

Alaska State Legislature
REPRESENTATIVE BRYCE EDGMON
House District 37

SECTIONAL ANALYSIS

HB196 – Bulk Fuel Loans / Power Project Fund

Adak
Akutan
Aleknagik
Atka
Chignik
Chignik Lagoon
Chignik Lake
Clark's Point
Cold Bay
Dillingham
Egegik
Ekwok
False Pass
Ivanof Bay
King Cove
King Salmon
Koliganek
Manokotak
Naknek
Nelson Lagoon
New Stuyahok
Nikolski
Perryville
Pilot Point
Portage Creek
Port Heiden
St. George
St. Paul
Sand Point
South Naknek
Togiak
Twin Hills
Ugashik
Unalaska

Section 1 of the bill deletes the bulk fuel revolving loan fund (BFRLF) from the list of entities eligible to receive loans from the power project fund.

Section 2 of the bill switches the location of the bulk fuel revolving loan fund from the Alaska Energy Authority to the Division of Community & Regional Affairs (DCRA). Also adds a person or community “maintaining community facilities or infrastructure” to the list of entities eligible for a bulk fuel loan and deletes a requirement that the entity get written endorsement from the governing body of the community for which the loan is sought.

Section 3 of the bill makes a conforming amendment to statutory changes within the bill.

Section 4 of the bill adds language allowing funding options and adds a technical assistance section for borrowers needing help in applying for a loan and / or direction to help improve their creditworthiness.

Section 5 of the bill establishes the bulk fuel loan account and the bulk fuel bridge loan account as separate accounts within the bulk fuel revolving loan fund. It also establishes interest rates for both accounts and lays out general rules for loan limits, allows DCRA to establish criteria for eligibility, and allows DCRA to contract with a state agency or outside contractor to administer or implement a technical assistance and counseling plan.

Section 6 of the bill repeals AS 29.60.660 and AS 42.45.250(c-m).

Sections 7-10 of the bill provide transition language allowing the movement of funds to the newly created subaccount and language stating any outstanding obligations from the current loan fund will continue to be in effect.

Section 11 of the bill sets an immediate effective date for DCRA to begin adopting regulations.

Section 12 of the bill sets an effective date of January 1, 2012

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