

SENATE CS FOR CS FOR HOUSE BILL NO. 119(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 4/6/11

Referred: Finance

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

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the procurement of supplies, services, professional services, and
2 construction for the Alaska Industrial Development and Export Authority; relating to
3 the definition of 'own' for the economic development account; relating to the definitions
4 of 'development project,' 'plant,' 'facility,' and 'project' for the Alaska Industrial
5 Development and Export Authority; relating to the Alaska Industrial Development and
6 Export Authority creating subsidiaries regarding projects financed under AS 44.88.172;
7 relating to the operation and management of public housing projects and housing for
8 low-income households by the Alaska Housing Finance Corporation; relating to
9 subsidiary corporations of the Alaska Housing Finance Corporation; and providing for
10 an effective date."

11 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

12 * **Section 1.** AS 18.55.010 is amended to read:

1 **Sec. 18.55.010. Purpose of AS 18.55.100 - 18.55.290.** The purpose of
 2 AS 18.55.100 - 18.55.290 is to remedy the acute housing shortage that exists in certain
 3 localities of the state by undertaking slum clearance, **housing for low-income**
 4 **households** [LOW-COST HOUSING PROJECTS], housing for persons and their
 5 families engaged in national defense activities in the state, and housing projects and
 6 housing for veterans and other citizens of the state and to remedy the short supply of
 7 necessary public buildings by providing for the financing, construction, and
 8 acquisition of public buildings for lease to the state.

9 * **Sec. 2.** AS 18.55.120 is repealed and reenacted to read:

10 **Sec. 18.55.120. Housing for low-income households.** For purposes of
 11 AS 18.55.100 - 18.55.290, the corporation shall manage and operate housing for low-
 12 income households with rentals fixed at the lowest rates consistent with decent, safe,
 13 and sanitary dwellings.

14 * **Sec. 3.** AS 18.55.130(a) is amended to read:

15 (a) In the operation or management of **housing for low-income households**
 16 [LOW-COST HOUSING PROJECTS], the corporation shall, from time to time,
 17 establish rents and requirements for admission of tenants to its **housing** [LOW-COST
 18 HOUSING PROJECTS] in each municipality in which **the housing** [LOW-COST
 19 HOUSING PROJECTS] of the corporation **is** [ARE] located. [THE RENTS AND
 20 REQUIREMENTS FOR ADMISSION ARE SUBJECT TO THE APPROVAL OF
 21 THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
 22 DEVELOPMENT.]

23 * **Sec. 4.** AS 18.55.130(b) is amended to read:

24 (b) Except in the case of leased housing as provided in 42 U.S.C. 1437f, the
 25 corporation shall fix the income limits for occupancy **in** [OF] its **housing for low-**
 26 **income households** [LOW-COST HOUSING PROJECTS AND RENTS THAT ARE
 27 APPROVED BY THE UNITED STATES DEPARTMENT OF HOUSING AND
 28 URBAN DEVELOPMENT] after taking into consideration

29 (1) the family size, composition, age, physical disabilities, and other
 30 factors that might affect the rent-paying ability of the family; and

31 (2) the economic factors that affect the financial stability and solvency

1 of the project.

2 * **Sec. 5.** AS 18.56.086 is amended to read:

3 **Sec. 18.56.086. Creation of subsidiaries.** The corporation may create
 4 subsidiary corporations for the purpose of financing or facilitating the financing of
 5 school construction, facilities for the University of Alaska, facilities for ports and
 6 harbors, **the acquisition, development, management, or operation of affordable**
 7 **housing,** prepayment of all or a portion of a governmental employer's share of
 8 unfunded accrued actuarial liability of retirement systems, or other capital projects. A
 9 subsidiary corporation may also be created for the purpose of planning, constructing,
 10 and financing in-state natural gas pipeline projects or for the purpose of aiding in the
 11 planning, construction, and financing of in-state natural gas pipeline projects. A
 12 subsidiary corporation created under this section may be incorporated under
 13 AS 10.20.146 - 10.20.166. The corporation may transfer assets of the corporation to a
 14 subsidiary created under this section. A subsidiary created under this section may
 15 borrow money and issue bonds as evidence of that borrowing, and has all the powers
 16 of the corporation that the corporation grants to it. However, a subsidiary created for
 17 the purpose of financing or facilitating the financing of prepayment of a governmental
 18 employer's share of unfunded accrued actuarial liability of retirement systems may
 19 borrow money and issue bonds only if the state bond rating is the equivalent of AA- or
 20 better and subject to AS 37.15.903. A subsidiary corporation created for the purpose
 21 of planning, constructing, and financing in-state natural gas pipeline projects or for the
 22 purpose of aiding in the planning, construction, or financing of in-state natural gas
 23 pipeline projects is exempt from AS 36.30, including AS 36.30.015(d) and (f). Unless
 24 otherwise provided by the corporation, the debts, liabilities, and obligations of a
 25 subsidiary corporation created under this section are not the debts, liabilities, or
 26 obligations of the corporation.

27 * **Sec. 6.** AS 36.30.015(f) is amended to read:

28 (f) The board of directors of the Alaska Housing Finance Corporation,
 29 notwithstanding AS 18.56.088, **the membership of the Alaska Industrial**
 30 **Development and Export Authority, notwithstanding AS 44.88.085,** and the board
 31 of directors of the Knik Arm Bridge and Toll Authority under AS 19.75.111, shall

1 adopt regulations under AS 44.62 (Administrative Procedure Act) and the board of
 2 trustees of the Alaska Retirement Management Board shall adopt regulations under
 3 AS 37.10.240 to govern the procurement of supplies, services, professional services,
 4 and construction for the respective public corporation and board. The regulations must
 5 reflect competitive bidding principles and provide vendors reasonable and equitable
 6 opportunities to participate in the procurement process and must include procurement
 7 methods to meet emergency and extraordinary circumstances. Notwithstanding the
 8 other provisions of this subsection, the Alaska Housing Finance Corporation, **the**
 9 **Alaska Industrial Development and Export Authority**, the Knik Arm Bridge and
 10 Toll Authority, and the Alaska Retirement Management Board shall comply with
 11 AS 36.30.170(b).

12 * **Sec. 7.** AS 44.88.172(a) is amended to read:

13 (a) The economic development account is established in the revolving fund.
 14 The economic development account consists of money or assets appropriated, loaned,
 15 or transferred to the authority for deposit in the account and other money or assets
 16 deposited in the account by the authority. While money is on deposit in the economic
 17 development account, the money may be used only to finance, acquire, manage, and
 18 operate development projects that the authority intends to own and operate. In this
 19 subsection,

20 (1) "operate" includes operation directly by the authority, by an agent
 21 of the authority, or by a person as determined under an agreement between the
 22 authority and other owners of the development project;

23 (2) "own" includes ownership by the authority of all or a percentage of
 24 a development project, **or all or a percentage of the shares of a corporation or**
 25 **membership in a limited liability company for which the development project is**
 26 **the sole asset of the corporation or limited liability company.**

27 * **Sec. 8.** AS 44.88 is amended by adding a new section to read:

28 **Sec. 44.88.178. Creation of subsidiaries.** The authority may create one or
 29 more subsidiary corporations for the purpose of acquiring, constructing, owning,
 30 operating, or financing a project financed under AS 44.88.172. A subsidiary
 31 corporation created under this section may be incorporated under AS 10.20.146 -

1 10.20.166. The authority may transfer assets of the authority to a subsidiary created
 2 under this section. A subsidiary created under this section may borrow money and
 3 issue bonds as evidence of that borrowing, and has all the powers of the authority that
 4 the authority grants to it. Unless otherwise provided by the authority, the debts,
 5 liabilities, and obligations of a subsidiary corporation created under this section are not
 6 the debts, liabilities, or obligations of the authority.

7 * **Sec. 9.** AS 44.88.900(3) is amended to read:

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

10 * **Sec. 10.** AS 44.88.900(8) is amended to read:

11 (8) "plant" or "facility" means real property, whether above or below
 12 mean high water, or an interest in it, and the buildings, improvements and structures
 13 constructed or to be constructed on or in it, and may include roads, fixtures,
 14 machinery, and equipment on it or in it, and tangible personal property, regardless of
 15 whether the tangible personal property is attached to or connected with real property,
 16 if the owner has agreed not to remove the tangible personal property permanently from
 17 the state for the period the authority sets; "plant" or "facility" does not include work in
 18 process or stock in trade;

19 * **Sec. 11.** AS 44.88.900(9) is amended to read:

20 (9) "project" means

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

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

30 (C) commercial activity by a business enterprise;

31 (D) a plant or facility demonstrating technological advances of

1 new methods and procedures and prototype commercial applications for the
2 exploration, development, production, transportation, conversion, and use of
3 energy resources;

4 (E) infrastructure for a new tourism destination facility or for
5 the expansion of a tourism destination facility; in this subparagraph, "tourism
6 destination facility" does not include a hotel or other overnight lodging facility;

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

10 **(G) a plant or facility that enhances, provides for, or**
11 **promotes economic development with respect to transportation,**
12 **communications, community public purposes, technical innovations,**
13 **prototype commercial applications of intellectual property, or research;**

14 **(H) a plant or facility used or intended for use as a federal**
15 **facility, including a United States military, national guard, or coast guard**
16 **facility;**

17 * **Sec. 12.** AS 18.55.130(c) and 18.55.130(d) are repealed.

18 * **Sec. 13.** This Act takes effect immediately under AS 01.10.070(c).