

STATUTES REPEALED BY SECTION 6 OF HB196

Submitted by Rep. Edgmon

Article 05. BULK FUEL BRIDGE LOAN FUND AND PROGRAM

Sec. 29.60.660. Bulk fuel bridge loan fund and program.

(a) The bulk fuel bridge loan fund is established in the department to assist communities, utilities providing power in communities, fuel retailers, and other persons in communities in purchasing bulk fuel to generate power or supply the public with fuel for use in communities, if no other funding source exists for the purchase. The fund consists of appropriations to the fund and income earned on investment of money in the fund.

(b) A community, utility, fuel retailer, or other person generating power or supplying fuel in a community as described in (a) of this section is eligible to receive a loan from the bulk fuel bridge loan fund for a purchase of bulk fuel to be used in the community if the community, utility, fuel retailer, or other person

(1) has a written endorsement from the governing body of the community for which a loan from the fund under this section is sought; and

(2) first applied for and has been denied a loan from

(A) the bulk fuel revolving loan fund (AS 42.45.250) administered by the Alaska Energy Authority;

(B) any other funding source used by the community, utility, fuel retailer, or other person in the past three years to finance purchases of bulk fuel for the community; and

(C) any other funding source that the department determines is available to the community, utility, fuel retailer, or other person to purchase bulk fuel.

(c) Loans made from the bulk fuel bridge loan fund to one borrower in a fiscal year

(1) may not exceed \$750,000; and

(2) shall be repaid within one year after the date of the award.

(d) Interest may not be charged on a loan made from the bulk fuel bridge loan fund.

(e) Repayments of the loans made under this section shall be paid into the bulk fuel bridge loan fund. Money in the fund does not lapse. This fund is not a dedicated fund. Amounts in the fund may be appropriated for expenses directly related to administration of the fund.

(f) The department may contract for the administration of the bulk fuel bridge loan program established in this section.

(g) The department may adopt regulations under AS 44.62 necessary to carry out the provisions of this section.

(h) In this section,

(1) "community" means a municipality or unincorporated village that is a social unit, if the municipality or unincorporated village has a population of less than 2,000 people;

(2) "fund" means the bulk fuel bridge loan fund established in (a) of this section;

(3) "person"

(A) has the meaning given in AS 01.10.060;

(B) includes a cooperative, a joint venture, and a governmental entity.

History -

(Sec. 1 ch 110 SLA 2008; am Sec. 1 ch 2 SSSLA 2008)

Amendment Notes -

The 2008 amendment, effective August 26, 2008, substituted "\$750,000" for "\$500,000" in paragraph (c)(1).

Article Notes -

Effective Dates. Section 7, ch. 110, SLA 2008, makes this article effective June 26, 2008.

Sec. 42.45.250. Bulk fuel revolving loan fund.

(a) The bulk fuel revolving loan fund is established in the authority to assist communities, utilities providing power in communities, and fuel retailers in communities in purchasing bulk fuel to generate power or supply the public with fuel for use in communities. A community, or a person generating power or selling fuel in a community who has written endorsement from the governing body of each community for which a loan from the fund is sought, is eligible for a loan from the bulk fuel revolving loan fund for a purchase of an emergency supply or a semiannual or annual supply of bulk fuel to be used in the community.

(b) Money in the fund may be used by the legislature to make appropriations for costs of administering this section.

(c) The foreclosure expense account is established as a special account within the bulk fuel revolving loan fund. This account is established as a reserve from fund equity.

(d) The authority may spend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans made under this section or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

(e) Loans made from the bulk fuel revolving loan fund to one borrower in any fiscal year

(1) may not exceed \$750,000, or, if the borrower is a cooperative corporation organized under AS 10.15 or an electric cooperative organized under AS 10.25 and uses the loan to purchase bulk fuel on behalf of more than one community, may not exceed the lesser of \$750,000 multiplied by the number of communities on whose behalf the bulk fuel is to be purchased, or \$1,800,000;

(2) shall be repaid in one year or less; and

(3) may not exceed 90 percent of the wholesale price of the fuel purchased.

(f) Interest may be charged on a loan made from the bulk fuel revolving loan fund. Interest shall be charged on a loan at a rate equal to the percentage of the average weekly yield of municipal bonds for the 12 months preceding the date of the loan, as determined by the authority from municipal bond yield rates reported in the 30-year revenue index of The Bond Buyer. However, if the authority finds that a community cannot afford to repay a portion of interest on a loan, and makes a determination in writing, the authority may reduce or eliminate the interest rate applicable to the loan.

(g) Repayments of the principal, the interest, and the money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on a loan made under this section shall be paid into the bulk fuel revolving loan fund. The fund is not a dedicated fund.

(h) The authority may contract for the administration of the bulk fuel loan program established in this section.

(i) The authority shall dispose of property acquired through default or foreclosure of a loan made under this section. Disposal shall be made in a manner that serves the best interests of the state, and may include the amortization of payments over a period of years.

(j) The authority may adopt regulations necessary to carry out the provisions of this section, including regulations to establish reasonable fees for services provided and charges for collecting the fees.

(k) The authority may collect the fees and collection charges established under (j) of this section and shall deposit the money in the general fund.

(l) Subject to the limitations of AS 42.45.010(b)(3), the authority may borrow money from the power project fund (AS 42.45.010) when necessary to meet commitments for loans from the bulk fuel revolving loan fund. The authority shall use the money in the bulk fuel revolving loan fund to repay the money borrowed from the power project fund and any interest charged on the money borrowed.

(m) In this section,

(1) "community" means an organized municipality or an unincorporated village that is a social unit, with a population of less than 2,000 people;

(2) "person" has the meaning given in AS 01.10.060 and includes a corporation, a cooperative, a joint venture, and a governmental entity.

History -

(Sec. 5 ch 18 SLA 1993; am Sec. 1 ch 121 SLA 2002; am Sec. 8 ch 117 SLA 2003; am Sec. 5 - 7, 11 ch 36 SLA 2004; am Sec. 1 ch 78 SLA 2006; am Sec. 4 - 6 ch 110 SLA 2008; am Sec. 4 ch 2 4SSLA 2008)

Revisors Notes -

In 1999, in this section, "department" was changed to "authority" in accordance with Sec. 91(b), ch. 58, SLA 1999.

In 2000, in subsection (k), "(j) of this section" was substituted for "(i) of this section" to correct a manifest error in ch. 18, SLA 1993. In 2004, former paragraph (l)(2) was renumbered as (l)(1) to reflect the 2004 repeal of former paragraph (l)(1). Paragraph (l)(2) was enacted as (l)(3) and renumbered in 2004.

Subsection (l) was enacted as (m); relettered in 2008, at which time subsection (l) was relettered as (m).

Amendment Notes -

The 2006 amendment, effective September 17, 2006, substituted the present provisions of paragraph (e)(1) for "may not exceed \$300,000."

The first 2008 amendment, effective June 26, 2008, substituted "\$500,000" for "\$400,000" two times in paragraph (e)(1) and "\$1,800,000" for "\$1,500,000" in that paragraph, substituted "The Bond Buyer" for "The Weekly Bond Buyer" in the second sentence of subsection (f), and added subsection (m) [now (l)].

The second 2008 amendment, effective August 26, 2008, substituted "\$750,000" for "\$500,000" twice in paragraph (e)(1).