.88.095(g), the Alaska Industrial Development and Export
9 Authority may, without legislative approval, issue bonds in an amount not to exceed
10 \$10,000,000 to assist in the financing of a development project under AS 44.88.172 -
11 44.88.177. Bonds may not be issued under this section after June 30, 1998.

CSHB 526 (FIN) am restricted on development project bonds.

12 * Sec. 22. (a) The Alaska Industrial Development and Export Authority (AIDEA) may
13 issue bonds to finance the expansion, improvement, and modification of the existing port
14 facilities owned by AIDEA with respect to the DeLong Mountain transportation system and
15 to finance the construction of new facilities to be owned by AIDEA related to the DeLong
16 Mountain transportation system, or may finance these projects by other means available to
17 AIDEA. The principal amount of the bonds and other financing provided by AIDEA may not
18 exceed \$85,000,000.

19 ^{New Language} (b) Before bonds or notes authorized under (a) of this section may be issued, the
20 Alaska Industrial Development and Export Authority shall comply with AS 44.88.173 and
21 shall incorporate into the final finance plan and agreement for the DeLong Mountain
22 transportation system project the following terms and conditions:

23 (1) Cominco, Ltd., is required to agree in writing that

24 (A) Cominco, Ltd., will pay for all or a portion of the operation and
25 maintenance of facilities constructed, expanded, improved, or modified as part of the
26 project based on the use Cominco Alaska makes of the facilities compared to the use
27 made by others; and

28 (B) toll fees paid by Cominco Alaska for the use of facilities
29 constructed, expanded, improved, or modified as part of the project to the Alaska
30 Industrial Development and Export Authority may be periodically adjusted if the price
31 of zinc rises above a level that yields a return on investment commensurate with risk;

1 (2) a toll schedule, that may be periodically adjusted, is established for use of
2 facilities constructed, expanded, improved, or modified as part of the project that

3 (A) ensures full repayment of and a reasonable return on the state's
4 investment in the project; and

5 (B) guarantees equitable access to the facilities by all users and
6 potential users, including access to private property and access for travel necessary and
7 related to resource exploration and development for which valid permits have been
8 obtained and travel in support of resource exploration and development;

9 (3) reasonable access to the port and road is guaranteed to all users and
10 potential users.

11 (c) As used in (b) of this section, "reasonable return" means a rate of return on the
12 total investment of the state of at least 6.5 percent.

13 (d) Subsection (a) of this section constitutes the legislative approval required by
14 AS 44.88.095(g).

15 * Sec. 23. (a) Upon approval of the Alaska Industrial Development and Export Authority
16 (AIDEA), AIDEA may acquire the Snettisham hydroelectric project and related assets from
17 the Alaska Power Administration.

18 (b) AIDEA may issue bonds to finance the acquisition of the Snettisham hydroelectric
19 project and related assets, or may finance the acquisition by other means available to AIDEA.
20 The principal amount of the bonds and other financing provided by AIDEA to finance the
21 acquisition of the Snettisham hydroelectric project may not exceed \$ 10,000,000.

22 (c) To secure bonds issued under (b) of this section, AIDEA may establish a capital
23 reserve fund with respect to those bonds under AS 44.88.105. If AIDEA establishes a capital
24 reserve fund as provided in this subsection, the executive director of AIDEA shall annually,
25 no later than January 2 of each year, certify in writing to the governor and the legislature the
26 amount, if any, required to restore the capital reserve fund to the capital reserve fund
27 requirement as defined in AS 44.88.105(h). The legislature may appropriate to AIDEA the
28 amount so certified by the executive director of AIDEA. AIDEA shall deposit the amounts
29 appropriated under this subsection during a fiscal year in the capital reserve fund. Nothing
30 in this section creates a debt or liability of the state.

31 (d) Subsection (b) of this section grants the legislative approval required by

1 AS 44.88.095(g).

2 * Sec. 24. This Act takes effect immediately under AS 01.10.070(c).

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 1/17/96

FURTHER: Transportation
Finance

Date of 5-Day Notice: 1/25/96
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/15/96

The State Affairs Committee considered SB 222

Relating to AIDEA operations, projects, and loans.

and recommends:

- be replaced with _____ CS SB 222 (STA)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:

- same title
 - new title
- House Bill:
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Duncan</i>	✓	<i>Roll & Help</i>	✓		
CHAIR: <i>[Signature]</i>			✓		

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

C&ED	1/16/96	0	
Administration	1/16/96	0	

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

No. 1

Bill Version: SB 222

(S) Publish Date: 1/17/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____
 Title: Financing authority, programs and projects of
 AIDEA _____
 Sponsor: Rules Committee
 Requestor: Governor

Department: Commerce and Economic Development
 BRU: AIDEA
 Component: AIDEA
 COMPONENT SERIAL NO. 1234

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00
CAPITAL EXPENDITURES	00	00	00	00	00	00
CHANGE IN REVENUES	00	00	00	00	00	00

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 96) cost: \$ 00

POSITIONS

FULL-TIME	
PART-TIME	
TEMPORARY	

ANALYSIS: (Attach a separate page if necessary)

Bonds will be sold to finance projects and will have no fiscal impact on the General Fund. Program changes will have no fiscal impact on the General Fund.

Prepared by: William R. Snell, Executive Director
 Division: AIDEA
 Approved by Commissioner: William L. Hensley
 Agency: Commerce and Economic Development

Phone: 1907) 561-8050
 Date: January 16, 1996
 Date: 1-16-96

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FISCAL NOTE

No. 2

Bill Version: SB 222

(S) Publish Date: 1/17/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____
Title: An Act relating to the financing authority, programs, operations, and projects of the Alaska Industrial Development...
Sponsor: Rules Committee
Requestor: Governor

Dept. Affected: Administration
BRU: General Services
Component: Purchasing

COMPONENT SERIAL NO. 50

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 96) cost: \$ -0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

There is no fiscal impact to the Department of Administration.

Prepared by: Duane Petty, Director
Division: General Services

Phone: 465-2250
Date: _____

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Date: 1/16/96

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SB 222 - AIDEA

"An Act relating to the financing authority, programs, operations, and projects of the Alaska Industrial Development and Export Authority; providing an exemption from the procurement code for certain projects of the authority; and providing for an effective date."

SB 222 vs. CSSB 222 (STA) dated 3/13/96

Section 2: amended to delete AIDEA authority to issue bonds to assist in the financing of a development project up to \$10 million without legislative approval. CS requires that AIDEA gain legislative approval to issue bonds in the financing of development projects.

Note: This change in statute also "undoes" a sunset provision which froze AIDEA's ability to issue any bonds as of July 1, 1995. This language would once again open up the current AIDEA statutes to allow them to finance conduit bonds, refunding bonds or loan participation, (with statute exceptions) (See AS 44.88.095(g)).

(old) **Section 9:** Business Assistance Loan Fund: AS 44.88.535(c) was amended in original bill to allow AIDEA to guarantee the payment of interest on the guaranteed portion of a defaulted loan and establish requirements by regulation. This CS would leave statute language in place, i.e. the authority may not guarantee the payment of interest on the guaranteed portion of a loan.

New Section 9: Per AS 44.88.535(a), re: Business Assistance Program, loan guarantee; AIDEA would like to waive collateral on a case-by-case basis per regulation. Current statute allows waiving of collateral on guarantee up to \$75,000; (\$50,000 limit established in 1988 when program went into effect; 1992 amount was increased from \$50,000 to \$75,000) Take a good look at this provision re: common banking practices.

Section 10: The cite for "section 10" of SB 222 has been removed by Legal Services re: technical writing only. The language is still included within Section 9 of the CS.

Section 11: (was Sec. 10 of SB 222) is rewritten for technical reasons only by Legal Services. No change in meaning or language.

Section 12: (was Section 11 of SB 222); same

Section 13: (was Section 12 of SB 222); same

Section 14: (was Section 13 of SB 222); same

Section 15: (was Section 14 of SB 222); same

Section 16: (was Section 15 of SB 222); same

Section 17: Former Section 16 of SB 222 repealed two session laws: in particular, (2) Section 4, ch. 162, SLA 1988, as amended by sec. 4, ch. 25, SLA 1991, as amended by sec. 4, ch. 27, SLA 1993 extends the sunset date for the Business Assistance Program. SB 222 asks to delete the Sunset on this program; this section would extend the sunset from July 1, 1996 to July 1, 1999 for legislative review at that time.

Section 18: (was Sec. 16 of SB 222); repealer:

Take a good look at AS 44.88.500(b) re: Business Assistance Loan Fund. This section would delete language: "The holder of a debt instrument for a loan guaranteed by the authority does not have recourse to the assets of the authority beyond those designated by the authority from its reserves for the purpose."

Please note that per Section 20, on the effective date of this Act, all assets of the business assistance fund will be transferred to the AIDEA revolving fund. By deleting the above language, it could be possible that the holder of a debt instrument will indeed have recourse to assets of the Authority; AIDEA may state that they would assure that this wouldn't happen re: placing this restriction in regulations, but it should be made clear that all assets are not on line. Perhaps consider deleting this particular repealer.

Section 19: (was part of Section 16 of SB 222) re: repeal of legislative authorization for Midrex project and refueling facility at the Anchorage International Airport. Language remains the same. (These projects were never carried out, so this would extinguish the legislative approval as such.)

Section 20: New Transition provision: References to the Business Assistance Fund are being deleted; the bill was silent as to where

the funds would be placed; this clarifies that the funds would transfer into AIDEA's revolving fund (AS 44.88.060).

Section 21: (was Sec. 18 of SB 222); same re: DeLong Mt. Transportation system bonding up to \$60M. AIDEA has forwarded a letter to Senate State Affairs Committee asking that this amount be increased to \$85M. (Letter attached.) This amount was not changed in the Senate STA CS; the Committee did not have the opportunity to review the letter. *TIE in original amended language (1995) former complaint, etc*

Section 22: (was Sec. 19 of SB 222); same re: \$100M purchase of Snettisham Dam. *Please note the letter from AIDEA addressing the moral obligation of the state on this matter. It is imperative that the Senate Transportation Committee review this project to assure that this project carries its own water.*

Section 23: (was Sec. 20 of SB 222); same re: EFD.

Ann
3/14/96

CS FOR SENATE BILL NO. 222(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR
A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the financing authority, programs, operations, and projects of
2 the Alaska Industrial Development and Export Authority; ~~providing for~~
3 from the procurement code for certain projects of the authority; and providing
4 for an effective date."

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

6 • Section 1. AS 36.30.850(b) is amended by adding a new paragraph to read:
7 (34) contracts of the Alaska Industrial Development and Export Authority
8 related to integrated transportation and port facilities owned by the authority.

9 • Sec. 2. AS 44.88.095(g) is amended to read:
10 (g) Without prior legislative approval, the authority may not issue bonds to
11 assist in the financing of a development project under AS 44.88.172 - 44.88.177
12 [, EXCEPT REFUNDING BONDS].

13 • Sec. 3. AS 44.88.159(a) is amended to read:
14 (a) The interest rate on a loan participation purchased [FINANCED] from the

1 proceeds of tax-exempt bonds or expected by the authority to be purchased
2 [FINANCED] from the proceeds of tax-exempt bonds is equal to the cost of funds to the
3 authority. In this subsection "cost of funds" means the true interest cost expressed as a
4 rate on tax-exempt bonds of the authority plus an additional percentage as determined
5 by the authority to represent the allocable expenses of operation, costs of issuance, and
6 loan servicing.

7 • Sec. 4. AS 44.88.159(b) is amended to read:

8 (b) The interest rate on a loan participation purchased [FINANCED] from the
9 proceeds of taxable bonds or expected by the authority to be purchased [FINANCED]
10 from the proceeds of taxable bonds is equal to the cost of funds to the authority. In this
11 subsection "cost of funds" means the true interest cost expressed as a rate on taxable
12 bonds, plus an additional percentage as determined by the authority to represent the
13 allocable expenses of operation, costs of issuance, and loan servicing costs.

14 • Sec. 5. AS 44.88.159(e) is amended to read:

15 (e) The interest rate on a loan participation purchased [FINANCED] directly
16 from the assets of the authority shall be determined under the regulations adopted by the
17 authority under AS 44.88.085(g)(2)(C).

18 • Sec. 6. AS 44.88.205(b) is amended to read:

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

21 (1) annually review the authority's assets to determine whether assets of
22 the authority exceed an amount required to fulfill the purposes of the authority as defined
23 in this chapter; in making its review, [THE MEMBERS OF] the authority shall
24 determine whether, and to what extent, assets in excess of the amount required to fulfill
25 the purposes of the authority during at least the next fiscal year are available without

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

27 (B) materially impairing the operations or financial integrity of
28 the authority; or

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

31 (2) present to the legislature by January 10 of each year a complete
32 accounting of all assets of the authority and a report of the review and determination

1 made under (1) of this subsection; the accounting shall be audited by the auditor who
2 conducts the audit required by AS 44.88.200 and must include a full description of all
3 loan interest and principal payments and program receipts, including

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

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

8 * Sec. 7. AS 44.88.500(a) is amended to read:

9 (a) [THE BUSINESS ASSISTANCE FUND IS ESTABLISHED IN THE
10 AUTHORITY FROM MONEY IN THE AUTHORITY'S RESERVES DESIGNATED
11 BY THE AUTHORITY FOR THE PURPOSE.] Subject to the requirements of
12 AS 44.88.500 - 44.88.599, the authority may [USE MONEY IN THE FUND]

13 (1) [TO] guarantee new business assistance loans; and

14 (2) [TO] guarantee new business assistance loans made to refinance
15 existing loans.

16 * Sec. 8. AS 44.88.530 is amended to read:

17 Sec. 44.88.530. APPLICABILITY OF PROVISIONS. AS 44.88.535 - 44.88.560
18 apply to

19 [(1)] new loan guarantees and refinancing guarantees under
20 AS 44.88.500 [AS 44.88.500(a)(1); AND

21 (2) DEBT REFINANCING GUARANTEES UNDER
22 AS 44.88.500(a)(2)].

23 * Sec. 9. AS 44.88.535(a) is amended to read:

24 (a) The authority may guarantee a loan under AS 44.88.500 - 44.88.599 if the

25 (1) loan

26 (A) is commercially reasonable;

27 (B) contains amortization provisions satisfactory to the authority;

28 (C) is secured by adequate collateral; however, the authority may
29 waive on a case-by-case basis the requirement of collateral in the manner and
30 under requirements established by the authority by regulation [FOR A
31 LOAN GUARANTEE OF \$75,000 OR LESS FOR WHICH THE PROPOSED
32 LOAN AMORTIZATION PERIOD DOES NOT EXCEED FIVE YEARS], but

1 the ability to waive the requirement of this subparagraph or the grant of a waiver
2 does not prevent the financial institution that holds the loan guaranteed by the
3 authority from requiring reasonable collateral for the loan:

4 (2) net cash flow from the borrower provides adequate coverage for the
5 debt service on the loan;

6 (3) term of the loan does not exceed 20 years;

7 (4) loan is originated with and serviced by a state chartered or federally
8 chartered financial institution;

9 (5) portion of the loan not guaranteed by the authority is held by the
10 originating financial institution or another [FINANCIAL] institution approved by the
11 authority;

12 (6) proceeds of the loan will be used [IS MADE] to benefit a business
13 conducted in the [WITH A MAJORITY INTEREST HELD BY] state [RESIDENTS];
14 and

15 (7) loan guarantee provides a benefit to the borrower.

16 * Sec. 10. AS 44.88.535(b) is amended to read:

17 (b) The authority may provide a guarantee [FROM THE FUND

18 (1) of 80 percent of a loan [OF \$50,000 OR MORE];
19 AS 44.88.500 - 44.88.599;

20 [(2) FOR UP TO 80 PERCENT OF A LOAN OF MORE THAN
21 \$50,000 THAT QUALIFIES UNDER AS 44.88.500 - 44.88.599:] the ratio of the
22 guarantee to the outstanding principal of the loan may not increase over the term of the
23 loan.

24 * Sec. 11. AS 44.88.540 is amended to read:

25 Sec. 44.88.540. LIMITATIONS OF GUARANTEES [FROM THE FUND]. The
26 authority may not issue a total of [GUARANTEE]

27 (1) [A TOTAL OF] more than \$50,000,000 of loan guarantees
28 [LOANS];

29 (2) more than \$25,000,000 of loan guarantees [LOANS] in which the
30 amount of the loan guarantee exceeds \$500,000.

31 * Sec. 12. AS 44.88.550(a) is amended to read:

32 (a) The maximum interest rate that may be charged by a financial institution

1 on a loan guaranteed by the authority is two and three-quarters percentage points above
2 the prime rate.

3 * Sec. 13. AS 44.88.560 is amended to read:

4 Sec. 44.88.560. POWERS OF THE AUTHORITY. The authority may

5 (1) adopt regulations to implement AS ~~44.88.500 - 44.88.599~~;

6 (2) establish terms and conditions for loan guarantees and refinancing
7 agreements subject to the requirements of AS 44.88.500 - ~~44.88.599~~;

8 (3) make and execute contracts and other instruments to implement
9 AS ~~44.88.500 - 44.88.599~~;

10 (4) charge

11 (A) one percent of the amount guaranteed for the service it
12 provides under AS ~~44.88.500 - 44.88.599~~; and

13 (B) any other reasonable fee that the authority may establish by
14 regulation;

15 (5) acquire real or personal property by purchase, transfer, or foreclosure
16 when the acquisition is necessary to protect the authority's [AN] interest [IN THE
17 FUND];

18 (6) exercise any other power necessary to implement AS ~~44.88.500 -~~
19 ~~44.88.599~~; and

20 (7) to the extent the authority considers it to be in its best interest to do
21 so, use money [IN THE BUSINESS ASSISTANCE FUND] to pay expenses relating to
22 the liquidation of collateral securing loans guaranteed by the authority [BUSINESS
23 ASSISTANCE FUND].

24 * Sec. 14. AS 44.88.900(3) is amended to read:

25 (3) "development project" has the meaning given to "project" in (9)(A)
26 and (D) - (F) [, (D), AND (E)] of this section;

27 * Sec. 15. AS ~~44.88.900(7)~~ is repealed and reenacted to read:

28 (7) "loan participation" means the purchase of a portion of a loan from
29 a financial institution if the financial institution has obtained a commitment from the
30 authority to purchase the portion of that loan before the financial institution has disbursed
31 money as part of the loan to the borrower;

32 * Sec. 16. AS 44.88.900(9) is amended to read:

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(9) "project" means

(A) a plant or facility used or intended for use in connection with making, processing, preparing, transporting, or producing in any manner, goods, products, or substances of any kind or nature or in connection with developing or utilizing a natural resource, or extracting, smelting, transporting, converting, assembling, or producing in any manner, minerals, raw materials, chemicals, compounds, alloys, fibers, commodities and materials, products, or substances of any kind or nature;

(B) a plant or facility used or intended for use in connection with a business enterprise;

(C) commercial activity by a business [SMALL] enterprise;

(D) a plant or facility demonstrating technological advances of new methods and procedures and prototype commercial applications for the exploration, development, production, transportation, conversion, and use of energy resources;

(E) infrastructure for a new tourism destination facility or for the expansion of a tourism destination facility;

(F) a plant or facility, other than a plant or facility described in (D) of this paragraph, for the generation, transmission, development, transportation, conversion, or use of energy resources;

* Sec. 17. Section 4, ch. 162, SLA 1988, as amended by sec. 4, ch. 25, SLA 1991, and sec. 4, ch. 27, SLA 1993, is amended to read:

Sec. 4. AS 44.88.500 - 44.88.599 are repealed July 1, 1999 [1996].

* Sec. 18. AS 44.88.500(b), 44.88.542, 44.88.599(1), and 44.88.900(14) are repealed.

* Sec. 19. Sections 1 and 2, ch. 27, SLA 1993, are repealed.

* Sec. 20. TRANSITION. On the effective date of this Act, assets of the business assistance fund (AS 44.88.500(a)) shall be transferred to the Alaska Industrial Development and Export Authority revolving fund (AS 44.88.060).

* Sec. 21. (a) The Alaska Industrial Development and Export Authority (AIDEA) may issue bonds to finance the expansion, improvement, and modification of the existing port facilities owned by AIDEA with respect to the DeLong Mountain transportation system and to finance the construction of new facilities to be owned by AIDEA related to the DeLong Mountain

1 transportation system, or may finance these projects by other means available to AIDEA. The
2 principal amount of the bonds and other financing provided by AIDEA may not exceed
3 \$60,000,000.

4 (b) Subsection (a) of this section constitutes the legislative approval required by
5 AS 44.88.095(g).

6 * Sec. 22. (a) Upon approval of the Alaska Industrial Development and Export Authority
7 (AIDEA), AIDEA may acquire the Snettisham hydroelectric project and related assets from the
8 Alaska Power Administration.

9 (b) AIDEA may issue bonds to finance the acquisition of the Snettisham hydroelectric
10 project and related assets, or may finance the acquisition by other means available to AIDEA.
11 The principal amount of the bonds and other financing provided by AIDEA to finance the
12 acquisition of the Snettisham hydroelectric project may not exceed \$100,000,000.

13 (c) To secure bonds issued under (b) of this section, AIDEA may establish a capital
14 reserve fund with respect to those bonds under AS 44.88.105. If AIDEA establishes a capital
15 reserve fund as provided in this subsection, the executive director of AIDEA shall annually, no
16 later than January 2 of each year, certify in writing to the governor and the legislature the
17 amount, if any, required to restore the capital reserve fund to the capital reserve fund
18 requirement as defined in AS 44.88.105(h). The legislature may appropriate to AIDEA the
19 amount so certified by the executive director of AIDEA. AIDEA shall deposit the amounts
20 appropriated under this subsection during a fiscal year in the capital reserve fund. Nothing in
21 this section creates a debt or liability of the state.

22 (d) Subsection (b) of this section grants the legislative approval required by
23 AS 44.88.095(g).

24 * Sec. 23. This Act takes effect immediately under AS 01.10.070(c).

 Bills previously scheduled. 

SB 222 - AIDEA

-ADOPT CS VERSION "F"

Section 2: amended to delete AIDEA authority to issue bonds to assist in the financing of a development project up to \$10 million without legislative approval. CS requires that AIDEA gain legislative approval to issue bonds in the financing of development projects.

Note: This change in statute also "undoes" a sunset provision which froze AIDEA's ability to issue any bonds as of July 1, 1995. This language would once again open up the current AIDEA statutes to allow them to finance conduit bonds, refunding bonds or loan participation, (with statute exceptions) (See AS 44.88.095(g)).

Section 9: Business Assistance Loan Fund: AS 44.88.535(c) was amended in original bill to allow AIDEA to guarantee the payment of interest on the guaranteed portion of a defaulted loan and establish requirements by regulation. This CS would leave statute language in place, i.e. the authority may not guarantee the payment of interest on the guaranteed portion of a loan.

Section 10: The cite for "section 10" of SB 222 has been removed by Legal Services re: technical writing only. The language is still included within Section 9 of the CS.

Section 11, (was Sec. 10 of SB 222) is rewritten for technical reasons only by Legal Services. No change in meaning or language.

Section 12: (was Section 11 of SB 222); same

Section 13: (was Section 12 of SB 222); same

Section 14: (was Section 13 of SB 222); same

Section 15: (was Section 14 of SB 222); same

Section 16: (was Section 15 of SB 222); same

Section 17: Former Section 16 of SB 222 repealed two session laws: in particular, (2) Section 4, ch. 162, SLA 1988, as amended by sec. 4, ch. 25, SLA 1991, as amended by sec. 4, ch. 27, SLA 1993 extends the sunset date for the Business Assistance Program. SB 222 asks to delete the Sunset on this program; this section would extend the sunset to July 1, 1999 for legislative review at that time.

Section 18: (was Sec. 16 of SB 222);

Section 19: (was part of Section 16 of SB 222) re: repeal of legislative authorization for Midrex project and refueling facility at the Anchorage International Airport. These projects were never carried out, so this would extinguish the legislative approval as such.

Section 20: New Transition provision: References to the Business Assistance Fund are being deleted; the bill was silent as to where the funds would be placed; this clarifies that the funds would transfer into AIDEA's revolving fund (AS 44.88.060).

Section 21: (was Sec. 18 of SB 222); same re: DeLong Mt. Transportation system bonding up to \$60M.

Section 22: (was Sec. 19 of SB 222); same re: Snettisham Dam purchase of \$100M.

Section 23: (was Sec. 20 of SB 222); same re: EFD.

March 15, 1996

SB 222 - AIDEA:

1. Senate State Affairs Committee Report
 - CSSB 222 (STA) dated 3/15/96
 - 2 fiscal notes - AIDEA = \$0
 - DOA, Admin. Services = \$0
2. Explanation of changes to SB 222 - note comments regarding each section for further review.
3. CSSB 222 (STA) version "F"
4. Richard Enberg letter dated 3/14/96 re: Small Business Assistance Program.
5. AIDEA letter dated 3/12/96 re: proposed amendments re: AS 33.88.535(c) and AS 44.88.095(g). (Note: STA CS incorporates second amendment; 1st amendment not incorporated concerning guarantee of interest payment on defaulted loan. AIDEA was to provide a copy of proposed regulations governing this request, but none received to date.)

AIDEA letter dated 3/13/96 re: DeLong Mountain Transportation System Expansion. AIDEA would like to increase the amount of bonding on this project to \$85M. The Senate State Affairs Committee did not receive this letter in time to incorporate the change into the CS.

Further, the Senate State Affairs Committee suggests that the Senate Transportation Committee incorporate similar language to original Cominco loan language (\$103M in 1989) to assure compliance and to set up perimeters in statute. (see: ch. 68, SLA 1985 re: authorization of bonds for DeLong Mt. project.)

6. AIDEA letter dated 2/23/96 re: Moral obligation of the State re: purchase of Snettisham Project.

7. Session laws:

-ch. 27, SLA 1993 (Midrex, airport refueling facility authorization)
-Business Assistance Program sunset extension to 7/1/96

-ch. 25, SLA 1991 - Business Assistance Fund repealer extended to 7/1/93

-ch. 162, SLA 1988 creating the Business Assistance Fund; also includes repealer July 1, 1991

-ch. 68, SLA 1985 re: authorization of bonds for DeLong Mt. project.

-ch. 67, SLA 1985 - DeLong Mt. project appropriation language

8. AIDEA informational packet:

- Red Dog Expansion Project
- Business Assistance Fund overview
- AEA project status reports 2/2/96
- AIDEA estimated future debt service coverage
- Snettisham Project Risks

9. AS 44.88.095(g) statute cite re: sunset provisions to all AIDEA bonding programs.

10. Senate State Affairs Committee minutes dated 2/6/96

11. SB 222 Sectional, AIDEA Program description; status report.

12. Sponsor statement.

13. Title IV - Dept. of Energy agreement re: Snettisham purchase.

Ann
3/15/96

9-GS2013VF

Cook

3/13/96

CS FOR SENATE BILL NO. 222(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the financing authority, programs, operations, and projects of
2 the Alaska Industrial Development and Export Authority; providing an exemption
3 from the procurement code for certain projects of the authority; and providing
4 for an effective date."

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

6 • Section 1. AS 36.30.850(b) is amended by adding a new paragraph to read:

7 (34) contracts of the Alaska Industrial Development and Export Authority
8 related to integrated transportation and port facilities owned by the authority.

9 • Sec. 2. AS ~~44.88.095~~(g) is amended to read:

10 (g) Without prior legislative approval, the authority may not issue bonds to
11 assist in the financing of a development project under AS 44.88.172 - 44.88.177
12 [, EXCEPT REFUNDING BONDS].

13 • Sec. 3. AS ~~44.88.159~~(a) is amended to read:

14 (a) The interest rate on a loan participation purchased [FINANCED] from the

1 proceeds of tax-exempt bonds or expected by the authority to be purchased
2 [FINANCED] from the proceeds of tax-exempt bonds is equal to the cost of funds to the
3 authority. In this subsection "cost of funds" means the true interest cost expressed as a
4 rate on tax-exempt bonds of the authority plus an additional percentage as determined
5 by the authority to represent the allocable expenses of operation, costs of issuance, and
6 loan servicing.

7 * Sec. 4. AS 44.88.159(b) is amended to read:

8 (b) The interest rate on a loan participation purchased [FINANCED] from the
9 proceeds of taxable bonds or expected by the authority to be purchased [FINANCED]
10 from the proceeds of taxable bonds is equal to the cost of funds to the authority. In this
11 subsection "cost of funds" means the true interest cost expressed as a rate on taxable
12 bonds, plus an additional percentage as determined by the authority to represent the
13 allocable expenses of operation, costs of issuance, and loan servicing costs.

14 * Sec. 5. AS 44.88.159(e) is amended to read:

15 (e) The interest rate on a loan participation purchased [FINANCED] directly
16 from the assets of the authority shall be determined under the regulations adopted by the
17 authority under AS 44.88.085(g)(2)(C).

18 * Sec. 6. AS 44.88.205(b) is amended to read:

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

21 (1) annually review the authority's assets to determine whether assets of
22 the authority exceed an amount required to fulfill the purposes of the authority as defined
23 in this chapter; in making its review, [THE MEMBERS OF] the authority shall
24 determine whether, and to what extent, assets in excess of the amount required to fulfill
25 the purposes of the authority during at least the next fiscal year are available without

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

27 (B) materially impairing the operations or financial integrity of
28 the authority; or

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

31 (2) present to the legislature by January 10 of each year a complete
32 accounting of all assets of the authority and a report of the review and determination

1 made under (1) of this subsection; the accounting shall be audited by the auditor who
2 conducts the audit required by AS 44.88.200 and must include a full description of all
3 loan interest and principal payments and program receipts, including

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

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

8 • Sec. 7. AS 44.88.500(a) is amended to read:

9 (a) [THE BUSINESS ASSISTANCE FUND IS ESTABLISHED IN THE
10 AUTHORITY FROM MONEY IN THE AUTHORITY'S RESERVES DESIGNATED
11 BY THE AUTHORITY FOR THE PURPOSE.] Subject to the requirements of
12 AS 44.88.500 - 44.88.599, the authority may [USE MONEY IN THE FUND]

13 (1) [TO] guarantee new business assistance loans; and

14 (2) [TO] guarantee new business assistance loans made to refinance
15 existing loans.

16 • Sec. 8. AS 44.88.530 is amended to read:

17 Sec. 44.88.530. APPLICABILITY OF PROVISIONS. AS 44.88.535 - 44.88.560
18 apply to

19 [(1)] new loan guarantees and refinancing guarantees under
20 AS 44.88.500 [AS 44.88.500(a)(1); AND

21 (2) DEBT REFINANCING GUARANTEES UNDER
22 AS 44.88.500(a)(2)].

23 • Sec. 9. AS 44.88.535(a) is amended to read:

24 (a) The authority may guarantee a loan under AS 44.88.500 - 44.88.599 if the

25 (1) loan

26 (A) is commercially reasonable;

27 (B) contains amortization provisions satisfactory to the authority;

28 (C) is secured by adequate collateral; however, the authority may
29 waive on a case-by-case basis the requirement of collateral in the manner and
30 under requirements established by the authority by regulation [FOR A
31 LOAN GUARANTEE OF \$75,000 OR LESS FOR WHICH THE PROPOSED
32 LOAN AMORTIZATION PERIOD DOES NOT EXCEED FIVE YEARS], but

1 the ability to waive the requirement of this subparagraph or the grant of a waiver
2 does not prevent the financial institution that holds the loan guaranteed by the
3 authority from requiring reasonable collateral for the loan;

4 (2) net cash flow from the borrower provides adequate coverage for the
5 debt service on the loan;

6 (3) term of the loan does not exceed 20 years;

7 (4) loan is originated with and serviced by a state chartered or federally
8 chartered financial institution;

9 (5) portion of the loan not guaranteed by the authority is held by the
10 originating financial institution or another [FINANCIAL] institution approved by the
11 authority;

12 (6) proceeds of the loan will be used [IS MADE] to benefit a business
13 conducted in the [WITH A MAJORITY INTEREST HELD BY] state [RESIDENTS];
14 and

15 (7) loan guarantee provides a benefit to the borrower.

16 • Sec. 10. AS 44.88.535(b) is amended to read:

17 (b) The authority may provide a guarantee [FROM THE FUND

18 (1)] of 80 percent of a loan [OF \$50,000 OR LESS] that qualifies under
19 AS 44.88.500 - 44.88.599;

20 [(2) FOR UP TO 80 PERCENT OF A LOAN OF MORE THAN
21 \$50,000 THAT QUALIFIES UNDER AS 44.88.500 - 44.88.599.] the ratio of the
22 guarantee to the outstanding principal of the loan may not increase over the term of the
23 loan.

24 • Sec. 11. AS 44.88.540 is amended to read:

25 Sec. 44.88.540. LIMITATIONS OF GUARANTEES [FROM THE FUND]. The
26 authority may not issue a total of [GUARANTEE]

27 (1) [A TOTAL OF] more than \$50,000,000 of loan guarantees
28 [LOANS];

29 (2) more than \$25,000,000 of loan guarantees [LOANS] in which the
30 amount of the loan guarantee exceeds \$500,000.

31 • Sec. 12. AS 44.88.550(a) is amended to read:

32 (a) The maximum interest rate that may be charged by a financial institution

1 on a loan guaranteed by the authority is two and three-quarters percentage points above
2 the prime rate.

3 * Sec. 13. AS 44.88.560 is amended to read:

4 Sec. 44.88.560. POWERS OF THE AUTHORITY. The authority may

5 (1) adopt regulations to implement AS 44.88.500 - 44.88.599;

6 (2) establish terms and conditions for loan guarantees and refinancing
7 agreements subject to the requirements of AS 44.88.500 - 44.88.599;

8 (3) make and execute contracts and other instruments to implement
9 AS 44.88.500 - 44.88.599;

10 (4) charge

11 (A) one percent of the amount guaranteed for the service it
12 provides under AS 44.88.500 - 44.88.599; and

13 (B) any other reasonable fee that the authority may establish by
14 regulation;

15 (5) acquire real or personal property by purchase, transfer, or foreclosure
16 when the acquisition is necessary to protect the authority's [AN] interest [IN THE
17 FUND];

18 (6) exercise any other power necessary to implement AS 44.88.500 -
19 44.88.599; and

20 (7) to the extent the authority considers it to be in its best interest to do
21 so, use money [IN THE BUSINESS ASSISTANCE FUND] to pay expenses relating to
22 the liquidation of collateral securing loans guaranteed by the authority [BUSINESS
23 ASSISTANCE FUND].

24 * Sec. 14. AS 44.88.900(3) is amended to read:

25 (3) "development project" has the meaning given to "project" in (9)(A)
26 and (D) - (F) [, (D), AND (E)] of this section;

27 * Sec. 15. AS 44.88.900(7) is repealed and reenacted to read:

28 (7) "loan participation" means the purchase of a portion of a loan from
29 a financial institution if the financial institution has obtained a commitment from the
30 authority to purchase the portion of that loan before the financial institution has disbursed
31 money as part of the loan to the borrower;

32 * Sec. 16. AS 44.88.900(9) is amended to read:

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(9) "project" means

(A) a plant or facility used or intended for use in connection with making, processing, preparing, transporting, or producing in any manner, goods, products, or substances of any kind or nature or in connection with developing or utilizing a natural resource, or extracting, smelting, transporting, converting, assembling, or producing in any manner, minerals, raw materials, chemicals, compounds, alloys, fibers, commodities and materials, products, or substances of any kind or nature;

(B) a plant or facility used or intended for use in connection with a business enterprise;

(C) commercial activity by a business [SMALL] enterprise;

(D) a plant or facility demonstrating technological advances of new methods and procedures and prototype commercial applications for the exploration, development, production, transportation, conversion, and use of energy resources;

(E) infrastructure for a new tourism destination facility or for the expansion of a tourism destination facility;

(F) a plant or facility, other than a plant or facility described in (D) of this paragraph, for the generation, transmission, development, transportation, conversion, or use of energy resources;

* Sec. 17. Section 4, ch. 162, SLA 1988, as amended by sec. 4, ch. 25, SLA 1991, and sec. 4, ch. 27, SLA 1993, is amended to read:

Sec. 4. AS 44.88.500 - 44.88.599 are repealed July 1, 1999 [1996].

* Sec. 18. AS 44.88.500(b), 44.88.542, 44.88.599(1), and 44.88.900(14) are repealed.

* Sec. 19. Sections 1 and 2, ch. 27, SLA 1993, are repealed.

* Sec. 20. TRANSITION. On the effective date of this Act, assets of the business assistance fund (AS 44.88.500(a)) shall be transferred to the Alaska Industrial Development and Export Authority revolving fund (AS 44.88.060).

* Sec. 21. (a) The Alaska Industrial Development and Export Authority (AIDEA) may issue bonds to finance the expansion, improvement, and modification of the existing port facilities owned by AIDEA with respect to the DeLong Mountain transportation system and to finance the construction of new facilities to be owned by AIDEA related to the DeLong Mountain

1 transportation system, or may finance these projects by other means available to AIDEA. The
2 principal amount of the bonds and other financing provided by AIDEA may not exceed
3 \$60,000,000.

4 (b) Subsection (a) of this section constitutes the legislative approval required by
5 AS 44.88.095(g).

6 * Sec. 22. (a) Upon approval of the Alaska Industrial Development and Export Authority
7 (AIDEA), AIDEA may acquire the Snettisham hydroelectric project and related assets from the
8 Alaska Power Administration.

9 (b) AIDEA may issue bonds to finance the acquisition of the Snettisham hydroelectric
10 project and related assets, or may finance the acquisition by other means available to AIDEA.
11 The principal amount of the bonds and other financing provided by AIDEA to finance the
12 acquisition of the Snettisham hydroelectric project may not exceed \$100,000,000.

13 (c) To secure bonds issued under (b) of this section, AIDEA may establish a capital
14 reserve fund with respect to those bonds under AS 44.88.105. If AIDEA establishes a capital
15 reserve fund as provided in this subsection, the executive director of AIDEA shall annually, no
16 later than January 2 of each year, certify in writing to the governor and the legislature the
17 amount, if any, required to restore the capital reserve fund to the capital reserve fund
18 requirement as defined in AS 44.88.105(h). The legislature may appropriate to AIDEA the
19 amount so certified by the executive director of AIDEA. AIDEA shall deposit the amounts
20 appropriated under this subsection during a fiscal year in the capital reserve fund. Nothing in
21 this section creates a debt or liability of the state.

22 (d) Subsection (b) of this section grants the legislative approval required by
23 AS 44.88.095(g).

24 * Sec. 23. This Act takes effect immediately under AS 01.10.070(c).

February 17, 1996

SB 222 - Amendments: (AIDEA)

1. Page 1, lines 9-12:
Delete all material.

Current law requires that legislative approval is required on all AIDEA loans. AIDEA has requested that they be given the authority to make loans up to \$10M without legislative approval. Deletion of this Section 2 would keep the status quo.

2. Page 3, line 26:

Delete "AS 44.88.535"
Insert "AS 44.88.535(a)"

AIDEA would like to liberalize the Business Assistance Loan Program because of changes to the federal SBA program. SB 222 would allow AIDEA to waive collateral on a case-by-case basis conditioned upon requirements maintained in regulation for loans of any amount (up to \$1M). Current law allows AIDEA to waive collateral on a case-by-case basis for loan guarantees of \$75,000 or less for which the proposed loan amortization period does not exceed five years. This amendment would maintain status quo.

3. Page 3, line 27:

Delete "Sec. 44.88.535 CONDITIONS OF LOAN
GUARANTEE."

(Technical amendment to coincide with Page 3, line 26 amendment (above)).

4. Page 4, after line 21:

Insert "*Sec. 9. AS 44.88.535(b) is amended to read:"

(Technical amendment to add Section reference to coincide with above amendments.)

5. Page 4, lines 29-31:

Delete all material.

Currently, AIDEA may not guarantee the payment of interest on the guaranteed portion of a loan. In light of recent changes to the federal SBA program, AIDEA would now like to guarantee interest on defaulted loans and establish rules regarding such by regulation. This amendment would maintain status quo.

6. Page 6, after line 29:

Insert a new bill section to read:

"*Sec. 16. Section 4, Ch. 162, SLA 1988, as amended by sec. 4, Ch. 25, SLA 1991, and sec. 4, ch. 27, SLA 1993, is amended to read:

Sec. 4. AS 44.88.500 - 44.88.599 are repealed July 1, 1999 [1996]."

Extends the sunset date of the Business Assistance Loan Program to July 1, 1999.

7. Page 6, line 21 through Page 7, line 3:

Delete all material.

Insert new bill sections to read:

"*Sec. 18. Section 1 and 2, ch. 27, SLA 1993 are repealed.

*Sec. 19. TRANSITION. On the effective date of this Act, assets of the business assistance fund (AS 44.88.500(a)) shall be transferred to the Alaska Industrial Development and Export Authority revolving fund (AS 44.88.660)."

AIDEA was silent as to what would happen to assets, if any, in the Business Assistance Loan Fund. This would simply clarify that if there are any assets in this account (AIDEA was to provide a list of

projects/loans outstanding), would be transferred to AIDEA's revolving fund.

OTHER ITEMS TO CONSIDER:

***** DeLong Mt. Transportation Project Expansion**

Consider that the same qualifiers to the original financing of the Red Dog project, (Ch. 68. SLA 85) should apply to the new financing of up to \$60M for the project authorized in Sec. 18.

AIDEA shall comply with AS 44.88.173 (a) and shall incorporate into the final finance plan and agreement for the DeLong Mountain transportation expansion project the following terms and conditions:

(1) Cominco, Ltd. is required to agree in writing that:

(A) Cominco, Ltd. will pay for all or a portion of the maintenance of facilities constructed as part of the project based on the use Cominco Alaska makes of the facilities compared to the use made by others;

(B) If Cominco Alaska ceases to develop the Red Dog Mine after costs have been incurred by AIDEA for the project, Cominco, Ltd. will pay the authority for those costs together with interest from the date the costs were incurred; etc.

(C) Any other prerequisites.

5. Consider Re: Snettisham: \$100,000,000 of revenue bonds guaranteed by the assets of the dam and the take-or-pay contract with AEL&P and the full faith and credit of AIDEA; (ultimately, if the project fails or defaults, AIDEA will undoubtedly come to the legislature to bail them out...historically, the legislature has always made good on bonded indebtedness.) The question to be asked is: "Is this a good project or not? " If not, then don't authorize funding.

SB 222 - AIDEA

Suggested amendments:

1. Legislative approval of all AIDEA loans; AIDEA would like to make loans of up to \$10M without legislative approval. This amendment would keep status quo.
2. AIDEA can waive collateral on a case-by-case basis for loan guarantees of \$75,000 or less for which proposed loan amortization period does not exceed five years. AIDEA would like to liberalize the Business Assistance Loan Program because of changes to SBA program. This amendment would maintain status quo.
3. Currently, AIDEA may not guarantee payment of interest on the guaranteed portion of a loan. AIDEA would now like to guarantee interest on defaulted loans and establish rules accordingly by regulation. This amendment would maintain status quo.
4. Transition language - technical amendment. Assets of the Business Assistance Loan Fund, if any, would be transferred to the AIDEA revolving fund.
5. Consider: Approval of DeLong Mt. Transportation Project Expansion: Should originating language of project (\$103M in 1985), be considered with this new authorization? What prerequisites should be placed upon project to give you a comfort level?
6. Consider Snettisham: \$100M of revenue bonds guaranteed by assets of the dam, the take-or-pay contract and moral obligation of the State of Alaska. Is this a good risk?
7. Sen. Donley was concerned about Section 9 r : out-of-state participation by majority partner. Currently, AIDEA only recognizes businesses with at least a 51% in-state partner. AIDEA would now require that the business be conducted in Alaska, but that it could be owned by a majority of out-of-state holder(s). No amendment drafted per this concern.

Ann
2/20/96

SB 222 - AIDEA

"An Act relating to the financing authority, programs, operations, and projects of the Alaska Industrial Development and Export Authority; providing an exemption from the procurement code for certain projects of the authority; and providing for an effective date."

SB 222 vs. CSSB 222 (STA) dated 3/13/96

Section 2: amended to delete AIDEA authority to issue bonds to assist in the financing of a development project up to \$10 million without legislative approval. CS requires that AIDEA gain legislative approval to issue bonds in the financing of development projects.

Note: This change in statute also "undoes" a sunset provision which froze AIDEA's ability to issue any bonds as of July 1, 1995. This language would once again open up the current AIDEA statutes to allow them to finance conduit bonds, refunding bonds or loan participation, (with statute exceptions) (See AS 44.88.095(g)).

Section 9: Business Assistance Loan Fund: AS 44.88.535(c) was amended in original bill to allow AIDEA to guarantee the payment of interest on the guaranteed portion of a defaulted loan and establish requirements by regulation. This CS would leave statute language in place, i.e. the authority may not guarantee the payment of interest on the guaranteed portion of a loan.

Section 10: The cite for "section 10" of SB 222 has been removed by Legal Services re: technical writing only. The language is still included within Section 9 of the CS.

Section 11: (was Sec 10 of SB 222) is rewritten for technical reasons only by Legal Services. No change in meaning or language.

Section 12: (was Section 11 of SB 222); same

Section 13: (was Section 12 of SB 222); same

Section 14: (was Section 13 of SB 222); same

Section 15: (was Section 14 of SB 222); same

Section 16: (was Section 15 of SB 222); same

Section 17: Former Section 16 of SB 222 repealed two session laws: in particular, (2) Section 4, ch. 162, SLA 1988, as amended by sec. 4, ch. 25, SLA 1991, as amended by sec. 4, ch. 27, SLA 1993 extends the sunset date for the Business Assistance Program. SB 222 asks to delete the Sunset on this program; this section would extend the sunset to July 1, 1999 for legislative review at that time.

Section 18: (was Sec. 16 of SB 222);

Section 19: (was part of Section 16 of SB 222) re: repeal of legislative authorization for Midrex project and refueling facility at the Anchorage International Airport. Language remains the same. (These projects were never carried out, so this would extinguish the legislative approval as such.)

Section 20: New Transition provision: References to the Business Assistance Fund are being deleted; the bill was silent as to where the funds would be placed; this clarifies that the funds would transfer into AIDEA's revolving fund (AS 44.88.060).

Section 21: (was Sec. 18 of SB 222); same re: DeLong Mt. Transportation system bonding up to \$60M.

Section 22: (was Sec. 19 of SB 222); same re: \$100M purchase of Snettisham Dam.

Section 23: (was Sec. 20 of SB 222); same re: EFD.

Ann
3/14/96

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222

January 16, 1996

The Honorable Drue Pearce
Senate President
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to boost Alaska's economy and create jobs in the state by strengthening the bonding authority of the Alaska Industrial Development and Export Authority (AIDEA). The bill also modifies AIDEA's business assistance program to make it more effective in light of the recent changes to the federal Small Business Administration loan guarantee program. In addition, the bill includes required bonding authority for several major development projects.

The first basic component of the bill (sec. 2) restores AIDEA's bonding authority for development projects of \$10,000,000 or less. AIDEA's general bonding authority expired June 30 and has severely restricted AIDEA's ability to assist not only in key development projects but also in conduit revenue financing transactions that do not involve the credit of AIDEA or the state.

The second component of the bill makes needed changes to AIDEA's business assistance program (primarily secs. 5 through 12) and repeals the existing July 1, 1996 sunset provision for the program (sec. 17(2)). Recent changes in the federal small business administration program have left a financing void for Alaska small businesses. The bill will make changes in AIDEA's business assistance loan guarantee program allowing AIDEA, in conjunction with the state's private financial institutions, to create additional financing opportunities for state businesses.

The third component of the bill provides legislative authority for two important projects that exceed the \$10 million dollar statutory threshold. Although there are legal questions as to whether this "approval" of bonds infringes on executive powers, I believe the legislature needs to participate in AIDEA's development agenda.

This bill would authorize AIDEA to issue up to \$60,000,000 in revenue bonds for expansion, improvement, and modification of AIDEA's existing port and transportation facilities serving the Red Dog Mine (sec. 18). Repayment of the bonds would be the obligation of mine developer.

Cominco, Ltd. The Red Dog already provides more than 350 jobs, 15 percent of the jobs in the Northwest Arctic Borough. The expansion project will provide up to 70 more jobs and allow the mine to continue to be a major source of employment in the region for the next 50 years. The bill also provides a limited procurement exemption for contracts entered into by AIDEA related to the Red Dog Mine expansion and other similarly situated AIDEA projects (sec. 1).

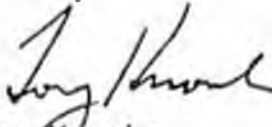
The second project this bill authorizes is AIDEA's acquisition of the Snettisham hydroelectric project (sec. 19). Congress recently authorized the Alaska Power Administration's sale of Snettisham to the state. This bill authorizes the issuance of up to \$100,000,000 of AIDEA bonds to finance the acquisition. Repayment would be the responsibility of Alaska Electric Light and Power under a "take-or-pay" long-term power sales contract. Snettisham is a 78 megawatt facility that is expected to provide long-term rate stability for customers in Juneau and Douglas.

Finally, the bill makes technical modifications to AIDEA's statutes (secs. 3, 4, 5, 6, 14, 15, 16, and 17(1)) and repeals previously granted bonding authority for fueling facilities at the Anchorage International Airport and the Midrex facility proposed for Point MacKenzie. AIDEA will not be required to issue bonds for either of these projects.

In a time of dwindling state resources it is fortunate that we have a financially health agency like AIDEA to forge public-private partnerships that can strengthen the state's economic base. This bill will enhance the tools available to AIDEA to further this mission.

I urge your passage of this bill.

Sincerely,



Tony Knowles
Governor

Alaska Industrial Development and Export Authority
Background and Reference Material
SB 222

SB 222-Sectional; AIDEA Program
description; Status report

- **SB 222 - Sectional Analysis**
- **AIDEA Program Description**
- **Development Finance Project Status Report**
- **Project Fact Sheets: Red Dog Expansion; Snettisham**



ALASKA INDUSTRIAL DEVELOPMENT
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AIDEA GENERAL LEGISLATION SB 222:HB425 SECTIONAL ANALYSIS

Section 1- Limited Procurement Exemption.

Section 1 creates a procurement exemption for AIDEA contracts related to integrated transportation and port facilities owned by the Authority. This procurement exemption is intended to apply to DeLong Mountain Transportation System (DMTS) contracts of the Authority, therefore eliminating the need for any sole source waivers.

Background Procurement exemptions or waivers are generally required for AIDEA development finance projects. Under AIDEA's development finance program, AIDEA must own and operate the projects. AIDEA contracts with the principal user of each project and that user becomes responsible for all the project costs. In order to maintain this legal relationship, it is desirable for AIDEA to contract with the principal user to act as AIDEA's agent for the completion of the construction and other project work. To accomplish this, a procurement exemption or a sole source waiver is generally required.

Currently, two specific procurement code exemptions apply to AIDEA contracts. First, AS 36.30.850(b)(8) creates an exemption for acquisition of property and other contracts relating to airports under AS 44.88. This exemption applies to, among other things, AIDEA contracts related to the Federal Express hangar at Anchorage International Airport. The second existing procurement exemption (AS 36.30.850(b)(22)) relates to AIDEA contracts for a clean coal technology demonstration project and currently applies only to the Healy Clean Coal Project.

AIDEA has adopted Procurement Plans and Procedures covering all of AIDEA procurements including those covered by procurement exemptions. Under the Procedures, AIDEA requires competition that is practical under the circumstances, and Alaska hire. It should be noted that, since adoption of the AIDEA Procurement Plan, Legislative Budget and Audit has undertaken several AIDEA procurement audits and has never found procurement discrepancies.

Section 2- AIDEA Bonding Authority.

Section 2 of the bill relates to AIDEA's ability to issue bonds. Currently, AIDEA may not issue bonds, except refunding bonds, without the approval of the legislature. Section 2 of the bill restores AIDEA's ability to issue bonds without legislative authorization, except in the case of bonds greater than \$10 million issued to assist development finance projects. On July 1, 1995 a delayed amendment to AIDEA's statutes took effect which removed AIDEA's authority to issue bonds other than refunding bonds. This section restores those powers.

Background. The current bonding limitation prevents AIDEA from issuing any bonds (other than refunding bonds) and curtails AIDEA's ability to fulfill its statutory mission. Most recently, AIDEA was unable to issue conduit revenue bonds to support the development of the Fort Knox mine. Although the bonds would not have obligated AIDEA's credit, current law prevented the issuance.

Sections 3-5- Technical Changes.

Sections 3 through 5 make technical changes to AIDEA statutes covering AIDEA's loan participation program. Specifically, AS 44.88.59(a), (b), and (c) are each amended to clarify that AIDEA purchases participations in loans from financial institutions under its loan participation program, and does not finance loans directly.

Section 6-Technical Change Regarding Annual Reporting.

Section 6 of the bill amends AS 44.88.205(b) to clarify that the members of the Authority are not required to take formal action to make available the annual financial report to the legislature. AS 44.88.205(b) requires that a report regarding the finances of the Authority be made available to the legislature by January 10th of each year. Because it is not always possible for the AIDEA board to meet to adopt the report prior to the statutory deadline, historically it has fallen on the executive director of the Authority to certify the report and make it available to the legislature. The technical correction in Section 6 clarifies the statute to allow this practice to continue.

Sections 7-12- Modifications To Business Assistance Loan Guarantee Program

The Bill amends AIDEA's business assistance loan guarantee program to make it more effective in light of the recent changes to the federal Small Business Administration loan guarantee program.

Background. Historically AIDEA's business assistance program has not been widely used by the Alaska business community. Until recently, the federal Small Business Administration (SBA) has offered a loan guarantee program which was preferred by both borrowers and lenders. In fiscal year 1985, the SBA Alaska office issued \$49 million dollars in loan guarantees. The SBA recently made changes to its program that reduce the percentage of a loan that may be guaranteed and significantly increase the cost of those guarantees. The Alaska banking community has indicated to AIDEA that the changes made to the SBA program have left a significant financing void for Alaska small businesses. The modifications made to AIDEA's business assistance program under the bill will create additional financing alternatives for Alaska businesses to help fill the void.

Section 7- Amends AS 44.88.500(a) to eliminate AIDEA's business assistance fund. Under current law, AIDEA's business assistance program is conducted through a separate fund and the beneficiaries of guarantees may only seek recourse against the assets of the fund. The proposed change will allow the authority to issue guarantees from its general assets. The total amount of guarantees that may be issued by AIDEA remains limited to \$50,000,000 under AS 44.88.540. Additionally, Section 7 makes minor technical amendments.

Section 8- Makes a minor technical change to AS 44.88.530 to clarify the provision.

Section 9- Amends AS 44.88.535 to make several technical and program changes to the business assistance program.

Under current law, AIDEA may waive collateral for loan guarantees of \$75,000 or less if the loan has an amortization period of 5 years or less. The bill would modify existing law to allow AIDEA to waive collateral under requirements established by regulation.

Under current law, loan guarantees may only be made to businesses in which a majority interest is held by Alaska residents. AIDEA is prevented from issuing loan guarantees if a business is not majority Alaska owned, even if the proceeds of the loan will benefit a business conducted in Alaska. The bill would allow AIDEA to issue loan guarantees if the proceeds of the loan will benefit a business conducted in Alaska.

Under current law, AIDEA may not guarantee interest under the business assistance program. Limited interest guarantees (up to 90 days interest) were a principal ingredient of the Small Business Administration program. The bill would allow AIDEA to guarantee interest for a period of the time and in the manner to be established by regulation.

This section of the bill also makes minor technical clarifying amendments to AS 44.88.535.

Sections 10-12- These sections make technical clarifying amendments to AS 44.88.540, 44.88.550(a), and 44.88.560 consistent with the other changes to the business assistance program made under the bill.

Sections 13-15- Modifications Statutory Definitions-

Section 13- Amends AS 44.88.900(3) to clarify that energy related projects may qualify for AIDEA's development finance program.

Section 14- Amends AS 44.88.900(7) to clarify the definition of loan participation.

Section 15- Amends AS 44.88.900(9) to eliminate a reference to "small enterprise" from the definition of "project." Currently, AIDEA projects may include several different types of business activities. Under current law, one such type of business activity is a "commercial activity conducted by a small enterprise." Except for references in the definition sections of AIDEA's statutes, no further reference is made to a "small enterprise." The bill amends the definition of a project to eliminate the reference to "small enterprise." The bill does not modify any of the other requirements affecting AIDEA's ability to enter into projects.

Section 16- Repealers

AS 44.88.500(b), 44.88.542 and 44.88.599(1) are repealed to be consistent with the elimination of the business assistance fund under Section 7 of the bill.

AS 44.88.900(14), the definition of "small enterprise" is repealed to be consistent with Section 15 of the bill.

Section 17- Repeal of Certain Bonding Authority and Business Assistance Sunset

Subsection (1)- Repeals certain legislative authorization for AIDEA to issue bonds for projects which no longer require AIDEA financing. Subsection 1 repeals legislative authorization for AIDEA to issue \$40,000,000 in bonds related to aircraft fueling facilities at Anchorage International Airport (AIA). The involved airlines self financed the facilities. In addition, Subsection 1 repeals legislative authorization for AIDEA to issue \$50,000,000 in bonds for the Midrex facility originally proposed for Point McKenzie. If the project proceeds it will not be developed at Point McKenzie.